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132nd General Assembly  
Regular Session  
2017-2018

Sub. H. B. No. 449

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**A BILL**

To amend sections 3314.015, 3314.016, and 3314.02 1  
and to repeal sections 3314.021 and 3314.027 of 2  
the Revised Code to require all community school 3  
sponsors to receive approval from and enter into 4  
an agreement with the Department of Education. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3314.015, 3314.016, and 3314.02 6  
of the Revised Code be amended to read as follows: 7

**Sec. 3314.015.** (A) The department of education shall be 8  
responsible for the oversight of any and all sponsors of the 9  
community schools established under this chapter and shall 10  
provide technical assistance to schools and sponsors in their 11  
compliance with applicable laws and the terms of the contracts 12  
entered into under section 3314.03 of the Revised Code and in 13  
the development and start-up activities of those schools. In 14  
carrying out its duties under this section, the department shall 15  
do all of the following: 16

(1) In providing technical assistance to proposing 17



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parties, governing authorities, and sponsors, conduct training 18  
sessions and distribute informational materials; 19

(2) Approve entities to be sponsors of community schools; 20

(3) Monitor and evaluate, as required under section 21  
3314.016 of the Revised Code, the effectiveness of any and all 22  
sponsors in their oversight of the schools with which they have 23  
contracted; 24

(4) By December thirty-first of each year, issue a report 25  
to the governor, the speaker of the house of representatives, 26  
the president of the senate, and the chairpersons of the house 27  
and senate committees principally responsible for education 28  
matters regarding the effectiveness of academic programs, 29  
operations, and legal compliance and of the financial condition 30  
of all community schools established under this chapter and on 31  
the performance of community school sponsors; 32

(5) From time to time, make legislative recommendations to 33  
the general assembly designed to enhance the operation and 34  
performance of community schools. 35

(B) (1) ~~Except as provided in sections 3314.021 and~~ 36  
~~3314.027 of the Revised Code, no~~ No entity shall enter into a 37  
preliminary agreement under division (C) (2) of section 3314.02 38  
of the Revised Code or renew an existing contract to sponsor a 39  
community school until it has received approval from the 40  
department of education to sponsor community schools under this 41  
chapter and has entered into a written agreement with the 42  
department regarding the manner in which the entity will conduct 43  
such sponsorship. 44

~~On and after July 1, 2017, each~~ Each entity that sponsors 45  
a community school in this state, ~~except for an entity described~~ 46

~~in sections 3314.021 and 3314.027 of the Revised Code,~~ shall 47  
attain approval from the department in order to continue 48  
sponsoring schools regardless of whether that entity intends to 49  
enter into a preliminary agreement or renew an existing 50  
contract. 51

All new and renewed agreements between the department and 52  
a sponsor shall contain specific language addressing the 53  
parameters under which the department can intervene and 54  
potentially revoke sponsorship authority in the event that the 55  
sponsor is unwilling or unable to fulfill its obligations. 56  
Additionally, each agreement shall set forth any territorial 57  
restrictions and limits on the number of schools that entity may 58  
sponsor, provide for an annual evaluation process, and include a 59  
stipulation permitting the department to modify the agreement 60  
under the following circumstances: 61

(a) Poor fiscal management; 62

(b) Lack of academic progress. 63

(2) The initial term of a sponsor's agreement with the 64  
department shall be for up to five years. 65

(a) An agreement entered into with the department pursuant 66  
to this section may be renewed for a term of up to ten years 67  
using the following criteria: 68

(i) The academic performance of students enrolled in each 69  
community school the entity sponsors, as determined by the 70  
department pursuant to division (B)(1)(a) of section 3314.016 of 71  
the Revised Code; 72

(ii) The sponsor's adherence to quality practices, as 73  
determined by the department pursuant to division (B)(1)(b) of 74  
section 3314.016 of the Revised Code; 75

(iii) The sponsor's compliance with all applicable laws and administrative rules. 76  
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(b) Each agreement between the department and a sponsor shall specify that entities with an overall rating of "exemplary" for at least two consecutive years shall not be subject to the limit on the number of community schools the entity may sponsor or any territorial restrictions on sponsorship, for so long as that entity continues to be rated "exemplary." 78  
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(c) The state board of education shall adopt in accordance with Chapter 119. of the Revised Code rules containing criteria, procedures, and deadlines for processing applications for approval of sponsors, for oversight of sponsors, for notifying a sponsor of noncompliance with applicable laws and administrative rules under division (F) of this section, for revocation of the approval of sponsors under division (C) of this section, and for entering into written agreements with sponsors. The rules shall require an entity to submit evidence of the entity's ability and willingness to comply with the provisions of division (D) of section 3314.03 of the Revised Code. The rules also shall require all entities approved as sponsors to demonstrate a record of financial responsibility and successful implementation of educational programs. If an entity seeking approval to sponsor community schools in this state sponsors or operates schools in another state, at least one of the schools sponsored or operated by the entity must be comparable to or better than the performance of Ohio schools in need of continuous improvement under section 3302.03 of the Revised Code, as determined by the department. 85  
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Subject to section 3314.016 of the Revised Code, an entity 105

that sponsors community schools may enter into preliminary 106  
agreements and sponsor up to one hundred schools, provided each 107  
school and the contract for sponsorship meets the requirements 108  
of this chapter. 109

