



Ohio Legislative Service Commission

Synopsis of Senate Committee Amendments

Holly Cantrell Gilman

Sub. H.B. 2

131st General Assembly
(S. Finance Subcommittee on Education)

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Limitations on switching sponsors	<p>Beginning December 31, 2015, prohibits a community school that has had more than one sponsor in the previous five years from entering into a contract with a new sponsor, unless it first receives approval from the Department of Education if that school either: (1) 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 (2) primarily operates a dropout prevention and recovery program and has received a rating of "does not meet standards" for the annual student growth measure and combined graduation rates on the most recent state report card issued for that school. <i>(R.C. 3314.034.)</i></p> <p>Prohibits, beginning on the bill's effective date, all community schools from changing sponsors within the first four years of the school's operation, unless the Department of</p>	<p>On and after December 31, 2015, prohibits all poorly performing schools (as described in the As Passed by the House version) from switching sponsors regardless of whether they have had more than one sponsor in the previous five years, unless all of the following conditions are met:</p> <ol style="list-style-type: none"> (1) The proposed sponsor is rated "effective" or higher on its most recent evaluation. (2) The community school submits a request to enter into a new contract to the Department of Education. (3) The community school has not submitted a prior request that was granted. (4) The Department conducts a public hearing on the matter at which the school and the proposed new sponsor submits reasons why the request should be granted, and grants the request. <i>(R.C. 3314.034.)</i> <p>No provision.</p>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	Education authorizes the school to do so. (R.C. 3314.039.)	
Sponsor and governing authority contract	<p>Clarifies that each contract between a sponsor and a governing authority must contain performance standards, including all applicable report card measures. (R.C. 3314.03(A)(4).)</p> <p>Requires that each contract between a sponsor and a governing authority contain an addendum with a detailed description of each facility, 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. (R.C. 3314.03(A)(9).)</p> <p>Requires that each contract between a sponsor and a governing authority contain a provision requiring that the school's attendance and participation policies and records will be available for public inspection. (R.C. 3314.03(A)(27).)</p> <p>Requires that each contract between a sponsor and a governing authority contain a provision requiring that all moneys the school's operator loans to the school must be accounted for, documented, and bear interest at a fair market rate. (R.C. 3314.03(A)(29).)</p>	<p>Same.</p> <p>Same.</p> <p>Same.</p> <p>Same.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Governing authority members	<p>Prohibits an employee of a school district or educational service center from serving on the governing authority of any community school sponsored by that district or service center. <i>(R.C. 3314.02(E)(5).)</i></p> <p>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. <i>(R.C. 3313.131 and 3314.02(E)(7).)</i></p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>Requires each member of a community school governing authority to annually file a disclosure statement setting forth the names of any immediate relatives or business associates employed by any of the following within the previous three years: (1) the sponsor or operator of that community</p>	<p>Same. <i>(R.C. 3314.02(E)(6).)</i></p> <p>Same. <i>(R.C. 3313.131 and 3314.02(E)(8).)</i></p> <p>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. <i>(R.C. 3314.02(E)(2)(a)(ii).)</i></p> <p>Prohibits any person who has pleaded guilty to or been convicted of theft in office (or who has pleaded guilty to or been convicted of a substantially similar offense in another state) from serving as a member of a community school governing authority. <i>(R.C. 3314.02(E)(2)(a)(iii).)</i></p> <p>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. <i>(R.C. 3314.02(E)(2)(b).)</i></p> <p>Same except that it changes number (3) to "a vendor that is or has engaged in business with that community school." <i>(R.C. 3314.02(E)(7).)</i></p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>school, (2) a school district or ESC that has contracted with that community school, or (3) a vendor that is currently engaged in business or has previously engaged in business with that community school. (R.C. 3314.02(E)(6).)</p> <p>Requires each community school to post on the school's website the name of each member of the school's governing authority. (R.C. 3314.035.)</p> <p>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 of Education. (R.C. 3314.035.)</p> <p>Requires each community school sponsor to annually verify that a finding for recovery has not been issued by the Auditor of State against any governing authority member of that community school. (R.C. 3314.02(E)(8).)</p> <p>No provision.</p> <p>No provision.</p>	<p>Same.</p> <p>Same.