

As Introduced

133rd General Assembly

Regular Session

2019-2020

H. B. No. 635

Representatives Rogers, Patterson

**Cosponsors: Representatives Blair, Cera, Hicks-Hudson, Miller, J., O'Brien,
Sheehy, Robinson, Russo, Smith, K., West**

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 and to amend Section 265.335 of 3
H.B. 166 of the 133rd General Assembly to 4
require all community school sponsors to receive 5
approval from and enter into an agreement with 6
the Department of Education and to make changes 7
regarding eligibility for the Quality Community 8
School Support Program. 9

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

Section 1. That sections 3314.015, 3314.016, and 3314.02 10
of the Revised Code be amended to read as follows: 11

Sec. 3314.015. (A) The department of education shall be 12
responsible for the oversight of any and all sponsors of the 13
community schools established under this chapter and shall 14
provide technical assistance to schools and sponsors in their 15
compliance with applicable laws and the terms of the contracts 16
entered into under section 3314.03 of the Revised Code and in 17
the development and start-up activities of those schools. In 18

carrying out its duties under this section, the department shall 19
do all of the following: 20

(1) In providing technical assistance to proposing 21
parties, governing authorities, and sponsors, conduct training 22
sessions and distribute informational materials; 23

(2) Approve entities to be sponsors of community schools; 24

(3) Monitor and evaluate, as required under section 25
3314.016 of the Revised Code, the effectiveness of any and all 26
sponsors in their oversight of the schools with which they have 27
contracted; 28

(4) By December thirty-first of each year, issue a report 29
to the governor, the speaker of the house of representatives, 30
the president of the senate, and the chairpersons of the house 31
and senate committees principally responsible for education 32
matters regarding the effectiveness of academic programs, 33
operations, and legal compliance and of the financial condition 34
of all community schools established under this chapter and on 35
the performance of community school sponsors; 36

(5) From time to time, make legislative recommendations to 37
the general assembly designed to enhance the operation and 38
performance of community schools. 39

(B) (1) ~~Except as provided in sections 3314.021 and~~ 40
~~3314.027 of the Revised Code, no~~ No entity shall enter into a 41
preliminary agreement under division (C) (2) of section 3314.02 42
of the Revised Code or renew an existing contract to sponsor a 43
community school until it has received approval from the 44
department of education to sponsor community schools under this 45
chapter and has entered into a written agreement with the 46
department regarding the manner in which the entity will conduct 47

such sponsorship. 48

~~On and after July 1, 2017, each~~ Each entity that sponsors 49
a community school in this state, ~~except for an entity described~~ 50
~~in sections 3314.021 and 3314.027 of the Revised Code,~~ shall 51
attain approval from the department in order to continue 52
sponsoring schools regardless of whether that entity intends to 53
enter into a preliminary agreement or renew an existing 54
contract. 55

All new and renewed agreements between the department and 56
a sponsor shall contain specific language addressing the 57
parameters under which the department can intervene and 58
potentially revoke sponsorship authority in the event that the 59
sponsor is unwilling or unable to fulfill its obligations. 60
Additionally, each agreement shall set forth any territorial 61
restrictions and limits on the number of schools that entity may 62
sponsor, provide for an annual evaluation process, and include a 63
stipulation permitting the department to modify the agreement 64
under the following circumstances: 65

(a) Poor fiscal management; 66

(b) Lack of academic progress. 67

(2) The initial term of a sponsor's agreement with the 68
department shall be for up to five years. 69

(a) An agreement entered into with the department pursuant 70
to this section may be renewed for a term of up to ten years 71
using the following criteria: 72

(i) The academic performance of students enrolled in each 73
community school the entity sponsors, as determined by the 74
department pursuant to division (B) (1) (a) of section 3314.016 of 75
the Revised Code; 76

(ii) The sponsor's adherence to quality practices, as 77
determined by the department pursuant to division (B) (1) (b) of 78
section 3314.016 of the Revised Code; 79

(iii) The sponsor's compliance with all applicable laws 80
and administrative rules. 81

(b) Each agreement between the department and a sponsor 82
shall specify that entities with an overall rating of 83
"exemplary" for at least two consecutive years shall not be 84
subject to the limit on the number of community schools the 85
entity may sponsor or any territorial restrictions on 86
sponsorship, for so long as that entity continues to be rated 87
"exemplary." 88

(c) The state board of education shall adopt in accordance 89
with Chapter 119. of the Revised Code rules containing criteria, 90
procedures, and deadlines for processing applications for 91
approval of sponsors, for oversight of sponsors, for notifying a 92
sponsor of noncompliance with applicable laws and administrative 93
rules under division (F) of this section, for revocation of the 94
approval of sponsors under division (C) of this section, and for 95
entering into written agreements with sponsors. The rules shall 96
require an entity to submit evidence of the entity's ability and 97
willingness to comply with the provisions of division (D) of 98
section 3314.03 of the Revised Code. The rules also shall 99
require all entities approved as sponsors to demonstrate a 100
record of financial responsibility and successful implementation 101
of educational programs. If an entity seeking approval to 102
sponsor community schools in this state sponsors or operates 103
schools in another state, at least one of the schools sponsored 104
or operated by the entity must be comparable to or better than 105
the performance of Ohio schools in need of continuous 106

improvement under section 3302.03 of the Revised Code, as 107
determined by the department. 108