(3) The state board of education shall determine, pursuant 110  
to criteria specified in rules adopted in accordance with 111  
Chapter 119. of the Revised Code, whether the mission proposed 112  
to be specified in the contract of a community school to be 113  
sponsored by a state university board of trustees or the board's 114  
designee under division (C) (1) (e) of section 3314.02 of the 115  
Revised Code complies with the requirements of that division. 116  
Such determination of the state board is final. 117

(4) The state board of education shall determine, pursuant 118  
to criteria specified in rules adopted in accordance with 119  
Chapter 119. of the Revised Code, if any tax-exempt entity under 120  
section 501(c) (3) of the Internal Revenue Code that is proposed 121  
to be a sponsor of a community school is an education-oriented 122  
entity for purpose of satisfying the condition prescribed in 123  
division (C) (1) (f) (iii) of section 3314.02 of the Revised Code. 124  
Such determination of the state board is final. 125

(C) If at any time the state board of education finds that 126  
a sponsor is not in compliance or is no longer willing to comply 127  
with its contract with any community school or with the 128  
department's rules for sponsorship, the state board or designee 129  
shall conduct a hearing in accordance with Chapter 119. of the 130  
Revised Code on that matter. If after the hearing, the state 131  
board or designee has confirmed the original finding, the 132  
department of education may revoke the sponsor's approval to 133  
sponsor community schools. In that case, the department's office 134  
of Ohio school sponsorship, established under section 3314.029 135

of the Revised Code, may assume the sponsorship of any schools 136  
with which the sponsor has contracted until the earlier of the 137  
expiration of two school years or until a new sponsor as 138  
described in division (C) (1) of section 3314.02 of the Revised 139  
Code is secured by the school's governing authority. The office 140  
of Ohio school sponsorship may extend the term of the contract 141  
in the case of a school for which it has assumed sponsorship 142  
under this division as necessary to accommodate the term of the 143  
department's authorization to sponsor the school specified in 144  
this division. Community schools sponsored under this division 145  
shall not apply to the limit on directly authorized community 146  
schools under division (A) (3) of section 3314.029 of the Revised 147  
Code. However, nothing in this division shall preclude a 148  
community school affected by this division from applying for 149  
sponsorship under that section. 150

(D) The decision of the department to disapprove an entity 151  
for sponsorship of a community school or to revoke approval for 152  
such sponsorship under division (C) of this section, may be 153  
appealed by the entity in accordance with section 119.12 of the 154  
Revised Code. 155

(E) The department shall adopt procedures for use by a 156  
community school governing authority and sponsor when the school 157  
permanently closes and ceases operation, which shall include at 158  
least procedures for data reporting to the department, handling 159  
of student records, distribution of assets in accordance with 160  
section 3314.074 of the Revised Code, and other matters related 161  
to ceasing operation of the school. 162

(F) (1) In lieu of revoking a sponsor's authority to 163  
sponsor community schools under division (C) of this section, if 164  
the department finds that a sponsor is not in compliance with 165

applicable laws and administrative rules, the department shall 166  
declare in a written notice to the sponsor the specific laws or 167  
rules, or both, for which the sponsor is noncompliant. A sponsor 168  
notified under division (F)(1) of this section shall respond to 169  
the department not later than fourteen days after the 170  
notification with a proposed plan to remedy the conditions for 171  
which the sponsor was found to be noncompliant. The department 172  
shall approve or disapprove the plan not later than fourteen 173  
days after receiving it. If the plan is disapproved, the sponsor 174  
may submit a revised plan to the department not later than 175  
fourteen days after receiving notification of disapproval from 176  
the department or not later than sixty days after the date the 177  
sponsor received notification of noncompliance from the 178  
department, whichever is earlier. The department shall approve 179  
or disapprove the revised plan not later than fourteen days 180  
after receiving it or not later than sixty days after the date 181  
the sponsor received notification of noncompliance from the 182  
department, whichever is earlier. A sponsor may continue to make 183  
revisions by the deadlines prescribed in division (F)(1) of this 184  
section to any revised plan that is disapproved by the 185  
department until the sixtieth day after the date the sponsor 186  
received notification of noncompliance from the department. 187

If a plan or a revised plan is approved, the sponsor shall 188  
implement it not later than sixty days after the date the 189  
sponsor received notification of noncompliance from the 190  
department or not later than thirty days after the plan is 191  
approved, whichever is later. If a sponsor does not respond to 192  
the department or implement an approved compliance plan by the 193  
deadlines prescribed by division (F)(1) of this section, or if a 194  
sponsor does not receive approval of a compliance plan on or 195  
before the sixtieth day after the date the sponsor received 196

notification of noncompliance from the department, the 197  
department shall declare in written notice to the sponsor that 198  
the sponsor is in probationary status, and may limit the 199  
sponsor's ability to sponsor additional schools. 200