</p> <p>Adds to the list of individuals a sponsor must annually verify that no finding of recovery exists any individual or individuals who propose to create a community school, the operator, or any employee of a community school. (R.C. 3314.02(E)(2)(c).)</p> <p>Limits the compensation for a governing authority member to \$125 per meeting (rather than \$425 per meeting as under current law), but permits each member to be paid compensation not to exceed \$60 a day for attendance at an approved training program of three or fewer hours and \$125 for more than three hours, in the same manner as school district board members. (R.C. 3314.02(E)(5).)</p> <p>Requires the governing authority of a community school to adopt an annual budget by October 31 of each year, that includes the following information: (1) administrative costs for the community school as a whole,</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	No provision.	<p>(2) 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, (3) 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, (4) 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, (5) the cost of support or extracurricular services costs for services directly provided to students, (6) 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, (7) 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 administrating or aiding the delivery of services. <i>(R.C. 3314.032(C).)</i></p> <p>Prohibits the governing authority of a community school from delegating to any operator the drafting and establishment of the annual budget but permits the governing authority to consult with the operator regarding that budget. <i>(R.C. 3314.032(D).)</i></p>
Designated fiscal officer	<p>Requires that the statutorily designated fiscal officer must be employed by the governing authority of the community school, unless the governing authority adopts an annual resolution waiving the requirement and provided that the sponsor also approves the resolution. <i>(R.C. 3314.011.)</i></p> <p>Requires, in the event a resolution is adopted, the fiscal officer to annually meet with the governing authority to review the school's financial status. <i>(R.C. 3314.011.)</i></p>	<p>Same.</p> <p>Same.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>Specifies that, if a community school closes or is permanently closed, 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, the bill grants the sponsor right of action against the fiscal officer to compel delivery of all financial and enrollment records of the school. (R.C. 3314.023.)</p> <p>No provision.</p>	<p>Same, but includes any failure to faithfully perform the fiscal officer's other duties within the right of action and requires the sponsor, if necessary, to seek recovery of any funds owed as a result of any finding of recovery by the Auditor of State against the fiscal officer. (R.C. 3314.023.)</p> <p>Requires (rather than permits as under current law) the Auditor of State to require the fiscal officer to execute a bond conditioned on the faithful performance of all official duties required of the fiscal officer. (R.C. 3314.011(B)(1).)</p>
Employment of independent attorney	<p>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. (R.C. 3314.036.)</p>	<p>Same and adds that each contract between the sponsor and 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 shall be independent from the operator with which the school has contracted. (R.C. 3314.03(A)(30) and 3314.036.)</p>
Internal financial controls	<p>Requires that when a community school submits to the sponsor its comprehensive plan for the school, as required by law, the school must also submit copies of all policies and procedures regarding internal financial controls adopted by the governing authority of the school. (R.C. 3314.03(B).)</p>	<p>Same.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
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. (R.C. 3314.037.)	Same.
Sponsor oversight and monitoring	Requires each sponsor to annually report (and submit to the school's operator) the amount and type of expenditures made in providing oversight and technical assistance to each community school that it sponsors, and requires the State Board of Education to establish requirements for that reporting procedure. (R.C. 3314.025.) No provision.	No provision. Specifies that a sponsor must provide monitoring, oversight, and technical assistance to each school that it sponsors and includes the following in the definition of "monitoring, oversight, and technical assistance": (1) monitoring the community school's compliance with all laws applicable to the school and with the terms of the contract (R.C. 3314.023(A)), (2) monitoring and evaluating the academic and fiscal performance and the organization and operation of the community school on at least an annual basis (R.C. 3314.023(B)), (3) reporting on an annual basis the results of the sponsor evaluation to the Department of Education and to the parents of students enrolled in the community school (R.C. 3314.023(C)), (4) providing technical assistance to the community school in complying with laws applicable to the school and terms of the contract (R.C. 3314.023(D)), (5) taking steps to intervene in the school's operation to correct problems in the school's overall performance, declaring the school