Subject to section 3314.016 of the Revised Code, an entity 109
that sponsors community schools may enter into preliminary 110
agreements and sponsor up to one hundred schools, provided each 111
school and the contract for sponsorship meets the requirements 112
of this chapter. 113

(3) The state board of education shall determine, pursuant 114
to criteria specified in rules adopted in accordance with 115
Chapter 119. of the Revised Code, whether the mission proposed 116
to be specified in the contract of a community school to be 117
sponsored by a state university board of trustees or the board's 118
designee under division (C)(1)(e) of section 3314.02 of the 119
Revised Code complies with the requirements of that division. 120
Such determination of the state board is final. 121

(4) The state board of education shall determine, pursuant 122
to criteria specified in rules adopted in accordance with 123
Chapter 119. of the Revised Code, if any tax-exempt entity under 124
section 501(c)(3) of the Internal Revenue Code that is proposed 125
to be a sponsor of a community school is an education-oriented 126
entity for purpose of satisfying the condition prescribed in 127
division (C)(1)(f)(iii) of section 3314.02 of the Revised Code. 128
Such determination of the state board is final. 129

(C) If at any time the state board of education finds that 130
a sponsor is not in compliance or is no longer willing to comply 131
with its contract with any community school or with the 132
department's rules for sponsorship, the state board or designee 133
shall conduct a hearing in accordance with Chapter 119. of the 134
Revised Code on that matter. If after the hearing, the state 135
board or designee has confirmed the original finding, the 136

department of education may revoke the sponsor's approval to 137
sponsor community schools. In that case, the department's office 138
of Ohio school sponsorship, established under section 3314.029 139
of the Revised Code, may assume the sponsorship of any schools 140
with which the sponsor has contracted until the earlier of the 141
expiration of two school years or until a new sponsor as 142
described in division (C) (1) of section 3314.02 of the Revised 143
Code is secured by the school's governing authority. The office 144
of Ohio school sponsorship may extend the term of the contract 145
in the case of a school for which it has assumed sponsorship 146
under this division as necessary to accommodate the term of the 147
department's authorization to sponsor the school specified in 148
this division. Community schools sponsored under this division 149
shall not apply to the limit on directly authorized community 150
schools under division (A) (3) of section 3314.029 of the Revised 151
Code. However, nothing in this division shall preclude a 152
community school affected by this division from applying for 153
sponsorship under that section. 154

(D) The decision of the department to disapprove an entity 155
for sponsorship of a community school or to revoke approval for 156
such sponsorship under division (C) of this section, may be 157
appealed by the entity in accordance with section 119.12 of the 158
Revised Code. 159

(E) The department shall adopt procedures for use by a 160
community school governing authority and sponsor when the school 161
permanently closes and ceases operation, which shall include at 162
least procedures for data reporting to the department, handling 163
of student records, distribution of assets in accordance with 164
section 3314.074 of the Revised Code, and other matters related 165
to ceasing operation of the school. 166

(F) (1) In lieu of revoking a sponsor's authority to 167
sponsor community schools under division (C) of this section, if 168
the department finds that a sponsor is not in compliance with 169
applicable laws and administrative rules, the department shall 170
declare in a written notice to the sponsor the specific laws or 171
rules, or both, for which the sponsor is noncompliant. A sponsor 172
notified under division (F) (1) of this section shall respond to 173
the department not later than fourteen days after the 174
notification with a proposed plan to remedy the conditions for 175
which the sponsor was found to be noncompliant. The department 176
shall approve or disapprove the plan not later than fourteen 177
days after receiving it. If the plan is disapproved, the sponsor 178
may submit a revised plan to the department not later than 179
fourteen days after receiving notification of disapproval from 180
the department or not later than sixty days after the date the 181
sponsor received notification of noncompliance from the 182
department, whichever is earlier. The department shall approve 183
or disapprove the revised plan not later than fourteen days 184
after receiving it or not later than sixty days after the date 185
the sponsor received notification of noncompliance from the 186
department, whichever is earlier. A sponsor may continue to make 187
revisions by the deadlines prescribed in division (F) (1) of this 188
section to any revised plan that is disapproved by the 189
department until the sixtieth day after the date the sponsor 190
received notification of noncompliance from the department. 191

If a plan or a revised plan is approved, the sponsor shall 192
implement it not later than sixty days after the date the 193
sponsor received notification of noncompliance from the 194
department or not later than thirty days after the plan is 195
approved, whichever is later. If a sponsor does not respond to 196
the department or implement an approved compliance plan by the 197

deadlines prescribed by division (F) (1) of this section, or if a sponsor does not receive approval of a compliance plan on or before the sixtieth day after the date the sponsor received notification of noncompliance from the department, the department shall declare in written notice to the sponsor that the sponsor is in probationary status, and may limit the sponsor's ability to sponsor additional schools.