(2) A sponsor that has been placed on probationary status 201  
under division (F)(1) of this section may apply to the 202  
department for its probationary status to be lifted. The 203  
application for a sponsor's probationary status to be lifted 204  
shall include evidence, occurring after the initial notification 205  
of noncompliance, of the sponsor's compliance with applicable 206  
laws and administrative rules. Not later than fourteen days 207  
after receiving an application from the sponsor, the department 208  
shall decide whether or not to remove the sponsor's probationary 209  
status. 210

(G) In carrying out its duties under this chapter, the 211  
department shall not impose requirements on community schools or 212  
their sponsors that are not permitted by law or duly adopted 213  
rules. 214

(H) This section applies to entities that sponsor 215  
conversion community schools and new start-up schools. 216

(I) Nothing in divisions (C) to (F) of this section 217  
prohibits the department from taking any action permitted or 218  
required under the written agreement between the department and 219  
a sponsoring entity without a hearing on the matter, in the 220  
event that the sponsor is unwilling or unable to fulfill its 221  
obligations. 222

(J) On and after the effective date of this amendment, any 223  
entity that was exempt from the requirement to be approved for 224  
sponsorship as described in former section 3314.021 or 3314.027 225



of the Revised Code shall not renew a contract to sponsor a 226  
community school or enter into a new contract to sponsor a 227  
community school until it has complied with the terms of this 228  
section. Accordingly, the entity shall apply to the department 229  
of education for such approval and shall enter into an agreement 230  
with the department. Once approval is granted, an entity 231  
described in this division may continue to sponsor schools in 232  
the same manner and subject to the same reapplication, 233  
evaluation, and approval procedures set forth in this chapter as 234  
for all other community school sponsors. 235

**Sec. 3314.016.** This section applies to any entity that 236  
sponsors a community school, ~~regardless of whether section~~ 237  
~~3314.021 or 3314.027 of the Revised Code exempts the entity from~~ 238  
~~the requirement to be approved for sponsorship under divisions~~ 239  
~~(A) (2) and (B) (1) of section 3314.015 of the Revised Code.~~ The 240  
office of Ohio school sponsorship established under section 241  
3314.029 of the Revised Code shall be rated under division (B) 242  
of this section, but divisions (A) and (C) of this section do 243  
not apply to the office. 244

(A) An entity that sponsors a community school shall be 245  
permitted to enter into contracts under section 3314.03 of the 246  
Revised Code to sponsor additional community schools only if the 247  
entity meets all of the following criteria: 248

(1) The entity is in compliance with all provisions of 249  
this chapter requiring sponsors of community schools to report 250  
data or information to the department of education. 251

(2) The entity is not rated as "ineffective" under 252  
division (B) (6) of this section. 253

(3) ~~Except as set forth in sections 3314.021 and 3314.027-~~ 254

~~of the Revised Code, the~~ The entity has received approval from 255  
and entered into an agreement with the department of education 256  
pursuant to section 3314.015 of the Revised Code. 257

(B) (1) Beginning with the 2015-2016 school year, the 258  
department shall develop and implement an evaluation system that 259  
annually rates and assigns an overall rating to each entity that 260  
sponsors a community school. That evaluation system shall be 261  
developed and posted on the department's web site by the 262  
fifteenth day of July of each school year. Any changes to the 263  
evaluation system after that date shall take effect the 264  
following year. The evaluation system shall be based on the 265  
following components: 266

(a) Academic performance of students enrolled in community 267  
schools sponsored by the same entity. The academic performance 268  
component shall be derived from the performance measures 269  
prescribed for the state report cards under section 3302.03 or 270  
3314.017 of the Revised Code, and shall be based on the 271  
performance of the schools for the school year for which the 272  
evaluation is conducted. In addition to the academic performance 273  
for a specific school year, the academic performance component 274  
shall also include year-to-year changes in the overall sponsor 275  
portfolio. For a community school for which no graded 276  
performance measures are applicable or available, the department 277  
shall use nonreport card performance measures specified in the 278  
contract between the community school and the sponsor under 279  
division (A) (4) of section 3314.03 of the Revised Code. 280

(b) Adherence by a sponsor to the quality practices 281  
prescribed by the department under division (B) (3) of this 282  
section. For a sponsor that was rated "effective" or "exemplary" 283  
on its most recent rating, the department may evaluate that 284

sponsor's adherence to quality practices once over a period of 285  
three years. If the department elects to evaluate a sponsor once 286  
over a period of three years, the most recent rating for a 287  
sponsor's adherence to quality practices shall be used when 288  
determining an annual overall rating conducted under this 289  
section. 290

(c) Compliance with all applicable laws and administrative 291  
rules by an entity that sponsors a community school. 292