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>No provision.</p> <p>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. (R.C. 3314.023.)</p> <p>Specifies that a community school's sponsor is the party responsible for communicating and meeting with the Auditor of State regarding an audit of the school or the condition of financial and enrollment records of the school, regardless of whether the sponsor has entered into an agreement with another entity to perform all or part of the sponsor's oversight duties. (R.C. 3314.019.)</p>	<p>to be on probationary status, suspending the operation of the school, or terminating the contract of the school as determined necessary by the sponsor (R.C. 3314.023(E)), (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 (R.C. 3314.023(F)), (7) other activities designed to specifically benefit the community school the entity sponsors. (R.C. 3314.023(G).)</p> <p>Requires that 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. (R.C. 3314.03(C).)</p> <p>Same.</p> <p>Instead, requires the sponsor to communicate with the Auditor of State regarding audits and the condition of financial and enrollment records of the school and requires the sponsor to maintain a presence at any and all meetings with the Auditor and requires the Auditor to provide written notice to the sponsor regarding any action taken against or upcoming audits of a community school to assist the sponsor in complying with these requirements. (R.C. 117.105 and 3314.019.)</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Internet- or computer-based community schools	<p>Requires the sponsor of each Internet- or computer-based community school (e-school) to monitor and ensure compliance with the online learning standards for those schools. The sponsor of an e-school must report a school's failure to comply with the standards to the Department. (R.C. 3314.23.)</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>Removes the provision specifically requiring a sponsor to report a school's failure to comply and, instead, requires general reporting of compliance. (R.C. 3314.23.)</p> <p>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. (R.C. 3314.251.)</p> <p>Requires each e-school to keep an accurate record of each individual student's participation learning opportunities in each day. The information must be kept in such a manner that it can be produced upon request by the Department and the Auditor of State. Under continuing law, if an e-school student participates in more than ten hours of learning opportunities in any period of 24 consecutive hours, the additional time does not count toward the annual minimum hours required to be provided to that student. (R.C. 3314.27.)</p> <p>Requires each e-school to offer a student orientation course, and to notify each student of that offering. (R.C. 3314.271.)</p> <p>Requires the Department of Education to provide guidance to e-schools for developing and delivering the orientation course. (R.C. 3314.271.)</p> <p>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. (R.C. 3314.271.)</p> <p>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</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
		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. (R.C. 3314.271.)
Blended learning	<p>Requires the sponsor of each community school that operates using the blended learning method to annually provide to the Department of Education, not later than ten business days prior to the opening of the school, assurance that the sponsor has reviewed the following information submitted by the school: (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, (7) a description of the professional development activities that will be offered to teachers. (R.C. 3314.19(N).)</p> <p>Requires that each contract between the sponsor and the governing authority of a community school that operates using the blended learning method to contain the information described above. (R.C. 3314.03(A)(28).)</p>	<p>No provision.</p> <p>Same.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	Prohibits the sponsor of a community school from selling any goods or services to that school. However, the sponsor is not required to comply with this requirement with respect to any contract for involving the sale of goods or services entered into prior to the bill's effective date until the expiration of the contract. <i>(R.C. 3314.46.)</i>	Same, but also permits a school district that sponsors a community school to sell goods or services to that community school to at no profit to the sponsor. <i>(R.C. 3314.46.)</i>
Termination of sponsor contract	<p>Moves, from February 1 to December 1, 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. <i>(R.C. 3314.07(B)(3).)</i></p> <p>No provision.</p>	<p>Makes the deadline the December 1 prior to the year in which the sponsor intends to terminate or take action not to renew and makes that decision final in cases where it is made because of poor academic performance or poor fiscal management by eliminating the current provision permitting that decision to be appealed. <i>(R.C. 3314.07(B)(4).)</i></p> <p>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. <i>(R.C. 3314.35(D) and 3314.351(E).)</i></p>
Sponsor evaluation system	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>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. <i>(R.C. 3314.016(B)(1)(a) and (c).)</i></p> <p>Requires the Department to rate every third year a sponsor's adherence to quality practices. <i>(R.C. 3314.016(B)(1)(b).)</i></p> <p>Eliminates an obsolete 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. <i>(R.C. 3314.016(B)(1)(b).)</i></p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>No provision.</p> <p>No provision.</p>	<p>Removes the requirement that compliance with applicable laws and rules, academic performance of students, and sponsor's adherence to quality practice be weighted equally and, instead, requires that both an annual overall rating and separate rating be given for each component according to the timelines described above. <i>(R.C. 3314.016(B)(6).)</i></p> <p>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. <i>(R.C. 3314.016(B)(6).)</i></p>