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

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

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

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

(J) On and after the effective date of this amendment, any 227
entity that was exempt from the requirement to be approved for 228
sponsorship as described in former section 3314.021 or 3314.027 229
of the Revised Code shall not renew a contract to sponsor a 230
community school or enter into a new contract to sponsor a 231
community school until it has complied with the terms of this 232
section. Accordingly, the entity shall apply to the department 233
of education for such approval and shall enter into an agreement 234
with the department. Once approval is granted, an entity 235
described in this division may continue to sponsor schools in 236
the same manner and subject to the same reapplication, 237
evaluation, and approval procedures set forth in this chapter as 238
for all other community school sponsors. 239

Sec. 3314.016. This section applies to any entity that 240
sponsors a community school, ~~regardless of whether section~~ 241
~~3314.021 or 3314.027 of the Revised Code exempts the entity from~~ 242
~~the requirement to be approved for sponsorship under divisions~~ 243
~~(A) (2) and (B) (1) of section 3314.015 of the Revised Code.~~ The 244
office of Ohio school sponsorship established under section 245
3314.029 of the Revised Code shall be rated under division (B) 246
of this section, but divisions (A) and (C) of this section do 247
not apply to the office. 248

(A) An entity that sponsors a community school shall be 249
permitted to enter into contracts under section 3314.03 of the 250
Revised Code to sponsor additional community schools only if the 251
entity meets all of the following criteria: 252

(1) The entity is in compliance with all provisions of 253
this chapter requiring sponsors of community schools to report 254
data or information to the department of education. 255

(2) The entity is not rated as "ineffective" under 256

division (B) (6) of this section. 257

(3) ~~Except as set forth in sections 3314.021 and 3314.027~~ 258
~~of the Revised Code, the~~ The entity has received approval from 259
and entered into an agreement with the department of education 260
pursuant to section 3314.015 of the Revised Code. 261

(B) (1) The department shall develop and implement an 262
evaluation system that annually rates and assigns an overall 263
rating to each entity that sponsors a community school. The 264
department, not later than the first day of February of each 265
year, shall post on the department's web site the framework for 266
the evaluation system, including technical documentation that 267
the department intends to use to rate sponsors for the next 268
school year. The department shall solicit public comment on the 269
evaluation system for thirty consecutive days. Not later than 270
the first day of April of each year, the department shall 271
compile and post on the department's web site all public 272
comments that were received during the public comment period. 273
The evaluation system shall be posted on the department's web 274
site by the fifteenth day of July of each school year. Any 275
changes to the evaluation system after that date shall take 276
effect the following year. The evaluation system shall be based 277
on the following components: 278

(a) Academic performance of students enrolled in community 279
schools sponsored by the same entity. The academic performance 280
component shall be derived from the performance measures 281
prescribed for the state report cards under section 3302.03 or 282
3314.017 of the Revised Code, and shall be based on the 283
performance of the schools for the school year for which the 284
evaluation is conducted. In addition to the academic performance 285
for a specific school year, the academic performance component 286

shall also include year-to-year changes in the overall sponsor 287
portfolio. For a community school for which no graded 288
performance measures are applicable or available, the department 289
shall use nonreport card performance measures specified in the 290
contract between the community school and the sponsor under 291
division (A) (4) of section 3314.03 of the Revised Code. 292

(b) Adherence by a sponsor to the quality practices 293
prescribed by the department under division (B) (3) of this 294
section. For a sponsor that was rated "effective" or "exemplary" 295
on its most recent rating, the department may evaluate that 296
sponsor's adherence to quality practices once over a period of 297
three years. If the department elects to evaluate a sponsor once 298
over a period of three years, the most recent rating for a 299
sponsor's adherence to quality practices shall be used when 300
determining an annual overall rating conducted under this 301
section. 302

(c) Compliance with all applicable laws and administrative 303
rules by an entity that sponsors a community school. 304

(2) In calculating an academic performance component, the 305
department shall exclude all community schools that have been in 306
operation for not more than two full school years and all 307
community schools described in division (A) (4) (b) of section 308
3314.35 of the Revised Code. However, the academic performance 309
of the community schools described in division (A) (4) (b) of 310
section 3314.35 of the Revised Code shall be reported, but shall 311
not be used as a factor when determining a sponsoring entity's 312
rating under this section. 313

(3) The department, in consultation with entities that 314
sponsor community schools, shall prescribe quality practices for 315
community school sponsors and develop an instrument to measure 316

adherence to those quality practices. The quality practices 317
shall be based on standards developed by the national 318
association of charter school authorizers or any other 319
nationally organized community school organization. 320

(4) (a) The department may permit peer review of a 321
sponsor's adherence to the quality practices prescribed under 322
division (B) (3) of this section. Peer reviewers shall be limited 323
to individuals employed by sponsors rated "effective" or 324
"exemplary" on the most recent ratings conducted under this 325
section. 326

(b) The department shall require individuals participating 327
in peer review under division (B) (4) (a) of this section to 328
complete training approved or established by the department. 329

(c) The department may enter into an agreement with 330
another entity to provide training to individuals conducting 331
peer review of sponsors. Prior to entering into an agreement 332
with an entity, the department shall review and approve of the 333
entity's training program. 334

(5) Not later than July 1, 2013, the state board of 335
education shall adopt rules in accordance with Chapter 119. of 336
the Revised Code prescribing standards for measuring compliance 337
with applicable laws and rules under division (B) (1) (c) of this 338
section. 339

(6) The department annually shall rate all entities that 340
sponsor community schools as either "exemplary," "effective," 341
"ineffective," or "poor," based on the components prescribed by 342
division (B) of this section, where each component is weighted 343
equally. A separate rating shall be given by the department for 344
each component of the evaluation system. 345