(2) In calculating an academic performance component, the 293  
department shall exclude all community schools that have been in 294  
operation for not more than two full school years and all 295  
community schools described in division (A) (4) (b) of section 296  
3314.35 of the Revised Code. However, the academic performance 297  
of the community schools described in division (A) (4) (b) of 298  
section 3314.35 of the Revised Code shall be reported, but shall 299  
not be used as a factor when determining a sponsoring entity's 300  
rating under this section. 301

(3) The department, in consultation with entities that 302  
sponsor community schools, shall prescribe quality practices for 303  
community school sponsors and develop an instrument to measure 304  
adherence to those quality practices. The quality practices 305  
shall be based on standards developed by the national 306  
association of charter school authorizers or any other 307  
nationally organized community school organization. 308

(4) (a) The department may permit peer review of a 309  
sponsor's adherence to the quality practices prescribed under 310  
division (B) (3) of this section. Peer reviewers shall be limited 311  
to individuals employed by sponsors rated "effective" or 312  
"exemplary" on the most recent ratings conducted under this 313  
section. 314

(b) The department shall require individuals participating 315  
in peer review under division (B) (4) (a) of this section to 316  
complete training approved or established by the department. 317

(c) The department may enter into an agreement with 318  
another entity to provide training to individuals conducting 319  
peer review of sponsors. Prior to entering into an agreement 320  
with an entity, the department shall review and approve of the 321  
entity's training program. 322

(5) Not later than July 1, 2013, the state board of 323  
education shall adopt rules in accordance with Chapter 119. of 324  
the Revised Code prescribing standards for measuring compliance 325  
with applicable laws and rules under division (B) (1) (c) of this 326  
section. 327

(6) The department annually shall rate all entities that 328  
sponsor community schools as either "exemplary," "effective," 329  
"ineffective," or "poor," based on the components prescribed by 330  
division (B) of this section, where each component is weighted 331  
equally. A separate rating shall be given by the department for 332  
each component of the evaluation system. 333

The department shall publish the ratings between the first 334  
day of October and the fifteenth day of November. 335

Prior to the publication of the final ratings, the 336  
department shall designate and provide notice of a period of at 337  
least ten business days during which each sponsor may review the 338  
information used by the department to determine the sponsor's 339  
rating on the components prescribed by divisions (B) (1) (b) and 340  
(c) of this section. If the sponsor believes there is an error 341  
in the department's evaluation, the sponsor may request 342  
adjustments to the rating of either of those components based on 343

documentation previously submitted as part of an evaluation. The 344  
sponsor shall provide to the department any necessary evidence 345  
or information to support the requested adjustments. The 346  
department shall review the evidence and information, determine 347  
whether an adjustment is valid, and promptly notify the sponsor 348  
of its determination and reasons. If any adjustments to the data 349  
could result in a change to the rating on the applicable 350  
component or to the overall rating, the department shall 351  
recalculate the ratings prior to publication. 352

The department shall provide training on an annual basis 353  
regarding the evaluation system prescribed under this section. 354  
The training shall, at a minimum, describe methodology, 355  
timelines, and data required for the evaluation system. The 356  
first training session shall occur not later than March 2, 2016. 357  
Beginning in 2018, the training shall be made available to each 358  
entity that sponsors a community school by the fifteenth day of 359  
July of each year and shall include guidance on any changes made 360  
to the evaluation system. 361

(7) (a) Entities with an overall rating of "exemplary" for 362  
at least two consecutive years may take advantage of the 363  
following incentives: 364

(i) Renewal of the written agreement with the department, 365  
not to exceed ten years, provided that the entity consents to 366  
continued evaluation of adherence to quality practices as 367  
described in division (B) (1) (b) of this section; 368

(ii) The ability to extend the term of the contract 369  
between the sponsoring entity and the community school beyond 370  
the term described in the written agreement with the department; 371

(iii) An exemption from the preliminary agreement and 372

contract adoption and execution deadline requirements prescribed 373  
in division (D) of section 3314.02 of the Revised Code; 374

(iv) An exemption from the automatic contract expiration 375  
requirement, should a new community school fail to open by the 376  
thirtieth day of September of the calendar year in which the 377  
community school contract is executed; 378

(v) No limit on the number of community schools the entity 379  
may sponsor; 380

(vi) No territorial restrictions on sponsorship. 381

An entity may continue to sponsor any community schools 382  
with which it entered into agreements under division (B) (7) (a) 383  
(v) or (vi) of this section while rated "exemplary," 384  
notwithstanding the fact that the entity later receives a lower 385  
overall rating. 386

(b) (i) Entities that receive an overall rating of 387  
"ineffective" shall be prohibited from sponsoring any new or 388  
additional community schools during the time in which the 389  
sponsor is rated as "ineffective" and shall be subject to a 390  
quality improvement plan based on correcting the deficiencies 391  
that led to the "ineffective" rating, with timelines and 392  
benchmarks that have been established by the department. 393