<p>Incentives for sponsors</p>	<p>Permits "exemplary" sponsors to take advantage of the following incentives:</p> <p>(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. <i>(R.C. 3314.015.)</i> (Except for certain grandfathered sponsors, those that were sponsoring schools prior to April 8, 2003, each sponsor must be approved by the Department and enter into an agreement with the Department specifying the scope of its sponsorship authority.)</p> <p>(2) An exemption from the preliminary agreement and contract adoption and execution deadline requirements. <i>(R.C. 3314.02(D).)</i> (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.)</p>	<p>Changes the trigger to only sponsors who have been rated "exemplary" for two or more years and specifies the following incentives (in addition to those in the As Passed by the House version) <i>(R.C. 3314.016(B)(7)(a))</i>:</p> <p>(1) No limit on the number of community schools the entity may sponsor;</p> <p>(2) No territorial restrictions on sponsorship.</p>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>(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. (R.C. 3314.03(A)(25).)</p> <p>Permits the Department to add additional years, not to exceed 12 years, to any renewal agreement with "exemplary" sponsors who continue to meet the sponsor requirements under continuing law. (R.C. 3314.015(B)(1).)</p> <p>Permits the Department to establish an incentive system based upon overall rating given to each sponsor, in addition to the ones described above. (R.C. 3314.016(D)(1).)</p>	<p>Permits "exemplary" sponsors to renew the written agreement with the Department, not to exceed 12 years, provided the sponsor continues to meet the requirements of continuing law. (R.C. 3314.015.)</p> <p>No provision.</p>
Restrictions for sponsors	<p>No provision; however, under current law, an "ineffective" sponsor is prohibited from sponsoring additional schools until its rating improves.</p> <p>No provision.</p> <p>No provision.</p>	<p>Prohibits a sponsor with an overall rating of "ineffective" from sponsoring any new or additional community schools. (R.C. 3314.016(B)(7)(b).)</p> <p>Establishes a new sponsor rating of "poor" and requires the revocation of sponsorship authority for any sponsor that receives an overall rating of "poor," subject to a hearing by an officer appointed by the Superintendent of Public Instruction. (R.C. 3314.016(B)(7)(c).)</p> <p>Requires the Office of School Sponsorship to assume sponsorship of any schools with which a sponsor rated as "poor" has contracted for the remainder of the school year in which that sponsor's authority to sponsor is revoked. (R.C. 3314.016(D).)</p>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	No provision.	Permits the Office of School Sponsorship to continue to sponsor those schools until the earlier of (1) the expiration of two school years from revocation or (2) when a new sponsor is secured by the school's governing authority. (R.C. 3314.016(D).)
Community school operators	<p>Requires that each new or renewed contract between the governing authority of a community school and an operator to contain at least the following: (1) criteria to be used for early termination of the operator contract, (2) required notification procedures and timeline for early termination or nonrenewal of the operator contract, and (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. (R.C. 3314.032(A).)</p> <p>Prohibits a community school operator from leasing any parcel of real property to that community school for an amount that exceeds the fair market rental value of that property by more than 5%, as verified by the school's sponsor. (R.C. 3314.032(B).)</p> <p>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. (Repealed R.C. 3314.026.)</p>	<p>Same.</p> <p>No provision.</p> <p>Same.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Operator performance	<p>Requires, beginning December 31, 2015, the Department of Education to maintain 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 and requires the Department to receive from the governing authority of each community school a copy of the operator contract and post a copy on its website. (R.C. 3314.031(A).)</p> <p>Requires the Department of Education, by July 1, 2016, to develop, maintain, and publish an annual performance report for all operators of community schools in the state and requires the report to be made available on the Department's website. (R.C. 3314.031(B).)</p> <p>Requires the Department to include the annual performance report in its annual report 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. (R.C. 3314.031(C).)</p>	<p>Requires the directory of names to be published. (R.C. 3314.031(A).)</p> <p>Modifies the provision to require the Department of Education to annually develop and publish a report on operator performance, rather than to develop and publish an annual performance report. (R.C. 3314.031.)</p> <p>Same.</p>
Account of operator costs and services	No provision.	Requires a management company (or operator) that receives more than 20% of the gross annual revenues of a community school (rather than provides services to a community school that amounts to more than 20% of the gross annual revenues of the school) to provide a detailed accounting including the nature and costs of the goods and services it provides to the school. Under current law a management company that