The department shall publish the ratings between the first 346
day of October and the fifteenth day of November. 347

Prior to the publication of the final ratings, the 348
department shall designate and provide notice of a period of at 349
least ten business days during which each sponsor may review the 350
information used by the department to determine the sponsor's 351
rating on the components prescribed by division (B) (1) of this 352
section. If the sponsor believes there is an error in the 353
department's evaluation, the sponsor may request adjustments to 354
the rating of any of those components based on documentation 355
previously submitted as part of an evaluation. The sponsor shall 356
provide to the department any necessary evidence or information 357
to support the requested adjustments. The department shall 358
review the evidence and information, determine whether an 359
adjustment is valid, and promptly notify the sponsor of its 360
determination and reasons. If any adjustments to the data could 361
result in a change to the rating on the applicable component or 362
to the overall rating, the department shall recalculate the 363
ratings prior to publication. 364

The department shall provide training on an annual basis 365
regarding the evaluation system prescribed under this section. 366
The training shall, at a minimum, describe methodology, 367
timelines, and data required for the evaluation system. The 368
first training session shall occur not later than March 2, 2016. 369
Beginning in 2018, the training shall be made available to each 370
entity that sponsors a community school by the fifteenth day of 371
July of each year and shall include guidance on any changes made 372
to the evaluation system. 373

(7) (a) Entities with an overall rating of "exemplary" for 374
at least two consecutive years may take advantage of the 375

following incentives:	376
(i) Renewal of the written agreement with the department,	377
not to exceed ten years, provided that the entity consents to	378
continued evaluation of adherence to quality practices as	379
described in division (B) (1) (b) of this section;	380
(ii) The ability to extend the term of the contract	381
between the sponsoring entity and the community school beyond	382
the term described in the written agreement with the department;	383
(iii) An exemption from the preliminary agreement and	384
contract adoption and execution deadline requirements prescribed	385
in division (D) of section 3314.02 of the Revised Code;	386
(iv) An exemption from the automatic contract expiration	387
requirement, should a new community school fail to open by the	388
thirtieth day of September of the calendar year in which the	389
community school contract is executed;	390
(v) No limit on the number of community schools the entity	391
may sponsor;	392
(vi) No territorial restrictions on sponsorship.	393
An entity may continue to sponsor any community schools	394
with which it entered into agreements under division (B) (7) (a)	395
(v) or (vi) of this section while rated "exemplary,"	396
notwithstanding the fact that the entity later receives a lower	397
overall rating.	398
(b) Entities with an overall rating of "exemplary" or	399
"effective" for at least three consecutive years shall be	400
evaluated by the department once every three years.	401
(c) (i) Entities that receive an overall rating of	402
"ineffective" shall be prohibited from sponsoring any new or	403

additional community schools during the time in which the 404
sponsor is rated as "ineffective" and shall be subject to a 405
quality improvement plan based on correcting the deficiencies 406
that led to the "ineffective" rating, with timelines and 407
benchmarks that have been established by the department. 408

(ii) Entities that receive an overall rating of 409
"ineffective" on their three most recent ratings shall have all 410
sponsorship authority revoked. Within thirty days after 411
receiving its third rating of "ineffective," the entity may 412
appeal the revocation of its sponsorship authority to the 413
superintendent of public instruction, who shall appoint an 414
independent hearing officer to conduct a hearing in accordance 415
with Chapter 119. of the Revised Code. The hearing shall be 416
conducted within thirty days after receipt of the notice of 417
appeal. Within forty-five days after the hearing is completed, 418
the state board of education shall determine whether the 419
revocation is appropriate based on the hearing conducted by the 420
independent hearing officer, and if determined appropriate, the 421
revocation shall be confirmed. 422

(d) Entities that receive an overall rating of "poor" 423
shall have all sponsorship authority revoked. Within thirty days 424
after receiving a rating of "poor," the entity may appeal the 425
revocation of its sponsorship authority to the superintendent of 426
public instruction, who shall appoint an independent hearing 427
officer to conduct a hearing in accordance with Chapter 119. of 428
the Revised Code. The hearing shall be conducted within thirty 429
days after receipt of the notice of appeal. Within forty-five 430
days after the hearing is completed, the state board of 431
education shall determine whether the revocation is appropriate 432
based on the hearing conducted by the independent hearing 433
officer, and if determined appropriate, the revocation shall be 434

confirmed. 435

(8) For the 2014-2015 school year and each school year 436
thereafter, student academic performance prescribed under 437
division (B) (1) (a) of this section shall include student 438
academic performance data from community schools that primarily 439
serve students enrolled in a dropout prevention and recovery 440
program. 441

(C) If the governing authority of a community school 442
enters into a contract with a sponsor prior to the date on which 443
the sponsor is prohibited from sponsoring additional schools 444
under division (A) of this section and the school has not opened 445
for operation as of that date, that contract shall be void and 446
the school shall not open until the governing authority secures 447
a new sponsor by entering into a contract with the new sponsor 448
under section 3314.03 of the Revised Code. However, the 449
department's office of Ohio school sponsorship, established 450
under section 3314.029 of the Revised Code, may assume the 451
sponsorship of the school until the earlier of the expiration of 452
two school years or until a new sponsor is secured by the 453
school's governing authority. A community school sponsored by 454
the department under this division shall not be included when 455
calculating the maximum number of directly authorized community 456
schools permitted under division (A) (3) of section 3314.029 of 457
the Revised Code. 458