(ii) Entities that receive an overall rating of 394  
"ineffective" on their three most recent ratings shall have all 395  
sponsorship authority revoked. Within thirty days after 396  
receiving its third rating of "ineffective," the entity may 397  
appeal the revocation of its sponsorship authority to the 398  
superintendent of public instruction, who shall appoint an 399  
independent hearing officer to conduct a hearing in accordance 400  
with Chapter 119. of the Revised Code. The hearing shall be 401

conducted within thirty days after receipt of the notice of 402  
appeal. Within forty-five days after the hearing is completed, 403  
the state board of education shall determine whether the 404  
revocation is appropriate based on the hearing conducted by the 405  
independent hearing officer, and if determined appropriate, the 406  
revocation shall be confirmed. 407

(c) Entities that receive an overall rating of "poor" 408  
shall have all sponsorship authority revoked. Within thirty days 409  
after receiving a rating of "poor," the entity may appeal the 410  
revocation of its sponsorship authority to the superintendent of 411  
public instruction, who shall appoint an independent hearing 412  
officer to conduct a hearing in accordance with Chapter 119. of 413  
the Revised Code. The hearing shall be conducted within thirty 414  
days after receipt of the notice of appeal. Within forty-five 415  
days after the hearing is completed, the state board of 416  
education shall determine whether the revocation is appropriate 417  
based on the hearing conducted by the independent hearing 418  
officer, and if determined appropriate, the revocation shall be 419  
confirmed. 420

(8) For the 2014-2015 school year and each school year 421  
thereafter, student academic performance prescribed under 422  
division (B)(1)(a) of this section shall include student 423  
academic performance data from community schools that primarily 424  
serve students enrolled in a dropout prevention and recovery 425  
program. 426

(C) If the governing authority of a community school 427  
enters into a contract with a sponsor prior to the date on which 428  
the sponsor is prohibited from sponsoring additional schools 429  
under division (A) of this section and the school has not opened 430  
for operation as of that date, that contract shall be void and 431

the school shall not open until the governing authority secures 432  
a new sponsor by entering into a contract with the new sponsor 433  
under section 3314.03 of the Revised Code. However, the 434  
department's office of Ohio school sponsorship, established 435  
under section 3314.029 of the Revised Code, may assume the 436  
sponsorship of the school until the earlier of the expiration of 437  
two school years or until a new sponsor is secured by the 438  
school's governing authority. A community school sponsored by 439  
the department under this division shall not be included when 440  
calculating the maximum number of directly authorized community 441  
schools permitted under division (A) (3) of section 3314.029 of 442  
the Revised Code. 443

(D) When an entity's authority to sponsor schools is 444  
revoked pursuant to division (B) (7) (b) or (c) of this section, 445  
the office of Ohio school sponsorship shall assume sponsorship 446  
of any schools with which the original sponsor has contracted 447  
for the remainder of that school year. The office may continue 448  
sponsoring those schools until the earlier of: 449

(1) The expiration of two school years from the time that 450  
sponsorship is revoked; 451

(2) When a new sponsor is secured by the governing 452  
authority pursuant to division (C) (1) of section 3314.02 of the 453  
Revised Code. 454

Any community school sponsored under this division shall 455  
not be counted for purposes of directly authorized community 456  
schools under division (A) (3) of section 3314.029 of the Revised 457  
Code. 458

**Sec. 3314.02.** (A) As used in this chapter: 459

(1) "Sponsor" means the board of education of a school 460



district or the governing board of an educational service center 461  
that agrees to the conversion of all or part of a school or 462  
building under division (B) of this section, or an entity listed 463  
in division (C) (1) of this section, which has been approved by 464  
the department of education to sponsor community schools ~~or is~~ 465  
~~exempted by section 3314.021 or 3314.027 of the Revised Code~~ 466  
~~from obtaining approval,~~ and with which the governing authority 467  
of a community school enters into a contract under section 468  
3314.03 of the Revised Code. 469

(2) "Pilot project area" means the school districts 470  
included in the territory of the former community school pilot 471  
project established by former Section 50.52 of Am. Sub. H.B. No. 472  
215 of the 122nd general assembly. 473

(3) "Challenged school district" means any of the 474  
following: 475

(a) A school district that is part of the pilot project 476  
area; 477

(b) A school district that meets one of the following 478  
conditions: 479

(i) On March 22, 2013, the district was in a state of 480  
academic emergency or in a state of academic watch under section 481  
3302.03 of the Revised Code, as that section existed prior to 482  
March 22, 2013; 483

(ii) For two of the 2012-2013, 2013-2014, 2014-2015, and 484  
2015-2016 school years, the district received a grade of "D" or 485  
"F" for the performance index score and a grade of "F" for the 486  
value-added progress dimension under section 3302.03 of the 487  
Revised Code; 488

(iii) For the 2016-2017 school year and for any school 489

year thereafter, the district has received an overall grade of "D" or "F" under division (C) (3) of section 3302.03 of the Revised Code, or, for at least two of the three most recent school years, the district received a grade of "F" for the value-added progress dimension under division (C) (1) (e) of that section.