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>No provision.</p> <p>No provision.</p>	<p>provides services that amounts to more than 20% must provide a detailed accounting that is included in footnotes in the school's financial statement. (R.C. 3314.024).</p> <p>Specifies that the accounting must be reported using the following categories, as applicable: (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, (20) other miscellaneous expenses. (R.C. 3314.024.)</p> <p>Specifies that the categories described above must be disaggregated according to the following designations, as applicable: (1) regular instruction, (2) special instruction, (3) vocational instruction, (4) other instruction, (5) support services, (6) noninstructional services. (R.C. 3314.024.)</p>
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 the governing authority of the community school created by the merger or consolidation enters into a sponsor contract with an entity rated as "exemplary." (R.C. 3314.074(D).)	Same but changes the requirement for the new sponsor to be rated "effective" or higher.
Community schools that primarily serve students with disabilities	Requires the State Board of Education 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	Same. (Section 3.)



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	with disabilities receiving special education and related services and (2) the feasibility of eliminating the exemption from permanent closure for such schools. <i>(Section 3.)</i>	
Children's residential centers	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. <i>(R.C. 3314.038.)</i> (A 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.)	Same.
State report card data for drop out recovery schools	Effective July 1, 2016, removes the current exception from combining with a school district's state report card data the performance data of a conversion community school that primarily serves dropout students sponsored by the district and specifies that when combining data of conversion schools sponsored by a school district, the Department may only include the district's resident students. <i>(R.C. 3302.03(I).)</i>	Removes the As Passed by the House language and, instead, prohibits the Department of Education from combining data from any conversion community school that a district sponsors if a majority of the students enrolled in the conversion community school are enrolled in a dropout prevention and recovery program that is operated by the 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. <i>(R.C. 3302.03(I).)</i>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
<p>Direct authorization of community schools</p>	<p>Permits the Department of Education to establish a format and deadlines for direct authorization applications. <i>(R.C. 3314.029(A)(1).)</i></p> <p>Permits the State Board of Education to adopt rules by December 31, 2015, for additional criteria necessary for an application for direct authorization to be approved. <i>(R.C. 3314.029(A)(2).)</i></p> <p>Specifies that if the State Board adopts the rules described above, automatic approval of applications for direct authorization will cease to apply beginning with applications for direct authorization on and after July 1, 2016. <i>(R.C. 3314.029(A)(2)(b).)</i></p> <p>Permits a transformation alliance to offer a recommendation on applications for direct authorization from a community school to be located in an alliance municipal school district (Cleveland) and requires the Department to notify the alliance of an application within 14 days after receipt. <i>(R.C. 3314.029(A)(5).)</i></p> <p>No provision.</p> <p>No provision.</p>	<p>Same.</p> <p>No provision.</p> <p>No provision.</p> <p>Removes the As Passed by the House provision and, instead, 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 of Education. <i>(R.C. 3314.029.)</i></p> <p>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. <i>(R.C. 3314.029.)</i></p> <p>Provides that the State Board's rules must require the Department of Education to: (1) determine if the applicant has requested and received a recommendation from the Transformation Alliance of the district, and (2)</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>use established criteria for municipal districts to determine if it will directly authorize the community school. (R.C. 3314.029.)</p> <p>Requires all new or renewed direct authorization agreements to be for a period of time not to exceed two years and prohibits further renewals. (R.C. 3314.029(A)(1).)</p> <p>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. (R.C. 3314.029.)</p> <p>Permits 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 and requires the Department to review each application and assign it a rating. (R.C. 3314.029(B)(2).)</p> <p>Requires the Department to annually publish on its website the criteria it uses to approve or deny an application submitted pursuant to this provision. (R.C. 3314.029(B)(2).)</p>
<p>Community school-operated preschool programs</p>	<p>Includes provisions for the operation of preschool programs and distribution instructions for early childhood education funding that do the following: (1) provides for the distribution of funds for early childhood education programs at school districts, educational service centers, community schools, chartered nonpublic schools, and licensed childcare providers that meet at least the third highest tier of the tiered quality rating and improvement system, for children who are at least three years old (for fiscal year 2016) or at least four years old</p>	<p>No provision.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>(for fiscal year 2017) but not yet eligible for kindergarten, and whose families earn not more than 200% of the federal poverty guidelines, (2) allows a community school sponsored by a municipal school district (Cleveland) and using the Montessori program to be a new eligible provider, and (3) allows a community school that meets the following criteria to be a new eligible provider: (a) the school offers any of grade levels four through twelve and has received, on the most recent report card, a grade of "C" or better for the overall value-added progress dimension and for the performance index score, or (b) the school does not offer a grade level higher than three and has received, on the most recent report card, a grade of "C" or better for making progress in improving literacy in grades kindergarten through three. (R.C. 3301.52, 3301.53, 3301.541, 3301.55, 3301.56, 3301.57, 3301.58, and 3314.03.)</p> <p>Requires the preschool program operated by a community school to comply with the same licensing and operational standards that apply to preschool programs operated by school districts, eligible nonpublic schools, and county DD boards under current law. (R.C. 3301.52, 3301.53, 3301.541, 3301.55, 3301.56, 3301.57, 3301.58, and 3314.03.)</p> <p>Permits a community school operating a preschool program that is licensed by the Department to admit individuals who are</p>	<p>No provision.</p> <p>No provision.</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>younger than five years of age to that program. (R.C. 3314.03(A)(11)(j) and 3314.06.)</p> <p>Requires the governing authority of a community school to annually report the number of students enrolled in a preschool program operated by the school that is licensed by the Department who are not receiving special education and related services pursuant to an individualized education program. (R.C. 3314.08(B)(2)(i).)</p> <p>Specifies that community schools that operate preschool programs and are licensed by the Department may not receive state community school operating funding for students enrolled in those programs but authorizes those programs to apply for early childhood education funding for fiscal years 2016 and 2017. (R.C. 3314.06 and Section 4.)</p>	<p>No provision.</p> <p>No provision.</p>
<p>Department of Education approval of sponsors</p>	<p>No provision.</p> <p>No provision.</p>	<p>Requires that any educational service center that sponsors a community school must be approved by and enter into an agreement with the Department regarding the manner in which the entity will conduct its business. (R.C. 3314.015(B)(1) and 3314.02(B)(2).)</p> <p>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 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. (R.C. 3314.021 and 3314.027.)</p>



Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>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 specifies that each agreement must provide for an annual evaluation process and contain a clause permitting modification in instances of poor fiscal management and lack of academic progress. (R.C. 3314.015(B)(1).)</p> <p>Decreases the length of the initial term of a sponsor's agreement with the Department from seven years to five years. (R.C. 3314.015(B)(2).)</p> <p>Removes the current provision for a continuous one-year extension of a sponsor's agreement for sponsors that are not in the lowest 20% of sponsors statewide or are rated as "exemplary" or "effective." (R.C. 3314.015(B)(2).)</p> <p>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. (R.C. 3314.015(B)(2)(a).)</p>
<p>Civil immunity for community school sponsors, officials, and employees</p>	<p>No provision.</p> <p>No provision.</p>	<p>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. (R.C. 3314.07.)</p> <p>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. (R.C. 3314.07.)</p>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Department of Education reporting requirements	No provision.	Requires the Department to compile and publish for each year since the 2011-2012 school year, the following information in a simple, easily accessible location on its website: (1) a single document identifying each community school that has closed during each school 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, where applicable: (a) the entity's application and most recent evaluation, (b) a designation of whether the entity's application was approved or denied, (c) all documentation used in determining whether to approve or deny the entity's application, (d) a short statement describing the rationale used in approving or denying the entity's application, (3) a single document containing the following information: (a) a list of all sponsor ratings for each school year for which ratings are available, (b) a list of each sponsor that is prohibited, as of July 1 of each school year, from sponsoring new schools, (c) 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. <i>(R.C. 3314.039.)</i>
Requirements related to attendance	No provision.	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 designation by a court that a student is a habitual or chronic truant must follow the child if the child later enrolls in a community school. <i>(R.C. 3321.19.)</i>
Committee on quality for drop out recovery schools	No provision.	Creates a committee to make recommendations to the General Assembly regarding the definition of "quality" for 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 committee also must study the efficacy of a completion or competency-based funding structure for those schools. <i>(Section 4.)</i> Specifies that 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,

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
	No provision.	<p>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 the Board of Regents, (9) a representative of the Department of Education, appointed by the Superintendent of Public Instruction, and (10) the Superintendent of a "Big 8" school district as selected by the "Ohio 8" Coalition. (<i>Section 4.</i>)</p> <p>Requires that the committee, which serves under guidance of the Governor's Office for Workforce Development, 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. (<i>Section 4.</i>)</p>
"Similar students" measure	<p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>Requires the Department to conduct a study in the 2015-2016 school year 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 (other than dropout recovery community schools). The measure uses a regression model to take into account demographic differences.</p> <p>Requires the Department to prepare and submit reports regarding its findings to the State Board of Education or General Assembly requests.</p> <p>Beginning with the 2016-2017 school year, requires the Department to use that 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.</p>

Topic	Sub. H.B. 2 (As Passed by the House)	Sub. H.B. 2 (As Reported by Committee LSC 131 1383-7)
Student enrollment status	No provision.	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. (R.C. 3317.034.)

H0002-131.docx/ar

06/26/15

