

As Introduced

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H. B. No. 874

Representatives Brennan, Baker

To amend sections 3314.012, 3314.016, 3314.021, and 1
3314.031 and to enact section 3314.0111 of the 2
Revised Code to enact the Charter School Sponsor 3
and Operator Rating Act regarding report cards 4
for community school sponsors and operators. 5

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

Section 1. That sections 3314.012, 3314.016, 3314.021, and 6
3314.031 be amended and section 3314.0111 of the Revised Code be 7
enacted to read as follows: 8

Sec. 3314.012. (A) Except as provided in section 3314.017 9
of the Revised Code, the department of education and workforce 10
shall issue an annual report card for each community school, 11
regardless of how long the school has been in operation. The 12
report card shall report the academic and financial performance 13
of the school . The report card shall include all information 14
applicable to school buildings under section 3302.03 of the 15
Revised Code. The ratings a community school receives under 16
section 3302.03 of the Revised Code for its first two full 17
school years shall not be considered toward automatic closure of 18
the school under section 3314.35 of the Revised Code or any 19
other matter that is based on report card ratings. 20

(B) Upon receipt of a copy of a contract between a sponsor and a community school entered into under this chapter, the department shall notify the community school of the specific model report card that will be used for that school.

(C) Report cards shall be distributed to the parents of all students in the community school, to the members of the board of education of the school district in which the community school is located, and to any person who requests one from the department.

(D) The department shall include on a report card issued to a community school under this section or section 3314.017 of the Revised Code both of the following:

(1) A link to the web site of the community school's sponsor and its sponsor report card issued under section 3314.0111 of the Revised Code;

(2) (a) The name of the operator of the community school, if the community school has one, and whether that operator is a nonprofit or for-profit entity;

(b) A link to the web site of the community school's operator and its operator report card issued under section 3314.031 of the Revised Code.

The information required under division (D) of this section shall be included on the home page of the community school report card, presented with other basic information on the community school.

Sec. 3314.016. This section applies to any entity that sponsors a community school, regardless of whether section 3314.021 or 3314.027 of the Revised Code exempts the entity from the requirement to be approved for sponsorship under divisions

(A) (2) and (B) (1) of section 3314.015 of the Revised Code. The 50
office of Ohio school sponsorship established under section 51
3314.029 of the Revised Code shall be rated under division (B) 52
of this section, but divisions (A) and (C) of this section do 53
not apply to the office. 54

(A) An entity that sponsors a community school shall be 55
permitted to enter into contracts under section 3314.03 of the 56
Revised Code to sponsor additional community schools only if the 57
entity meets all of the following criteria: 58

(1) The entity is in compliance with all provisions of 59
this chapter requiring sponsors of community schools to report 60
data or information to the department of education and 61
workforce. 62

(2) The entity is not rated as "ineffective" under 63
division (B) (5) of this section. 64

(3) Except as set forth in sections 3314.021 and 3314.027 65
of the Revised Code, the entity has received approval from and 66
entered into an agreement with the department pursuant to 67
section 3314.015 of the Revised Code. 68

(B) (1) The department shall develop and implement an 69
evaluation system that annually rates and assigns an overall 70
rating to each entity that sponsors a community school. The 71
department, not later than the first day of February of each 72
year, shall post on the department's web site the framework for 73
the evaluation system, including technical documentation that 74
the department intends to use to rate sponsors for the next 75
school year. The department shall solicit public comment on the 76
evaluation system for thirty consecutive days. Not later than 77
the first day of April of each year, the department shall 78

compile and post on the department's web site all public 79
comments that were received during the public comment period. 80
The evaluation system shall be posted on the department's web 81
site by the fifteenth day of July of each school year. Any 82
changes to the evaluation system after that date shall take 83
effect the following year. The evaluation system shall be based 84
on the following components: 85

(a) Academic performance of students enrolled in community 86
schools sponsored by the same entity. The academic performance 87
component shall be derived from the performance measures 88
prescribed for the state report cards under section 3302.03 or 89
3314.017 of the Revised Code, and shall be based on the 90
performance of the schools for the school year for which the 91
evaluation is conducted. In addition to the academic performance 92
for a specific school year, the academic performance component 93
shall also include year-to-year changes in the overall sponsor 94
portfolio. For a community school for which no graded 95
performance measures are applicable or available, the department 96
shall use nonreport card performance measures specified in the 97
contract between the community school and the sponsor under 98
division (A) (4) of section 3314.03 of the Revised Code. 99

(b) Adherence by a sponsor to the quality practices 100
prescribed by the department under division (B) (3) of this 101
section. 102

(c) Compliance with all applicable laws and administrative 103
rules by an entity that sponsors a community school. 104

Under the evaluation system prescribed under division (B) 105
(1) of this section, the department shall not assign an overall 106
rating of "ineffective" or lower to an entity that sponsors a 107
community school solely because that entity received no points 108

on one of the components prescribed under that division. 109

(2) In calculating an academic performance component, the 110
department shall exclude all community schools that have been in 111
operation for not more than two full school years, all community 112
schools whose contracts were not renewed or terminated by the 113
sponsor pursuant to section 3314.07 of the Revised Code before 114
the evaluation, and all community schools described in division 115
(B) (2) of section 3314.35 of the Revised Code. However, the 116
academic performance of the community schools described in 117
division (B) (2) of section 3314.35 of the Revised Code shall be 118
reported, but shall not be used as a factor when determining a 119
sponsoring entity's rating under this section. 120