(D) When an entity's authority to sponsor schools is 459
revoked pursuant to division ~~(B) (7) (b)~~ (B) (7) (c) or ~~(e) (d)~~ of 460
this section, the office of Ohio school sponsorship shall assume 461
sponsorship of any schools with which the original sponsor has 462
contracted for the remainder of that school year. The office may 463
continue sponsoring those schools until the earlier of: 464

(1) The expiration of two school years from the time that sponsorship is revoked; 465
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(2) When a new sponsor is secured by the governing authority pursuant to division (C) (1) of section 3314.02 of the Revised Code. 467
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Any community school sponsored under this division shall not be counted for purposes of directly authorized community schools under division (A) (3) of section 3314.029 of the Revised Code. 470
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(E) The department shall recalculate the rating for the 2017-2018 school year for each sponsor of a community school that receives recalculated ratings pursuant to division (I) of section 3314.017 of the Revised Code. 474
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Sec. 3314.02. (A) As used in this chapter: 478

(1) "Sponsor" means the board of education of a school district or the governing board of an educational service center that agrees to the conversion of all or part of a school or building under division (B) of this section, or an entity listed in division (C) (1) of this section, which has been approved by the department of education to sponsor community schools ~~or is exempted by section 3314.021 or 3314.027 of the Revised Code from obtaining approval,~~ and with which the governing authority of a community school enters into a contract under section 3314.03 of the Revised Code. 479
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(2) "Pilot project area" means the school districts included in the territory of the former community school pilot project established by former Section 50.52 of Am. Sub. H.B. No. 215 of the 122nd general assembly. 489
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(3) "Challenged school district" means any of the 493

following:	494
(a) A school district that is part of the pilot project area;	495 496
(b) A school district that meets one of the following conditions:	497 498
(i) On March 22, 2013, the district was in a state of academic emergency or in a state of academic watch under section 3302.03 of the Revised Code, as that section existed prior to March 22, 2013;	499 500 501 502
(ii) For two of the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 school years, the district received a grade of "D" or "F" for the performance index score and a grade of "F" for the value-added progress dimension under section 3302.03 of the Revised Code;	503 504 505 506 507
(iii) For the 2016-2017 school year and for any school 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.	508 509 510 511 512 513 514
(c) A big eight school district;	515
(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.	516 517 518
(4) "Big eight school district" means a school district that for fiscal year 1997 had both of the following:	519 520
(a) A percentage of children residing in the district and	521

participating in the predecessor of Ohio works first greater 522
than thirty per cent, as reported pursuant to section 3317.10 of 523
the Revised Code; 524

(b) An average daily membership greater than twelve 525
thousand, as reported pursuant to former division (A) of section 526
3317.03 of the Revised Code. 527

(5) "New start-up school" means a community school other 528
than one created by converting all or part of an existing public 529
school or educational service center building, as designated in 530
the school's contract pursuant to division (A)(17) of section 531
3314.03 of the Revised Code. 532

(6) "Urban school district" means one of the state's 533
twenty-one urban school districts as defined in division (O) of 534
section 3317.02 of the Revised Code as that section existed 535
prior to July 1, 1998. 536

(7) "Internet- or computer-based community school" means a 537
community school established under this chapter in which the 538
enrolled students work primarily from their residences on 539
assignments in nonclassroom-based learning opportunities 540
provided via an internet- or other computer-based instructional 541
method that does not rely on regular classroom instruction or 542
via comprehensive instructional methods that include internet- 543
based, other computer-based, and noncomputer-based learning 544
opportunities unless a student receives career-technical 545
education under section 3314.086 of the Revised Code. 546

A community school that operates mainly as an internet- or 547
computer-based community school and provides career-technical 548
education under section 3314.086 of the Revised Code shall be 549
considered an internet- or computer-based community school, even 550

if it provides some classroom-based instruction, so long as it 551
provides instruction via the methods described in this division. 552

(8) "Operator" or "management company" means either of the 553
following: 554

(a) An individual or organization that manages the daily 555
operations of a community school pursuant to a contract between 556
the operator or management company and the school's governing 557
authority; 558

(b) A nonprofit organization that provides programmatic 559
oversight and support to a community school under a contract 560
with the school's governing authority and that retains the right 561
to terminate its affiliation with the school if the school fails 562
to meet the organization's quality standards. 563

(9) "Alliance municipal school district" has the same 564
meaning as in section 3311.86 of the Revised Code. 565

(B) (1) Any person or group of individuals may initially 566
propose under this division the conversion of all or a portion 567
of a public school to a community school. The proposal shall be 568
made to the board of education of the city, local, exempted 569
village, or joint vocational school district in which the public 570
school is proposed to be converted. 571

(2) Any person or group of individuals may initially 572
propose under this division the conversion of all or a portion 573
of a building operated by an educational service center to a 574
community school. The proposal shall be made to the governing 575
board of the service center. 576

~~On or after July 1, 2017, except as provided in section~~ 577
~~3314.027 of the Revised Code, any~~ Any educational service center 578
that sponsors a community school shall be approved by and enter 579

into a written agreement with the department as described in 580
section 3314.015 of the Revised Code. 581