(c) A big eight school district;

(d) A school district ranked in the lowest five per cent of school districts according to performance index score under section 3302.21 of the Revised Code.

(4) "Big eight school district" means a school district that for fiscal year 1997 had both of the following:

(a) A percentage of children residing in the district and participating in the predecessor of Ohio works first greater than thirty per cent, as reported pursuant to section 3317.10 of the Revised Code;

(b) An average daily membership greater than twelve thousand, as reported pursuant to former division (A) of section 3317.03 of the Revised Code.

(5) "New start-up school" means a community school other than one created by converting all or part of an existing public school or educational service center building, as designated in the school's contract pursuant to division (A) (17) of section 3314.03 of the Revised Code.

(6) "Urban school district" means one of the state's twenty-one urban school districts as defined in division (O) of section 3317.02 of the Revised Code as that section existed prior to July 1, 1998.

(7) "Internet- or computer-based community school" means a 518  
community school established under this chapter in which the 519  
enrolled students work primarily from their residences on 520  
assignments in nonclassroom-based learning opportunities 521  
provided via an internet- or other computer-based instructional 522  
method that does not rely on regular classroom instruction or 523  
via comprehensive instructional methods that include internet- 524  
based, other computer-based, and noncomputer-based learning 525  
opportunities unless a student receives career-technical 526  
education under section 3314.086 of the Revised Code. 527

A community school that operates mainly as an internet- or 528  
computer-based community school and provides career-technical 529  
education under section 3314.086 of the Revised Code shall be 530  
considered an internet- or computer-based community school, even 531  
if it provides some classroom-based instruction, so long as it 532  
provides instruction via the methods described in this division. 533

(8) "Operator" means either of the following: 534

(a) An individual or organization that manages the daily 535  
operations of a community school pursuant to a contract between 536  
the operator and the school's governing authority; 537

(b) A nonprofit organization that provides programmatic 538  
oversight and support to a community school under a contract 539  
with the school's governing authority and that retains the right 540  
to terminate its affiliation with the school if the school fails 541  
to meet the organization's quality standards. 542

(9) "Alliance municipal school district" has the same 543  
meaning as in section 3311.86 of the Revised Code. 544

(B) (1) Any person or group of individuals may initially 545  
propose under this division the conversion of all or a portion 546

of a public school to a community school. The proposal shall be 547  
made to the board of education of the city, local, exempted 548  
village, or joint vocational school district in which the public 549  
school is proposed to be converted. 550

(2) Any person or group of individuals may initially 551  
propose under this division the conversion of all or a portion 552  
of a building operated by an educational service center to a 553  
community school. The proposal shall be made to the governing 554  
board of the service center. 555

~~On or after July 1, 2017, except as provided in section~~ 556  
~~3314.027 of the Revised Code, any~~ Any educational service center 557  
that sponsors a community school shall be approved by and enter 558  
into a written agreement with the department as described in 559  
section 3314.015 of the Revised Code. 560

(3) Upon receipt of a proposal, and after an agreement has 561  
been entered into pursuant to section 3314.015 of the Revised 562  
Code, a board may enter into a preliminary agreement with the 563  
person or group proposing the conversion of the public school or 564  
service center building, indicating the intention of the board 565  
to support the conversion to a community school. A proposing 566  
person or group that has a preliminary agreement under this 567  
division may proceed to finalize plans for the school, establish 568  
a governing authority for the school, and negotiate a contract 569  
with the board. Provided the proposing person or group adheres 570  
to the preliminary agreement and all provisions of this chapter, 571  
the board shall negotiate in good faith to enter into a contract 572  
in accordance with section 3314.03 of the Revised Code and 573  
division (C) of this section. 574

(4) The sponsor of a conversion community school proposed 575  
to open in an alliance municipal school district shall be 576

subject to approval by the department of education for 577  
sponsorship of that school using the criteria established under 578  
division (A) of section 3311.87 of the Revised Code. 579

~~Division (B)(4) of this section does not apply to a 580  
sponsor that, on or before September 29, 2015, was exempted- 581  
under section 3314.021 or 3314.027 of the Revised Code from the 582  
requirement to be approved for sponsorship under divisions (A)- 583  
(2) and (B) (1) of section 3314.015 of the Revised Code. 584~~

(C) (1) Any person or group of individuals may propose 585  
under this division the establishment of a new start-up school 586  
to be located in a challenged school district. The proposal may 587  
be made to any of the following entities: 588

(a) The board of education of the district in which the 589  
school is proposed to be located; 590

(b) The board of education of any joint vocational school 591  
district with territory in the county in which is located the 592  
majority of the territory of the district in which the school is 593  
proposed to be located; 594

(c) The board of education of any other city, local, or 595  
exempted village school district having territory in the same 596  
county where the district in which the school is proposed to be 597  
located has the major portion of its territory; 598