(3) Upon receipt of a proposal, and after an agreement has 582
been entered into pursuant to section 3314.015 of the Revised 583
Code, a board may enter into a preliminary agreement with the 584
person or group proposing the conversion of the public school or 585
service center building, indicating the intention of the board 586
to support the conversion to a community school. A proposing 587
person or group that has a preliminary agreement under this 588
division may proceed to finalize plans for the school, establish 589
a governing authority for the school, and negotiate a contract 590
with the board. Provided the proposing person or group adheres 591
to the preliminary agreement and all provisions of this chapter, 592
the board shall negotiate in good faith to enter into a contract 593
in accordance with section 3314.03 of the Revised Code and 594
division (C) of this section. 595

(4) The sponsor of a conversion community school proposed 596
to open in an alliance municipal school district shall be 597
subject to approval by the department of education for 598
sponsorship of that school using the criteria established under 599
division (A) of section 3311.87 of the Revised Code. 600

~~Division (B) (4) of this section does not apply to a 601
sponsor that, on or before September 29, 2015, was exempted 602
under section 3314.021 or 3314.027 of the Revised Code from the 603
requirement to be approved for sponsorship under divisions (A) 604
(2) and (B) (1) of section 3314.015 of the Revised Code. 605~~

(5) A school established in accordance with division (B) 606
of this section that later enters into a sponsorship contract 607
with an entity that is not a school district or educational 608
service center shall, at the time of entering into the new 609

contract, be deemed a community school established in accordance 610
with division (C) of this section. 611

(C) (1) Any person or group of individuals may propose 612
under this division the establishment of a new start-up school 613
to be located in a challenged school district. The proposal may 614
be made to any of the following entities: 615

(a) The board of education of the district in which the 616
school is proposed to be located; 617

(b) The board of education of any joint vocational school 618
district with territory in the county in which is located the 619
majority of the territory of the district in which the school is 620
proposed to be located; 621

(c) The board of education of any other city, local, or 622
exempted village school district having territory in the same 623
county where the district in which the school is proposed to be 624
located has the major portion of its territory; 625

(d) The governing board of any educational service center, 626
regardless of the location of the proposed school, may sponsor a 627
new start-up school in any challenged school district in the 628
state if all of the following are satisfied: 629

(i) If applicable, it satisfies the requirements of 630
division (E) of section 3311.86 of the Revised Code; 631

(ii) It is approved to do so by the department; 632

(iii) It enters into an agreement with the department 633
under section 3314.015 of the Revised Code. 634

(e) A sponsoring authority designated by the board of 635
trustees of any of the thirteen state universities listed in 636
section 3345.011 of the Revised Code or the board of trustees 637

itself as long as a mission of the proposed school to be 638
specified in the contract under division (A) (2) of section 639
3314.03 of the Revised Code and as approved by the department 640
under division (B) (3) of section 3314.015 of the Revised Code 641
will be the practical demonstration of teaching methods, 642
educational technology, or other teaching practices that are 643
included in the curriculum of the university's teacher 644
preparation program approved by the state board of education; 645

(f) Any qualified tax-exempt entity under section 501(c) 646
(3) of the Internal Revenue Code as long as all of the following 647
conditions are satisfied: 648

(i) The entity has been in operation for at least five 649
years prior to applying to be a community school sponsor. 650

(ii) The entity has assets of at least five hundred 651
thousand dollars and a demonstrated record of financial 652
responsibility. 653

(iii) The department has determined that the entity is an 654
education-oriented entity under division (B) (4) of section 655
3314.015 of the Revised Code and the entity has a demonstrated 656
record of successful implementation of educational programs. 657

(iv) The entity is not a community school. 658

(g) The mayor of a city in which the majority of the 659
territory of a school district to which section 3311.60 of the 660
Revised Code applies is located, regardless of whether that 661
district has created the position of independent auditor as 662
prescribed by that section. The mayor's sponsorship authority 663
under this division is limited to community schools that are 664
located in that school district. Such mayor may sponsor 665
community schools only with the approval of the city council of 666

that city, after establishing standards with which community 667
schools sponsored by the mayor must comply, and after entering 668
into a sponsor agreement with the department as prescribed under 669
section 3314.015 of the Revised Code. The mayor shall establish 670
the standards for community schools sponsored by the mayor not 671
later than one hundred eighty days after July 15, 2013, and 672
shall submit them to the department upon their establishment. 673
The department shall approve the mayor to sponsor community 674
schools in the district, upon receipt of an application by the 675
mayor to do so. Not later than ninety days after the 676
department's approval of the mayor as a community school 677
sponsor, the department shall enter into the sponsor agreement 678
with the mayor. 679

Any entity described in division (C)(1) of this section 680
may enter into a preliminary agreement pursuant to division (C) 681
(2) of this section with the proposing person or group, provided 682
that entity has been approved by and entered into a written 683
agreement with the department pursuant to section 3314.015 of 684
the Revised Code. 685

(2) A preliminary agreement indicates the intention of an 686
entity described in division (C)(1) of this section to sponsor 687
the community school. A proposing person or group that has such 688
a preliminary agreement may proceed to finalize plans for the 689
school, establish a governing authority as described in division 690
(E) of this section for the school, and negotiate a contract 691
with the entity. Provided the proposing person or group adheres 692
to the preliminary agreement and all provisions of this chapter, 693
the entity shall negotiate in good faith to enter into a 694
contract in accordance with section 3314.03 of the Revised Code. 695

(3) A new start-up school that is established in a school 696

district described in either division (A) (3) (b) or (d) of this 697
section may continue in existence once the school district no 698
longer meets the conditions described in either division, 699
provided there is a valid contract between the school and a 700
sponsor. 701

(4) A copy of every preliminary agreement entered into 702
under this division shall be filed with the superintendent of 703
public instruction. 704

(D) A majority vote of the board of a sponsoring entity 705
and a majority vote of the members of the governing authority of 706
a community school shall be required to adopt a contract and 707
convert the public school or educational service center building 708
to a community school or establish the new start-up school. 709
Beginning September 29, 2005, adoption of the contract shall 710
occur not later than the fifteenth day of March, and signing of 711
the contract shall occur not later than the fifteenth day of 712
May, prior to the school year in which the school will open. The 713
governing authority shall notify the department of education 714
when the contract has been signed. Subject to sections 3314.013 715
and 3314.016 of the Revised Code, an unlimited number of 716
community schools may be established in any school district 717
provided that a contract is entered into for each community 718
school pursuant to this chapter. 719

(E) (1) As used in this division, "immediate relatives" are 720
limited to spouses, children, parents, grandparents, and 721
siblings, as well as in-laws residing in the same household as 722
the person serving on the governing authority. 723

Each new start-up community school established under this 724
chapter shall be under the direction of a governing authority 725
which shall consist of a board of not less than five 726

individuals. 727

(2) (a) No person shall serve on the governing authority or 728
operate the community school under contract with the governing 729
authority under any of the following circumstances: 730

(i) The person owes the state any money or is in a dispute 731
over whether the person owes the state any money concerning the 732
operation of a community school that has closed. 733

(ii) The person would otherwise be subject to division (B) 734
of section 3319.31 of the Revised Code with respect to refusal, 735
limitation, or revocation of a license to teach, if the person 736
were a licensed educator. 737

(iii) The person has pleaded guilty to or been convicted 738
of theft in office under section 2921.41 of the Revised Code, or 739
has pleaded guilty to or been convicted of a substantially 740
similar offense in another state. 741

(b) No person shall serve on the governing authority or 742
engage in the financial day-to-day management of the community 743
school under contract with the governing authority unless and 744
until that person has submitted to a criminal records check in 745
the manner prescribed by section 3319.39 of the Revised Code. 746

(c) Each sponsor of a community school shall annually 747
verify that a finding for recovery has not been issued by the 748
auditor of state against any individual or individuals who 749
propose to create a community school or any member of the 750
governing authority, the operator, or any employee of each 751
community school with responsibility for fiscal operations or 752
authorization to expend money on behalf of the school. 753

(3) No person shall serve on the governing authorities of 754
more than five start-up community schools at the same time. 755

(4) (a) For a community school established under this 756
chapter that is not sponsored by a school district or an 757
educational service center, no present or former member, or 758
immediate relative of a present or former member, of the 759
governing authority shall be an owner, employee, or consultant 760
of the community school's sponsor or operator, unless at least 761
one year has elapsed since the conclusion of the person's 762
membership on the governing authority. 763

(b) For a community school established under this chapter 764
that is sponsored by a school district or an educational service 765
center, no present or former member, or immediate relative of a 766
present or former member, of the governing authority shall: 767

(i) Be an officer of the district board or service center 768
governing board that serves as the community school's sponsor, 769
unless at least one year has elapsed since the conclusion of the 770
person's membership on the governing authority; 771

(ii) Serve as an employee of, or a consultant for, the 772
department, division, or section of the sponsoring district or 773
service center that is directly responsible for sponsoring 774
community schools, or have supervisory authority over such a 775
department, division, or section, unless at least one year has 776
elapsed since the conclusion of the person's membership on the 777
governing authority. 778

(5) The governing authority of a start-up or conversion 779
community school may provide by resolution for the compensation 780
of its members. However, no individual who serves on the 781
governing authority of a start-up or conversion community school 782
shall be compensated more than one hundred twenty-five dollars 783
per meeting of that governing authority and no such individual 784
shall be compensated more than a total amount of five thousand 785

dollars per year for all governing authorities upon which the individual serves. Each member of the governing authority may be paid compensation for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars a day for attendance at a training program three hours or less in length and one hundred twenty-five dollars a day for attendance at a training program longer than three hours in length.

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

(7) Each member of the governing authority of a community school shall 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:

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

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

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

(8) No person who is a member of a school district board of education shall serve on the governing authority of any community school.