(d) The governing board of any educational service center, 599  
regardless of the location of the proposed school, may sponsor a 600  
new start-up school in any challenged school district in the 601  
state if all of the following are satisfied: 602

(i) If applicable, it satisfies the requirements of 603  
division (E) of section 3311.86 of the Revised Code; 604

- (ii) It is approved to do so by the department; 605
- (iii) It enters into an agreement with the department 606  
under section 3314.015 of the Revised Code. 607
- (e) A sponsoring authority designated by the board of 608  
trustees of any of the thirteen state universities listed in 609  
section 3345.011 of the Revised Code or the board of trustees 610  
itself as long as a mission of the proposed school to be 611  
specified in the contract under division (A) (2) of section 612  
3314.03 of the Revised Code and as approved by the department 613  
under division (B) (3) of section 3314.015 of the Revised Code 614  
will be the practical demonstration of teaching methods, 615  
educational technology, or other teaching practices that are 616  
included in the curriculum of the university's teacher 617  
preparation program approved by the state board of education; 618
- (f) Any qualified tax-exempt entity under section 501(c) 619  
(3) of the Internal Revenue Code as long as all of the following 620  
conditions are satisfied: 621
- (i) The entity has been in operation for at least five 622  
years prior to applying to be a community school sponsor. 623
- (ii) The entity has assets of at least five hundred 624  
thousand dollars and a demonstrated record of financial 625  
responsibility. 626
- (iii) The department has determined that the entity is an 627  
education-oriented entity under division (B) (4) of section 628  
3314.015 of the Revised Code and the entity has a demonstrated 629  
record of successful implementation of educational programs. 630
- (iv) The entity is not a community school. 631
- (g) The mayor of a city in which the majority of the 632

territory of a school district to which section 3311.60 of the Revised Code applies is located, regardless of whether that district has created the position of independent auditor as prescribed by that section. The mayor's sponsorship authority under this division is limited to community schools that are located in that school district. Such mayor may sponsor community schools only with the approval of the city council of that city, after establishing standards with which community schools sponsored by the mayor must comply, and after entering into a sponsor agreement with the department as prescribed under section 3314.015 of the Revised Code. The mayor shall establish the standards for community schools sponsored by the mayor not later than one hundred eighty days after July 15, 2013, and shall submit them to the department upon their establishment. The department shall approve the mayor to sponsor community schools in the district, upon receipt of an application by the mayor to do so. Not later than ninety days after the department's approval of the mayor as a community school sponsor, the department shall enter into the sponsor agreement with the mayor.

Any entity described in division (C)(1) of this section may enter into a preliminary agreement pursuant to division (C)(2) of this section with the proposing person or group, provided that entity has been approved by and entered into a written agreement with the department pursuant to section 3314.015 of the Revised Code.

(2) A preliminary agreement indicates the intention of an entity described in division (C)(1) of this section to sponsor the community school. A proposing person or group that has such a preliminary agreement may proceed to finalize plans for the school, establish a governing authority as described in division

(E) of this section for the school, and negotiate a contract 664  
with the entity. Provided the proposing person or group adheres 665  
to the preliminary agreement and all provisions of this chapter, 666  
the entity shall negotiate in good faith to enter into a 667  
contract in accordance with section 3314.03 of the Revised Code. 668

(3) A new start-up school that is established in a school 669  
district described in either division (A) (3) (b) or (d) of this 670  
section may continue in existence once the school district no 671  
longer meets the conditions described in either division, 672  
provided there is a valid contract between the school and a 673  
sponsor. 674

(4) A copy of every preliminary agreement entered into 675  
under this division shall be filed with the superintendent of 676  
public instruction. 677

(D) A majority vote of the board of a sponsoring entity 678  
and a majority vote of the members of the governing authority of 679  
a community school shall be required to adopt a contract and 680  
convert the public school or educational service center building 681  
to a community school or establish the new start-up school. 682  
Beginning September 29, 2005, adoption of the contract shall 683  
occur not later than the fifteenth day of March, and signing of 684  
the contract shall occur not later than the fifteenth day of 685  
May, prior to the school year in which the school will open. The 686  
governing authority shall notify the department of education 687  
when the contract has been signed. Subject to sections 3314.013 688  
and 3314.016 of the Revised Code, an unlimited number of 689  
community schools may be established in any school district 690  
provided that a contract is entered into for each community 691  
school pursuant to this chapter. 692

(E) (1) As used in this division, "immediate relatives" are 693



limited to spouses, children, parents, grandparents, and 694  
siblings, as well as in-laws residing in the same household as 695  
the person serving on the governing authority. 696

Each new start-up community school established under this 697  
chapter shall be under the direction of a governing authority 698  
which shall consist of a board of not less than five 699  
individuals. 700

(2) (a) No person shall serve on the governing authority or 701  
operate the community school under contract with the governing 702  
authority under any of the following circumstances: 703

(i) The person owes the state any money or is in a dispute 704  
over whether the person owes the state any money concerning the 705  
operation of a community school that has closed. 706