(F) (1) A new start-up school that is established prior to August 15, 2003, in an urban school district that is not also a big-eight school district may continue to operate after that date and the contract between the school's governing authority

and the school's sponsor may be renewed, as provided under this 815
chapter, after that date, but no additional new start-up schools 816
may be established in such a district unless the district is a 817
challenged school district as defined in this section as it 818
exists on and after that date. 819

(2) A community school that was established prior to June 820
29, 1999, and is located in a county contiguous to the pilot 821
project area and in a school district that is not a challenged 822
school district may continue to operate after that date, 823
provided the school complies with all provisions of this 824
chapter. The contract between the school's governing authority 825
and the school's sponsor may be renewed, but no additional 826
start-up community school may be established in that district 827
unless the district is a challenged school district. 828

(3) Any educational service center that, on June 30, 2007, 829
sponsors a community school that is not located in a county 830
within the territory of the service center or in a county 831
contiguous to such county may continue to sponsor that community 832
school on and after June 30, 2007, and may renew its contract 833
with the school. However, the educational service center shall 834
not enter into a contract with any additional community school, 835
unless the governing board of the service center has entered 836
into an agreement with the department authorizing the service 837
center to sponsor a community school in any challenged school 838
district in the state. 839

Section 2. That existing sections 3314.015, 3314.016, and 840
3314.02 of the Revised Code are hereby repealed. 841

Section 3. That sections 3314.021 and 3314.027 of the 842
Revised Code are hereby repealed. 843

Section 4. That Section 265.335 of H.B. 166 of the 133rd 844
General Assembly be amended to read as follows: 845

Sec. 265.335. QUALITY COMMUNITY SCHOOLS SUPPORT 846

(A) The foregoing appropriation item 200631, Quality 847
Community Schools Support, shall be used for the Quality 848
Community School Support Program. Under the program, the 849
Department of Education shall pay each community school 850
established under Chapter 3314. of the Revised Code and 851
designated as a Community School of Quality under this section 852
an amount equal to \$1,750 in each fiscal year for each pupil 853
identified as economically disadvantaged and \$1,000 in each 854
fiscal year for each pupil that is not identified as 855
economically disadvantaged. The payment for the current fiscal 856
year shall be calculated using the final adjusted full-time 857
equivalent number of students enrolled in a community school for 858
the prior fiscal year, except that if a school is in its first 859
year of operation the payment for the current fiscal year shall 860
be calculated using the adjusted full-time equivalent number of 861
students enrolled in the school for the current fiscal year as 862
of the date the payment is made, as reported by the school under 863
section 3314.08 of the Revised Code. The Department shall make 864
the payment to each Community School of Quality not later than 865
January 31 of each fiscal year. 866

(B) To be designated as a Community School of Quality, a 867
community school shall satisfy ~~at least one~~ either of the 868
following conditions: 869

(1) The community school meets all of the following 870
criteria: 871

(a) The school's sponsor was rated "exemplary" or 872

"effective" on the sponsor's most recent evaluation conducted	873
under section 3314.016 of the Revised Code.	874
(b) The school received a higher performance index score	875
than the school district in which the school is located on the	876
two most recent report cards issued for the school under section	877
3302.03 of the Revised Code.	878
(c) The school received an overall grade of "A" or "B" for	879
the value-added progress dimension on the most recent report	880
card issued for the school under section 3302.03 of the Revised	881
Code or is a school described under division (A) (4) of section	882
3314.35 of the Revised Code and did not receive a grade for the	883
value-added progress dimension on the most recent report card.	884
(d) At least fifty per cent of the students enrolled in	885
the school are economically disadvantaged, as determined by the	886
Department.	887
(2) The community school meets all of the following	888
criteria:	889
(a) The school's sponsor was rated "exemplary" or	890
"effective" on the sponsor's most recent evaluation conducted	891
under section 3314.016 of the Revised Code.	892
(b) The school is in its first year of operation or the	893
school opened as a kindergarten school and has added one grade	894
per year and has been in operation for less than four school	895
years.	896
(c) The school is replicating an operational and	897
instructional model used by a community school described in	898
division (B) (1) of this section.	899
 (3) The community school meets all of the following	900

criteria:—	901
(a) The school's sponsor was rated "exemplary" or "effective" on the sponsor's most recent evaluation conducted under section 3314.016 of the Revised Code.—	902 903 904
(b) The school contracts with an operator that operates schools in other states and meets at least one of the following criteria:—	905 906 907
(i) Has operated a school that received a grant funded through the federal Charter School Program established under 20 U.S.C. 7221 or received funding from the Charter School Growth Fund;—	908 909 910 911
(ii) Meets all of the following criteria:—	912
(I) One of the operator's schools in another state performed better than the school district in which the school is located, as determined by the Department.—	913 914 915
(II) At least fifty per cent of the total number of students enrolled in all of the operator's schools are economically disadvantaged, as determined by the Department.—	916 917 918
(III) The operator is in good standing in all states where it operates schools.—	919 920
(IV) The Department has determined that the operator does not have any financial viability issues that would prevent it from effectively operating a community school in Ohio.—	921 922 923
(C) <u>Except as provided in division (D) of this section,</u> a school that is designated as a Community School of Quality under division (B) of this section shall maintain that designation for the two fiscal years following the fiscal year in which the school was initially designated as a Community	924 925 926 927 928

School of Quality. 929

(D) If a school was designated as a Community School of 930
Quality under division (B)(3) of this section as it existed 931
prior to the effective date of this amendment, it shall maintain 932
that designation for the first fiscal year following the fiscal 933
year in which the school was initially designated as a Community 934
School of Quality, but it shall be considered to be in 935
probationary status for that fiscal year. If the school fails to 936
show improvement, as determined by the Department, while in 937
probationary status, the school shall lose its designation as a 938
a Community School of Quality for the second fiscal year 939
following the fiscal year in which the school was initially 940
designated as a Community School of Quality. 941

Section 5. That existing Section 265.335 of H.B. 166 of 942
the 133rd General Assembly is hereby repealed. 943