(ii) The person would otherwise be subject to division (B) 707  
of section 3319.31 of the Revised Code with respect to refusal, 708  
limitation, or revocation of a license to teach, if the person 709  
were a licensed educator. 710

(iii) The person has pleaded guilty to or been convicted 711  
of theft in office under section 2921.41 of the Revised Code, or 712  
has pleaded guilty to or been convicted of a substantially 713  
similar offense in another state. 714

(b) No person shall serve on the governing authority or 715  
engage in the financial day-to-day management of the community 716  
school under contract with the governing authority unless and 717  
until that person has submitted to a criminal records check in 718  
the manner prescribed by section 3319.39 of the Revised Code. 719

(c) Each sponsor of a community school shall annually 720  
verify that a finding for recovery has not been issued by the 721  
auditor of state against any individual or individuals who 722

propose to create a community school or any member of the 723  
governing authority, the operator, or any employee of each 724  
community school. 725

(3) No person shall serve on the governing authorities of 726  
more than five start-up community schools at the same time. 727

(4) (a) For a community school established under this 728  
chapter that is not sponsored by a school district or an 729  
educational service center, no present or former member, or 730  
immediate relative of a present or former member, of the 731  
governing authority shall be an owner, employee, or consultant 732  
of the community school's sponsor or operator, unless at least 733  
one year has elapsed since the conclusion of the person's 734  
membership on the governing authority. 735

(b) For a community school established under this chapter 736  
that is sponsored by a school district or an educational service 737  
center, no present or former member, or immediate relative of a 738  
present or former member, of the governing authority shall: 739

(i) Be an officer of the district board or service center 740  
governing board that serves as the community school's sponsor, 741  
unless at least one year has elapsed since the conclusion of the 742  
person's membership on the governing authority; 743

(ii) Serve as an employee of, or a consultant for, the 744  
department, division, or section of the sponsoring district or 745  
service center that is directly responsible for sponsoring 746  
community schools, or have supervisory authority over such a 747  
department, division, or section, unless at least one year has 748  
elapsed since the conclusion of the person's membership on the 749  
governing authority. 750

(5) The governing authority of a start-up or conversion 751

community school may provide by resolution for the compensation 752  
of its members. However, no individual who serves on the 753  
governing authority of a start-up or conversion community school 754  
shall be compensated more than one hundred twenty-five dollars 755  
per meeting of that governing authority and no such individual 756  
shall be compensated more than a total amount of five thousand 757  
dollars per year for all governing authorities upon which the 758  
individual serves. Each member of the governing authority may be 759  
paid compensation for attendance at an approved training 760  
program, provided that such compensation shall not exceed sixty 761  
dollars a day for attendance at a training program three hours 762  
or less in length and one hundred twenty-five dollars a day for 763  
attendance at a training program longer than three hours in 764  
length. 765

(6) No person who is the employee of a school district or 766  
educational service center shall serve on the governing 767  
authority of any community school sponsored by that school 768  
district or service center. 769

(7) Each member of the governing authority of a community 770  
school shall annually file a disclosure statement setting forth 771  
the names of any immediate relatives or business associates 772  
employed by any of the following within the previous three 773  
years: 774

(a) The sponsor or operator of that community school; 775

(b) A school district or educational service center that 776  
has contracted with that community school; 777

(c) A vendor that is or has engaged in business with that 778  
community school. 779

(8) No person who is a member of a school district board 780

of education shall serve on the governing authority of any 781  
community school. 782

(F) (1) A new start-up school that is established prior to 783  
August 15, 2003, in an urban school district that is not also a 784  
big-eight school district may continue to operate after that 785  
date and the contract between the school's governing authority 786  
and the school's sponsor may be renewed, as provided under this 787  
chapter, after that date, but no additional new start-up schools 788  
may be established in such a district unless the district is a 789  
challenged school district as defined in this section as it 790  
exists on and after that date. 791

(2) A community school that was established prior to June 792  
29, 1999, and is located in a county contiguous to the pilot 793  
project area and in a school district that is not a challenged 794  
school district may continue to operate after that date, 795  
provided the school complies with all provisions of this 796  
chapter. The contract between the school's governing authority 797  
and the school's sponsor may be renewed, but no additional 798  
start-up community school may be established in that district 799  
unless the district is a challenged school district. 800

(3) Any educational service center that, on June 30, 2007, 801  
sponsors a community school that is not located in a county 802  
within the territory of the service center or in a county 803  
contiguous to such county may continue to sponsor that community 804  
school on and after June 30, 2007, and may renew its contract 805  
with the school. However, the educational service center shall 806  
not enter into a contract with any additional community school, 807  
unless the governing board of the service center has entered 808  
into an agreement with the department authorizing the service 809  
center to sponsor a community school in any challenged school 810

district in the state.

811

**Section 2.** That existing sections 3314.015, 3314.016, and  
3314.02 and sections 3314.021 and 3314.027 of the Revised Code  
are hereby repealed.

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