(3) The department, in consultation with entities that 121
sponsor community schools, shall prescribe quality practices for 122
community school sponsors and develop an instrument to measure 123
adherence to those quality practices. The quality practices 124
shall be based on standards developed by the national 125
association of charter school authorizers or any other 126
nationally organized community school organization. 127

(4) The director of education and workforce shall adopt 128
rules in accordance with Chapter 119. of the Revised Code 129
prescribing standards for measuring compliance with applicable 130
laws and rules under division (B) (1) (c) of this section. 131

(5) The department annually shall rate all entities that 132
sponsor community schools as either "exemplary," "effective," 133
"ineffective," or "poor," based on the components prescribed by 134
division (B) of this section, where each component is weighted 135
equally. A separate rating shall be given by the department for 136
each component of the evaluation system. 137

The department shall publish the ratings between the first 138
day of October and the fifteenth day of November. 139

Prior to the publication of the final ratings, the 140
department shall designate and provide notice of a period of at 141
least ten business days during which each sponsor may review the 142
information used by the department to determine the sponsor's 143
rating on the components prescribed by ~~division (B) (1)~~ divisions 144
(B) (1) (b) and (c) of this section. If the sponsor believes there 145
is an error in the department's evaluation, the sponsor may 146
request adjustments to the rating of ~~any~~ either of those 147
components based on documentation previously submitted as part 148
of an evaluation. The sponsor shall provide to the department 149
any necessary evidence or information to support the requested 150
adjustments. The department shall review the evidence and 151
information, determine whether an adjustment is valid, and 152
promptly notify the sponsor of its determination and reasons. If 153
any adjustments to the data could result in a change to the 154
rating on the applicable component or to the overall rating, the 155
department shall recalculate the ratings prior to publication. 156

The department shall provide training on an annual basis 157
regarding the evaluation system prescribed under this section. 158
The training shall, at a minimum, describe methodology, 159
timelines, and data required for the evaluation system. The 160
first training session shall occur not later than March 2, 2016. 161
Beginning in 2018, the training shall be made available to each 162
entity that sponsors a community school by the fifteenth day of 163
July of each year and shall include guidance on any changes made 164
to the evaluation system. 165

(6) (a) Entities with an overall rating of "exemplary" may 166
take advantage of the following incentives: 167

(i) Renewal of the written agreement with the department, 168
not to exceed ten years, provided that the entity consents to 169
continued evaluation of adherence to quality practices as 170
described in division (B) (1) (b) of this section; 171

(ii) The ability to extend the term of the contract 172
between the sponsoring entity and the community school beyond 173
the term described in the written agreement with the department; 174

(iii) An exemption from the preliminary agreement and 175
contract adoption and execution deadline requirements prescribed 176
in division (D) of section 3314.02 of the Revised Code; 177

(iv) An exemption from the automatic contract expiration 178
requirement, should a new community school fail to open by the 179
thirtieth day of September of the calendar year in which the 180
community school contract is executed; 181

(v) No limit on the number of community schools the entity 182
may sponsor; 183

(vi) No territorial restrictions on sponsorship. 184

An entity may continue to sponsor any community schools 185
with which it entered into agreements under division (B) (6) (a) 186
(v) or (vi) of this section while rated "exemplary," 187
notwithstanding the fact that the entity later receives a lower 188
overall rating. 189

~~(b) Entities with an overall rating of "exemplary" shall 190
not be evaluated by the department for five full school years 191
following the school year for which the entity received the 192
"exemplary" rating. Entities with an overall rating of 193
"effective" shall not be evaluated by the department for three 194
full school years following the school year for which the entity 195
received the "effective" rating. 196~~

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

(ii) Entities that receive an overall rating of "ineffective" on their three most recent ratings shall have all sponsorship authority revoked. Within thirty days after receiving its third rating of "ineffective," the entity may appeal the revocation of its sponsorship authority to the director, who shall appoint an independent hearing officer to conduct a hearing in accordance with Chapter 119. of the Revised Code. The hearing shall be conducted within thirty days after receipt of the notice of appeal. Within forty-five days after the hearing is completed, the director shall determine whether the revocation is appropriate based on the hearing conducted by the independent hearing officer, and if determined appropriate, the revocation shall be confirmed.

~~(d)~~ (c) Entities that receive an overall rating of "poor" shall have all sponsorship authority revoked. Within thirty days after receiving a rating of "poor," the entity may appeal the revocation of its sponsorship authority to the director, who shall appoint an independent hearing officer to conduct a hearing in accordance with Chapter 119. of the Revised Code. The hearing shall be conducted within thirty days after receipt of the notice of appeal. Within forty-five days after the hearing is completed, the director shall determine whether the revocation is appropriate based on the hearing conducted by the independent hearing officer, and if determined appropriate, the

revocation shall be confirmed. 228

(7) For the 2014-2015 school year and each school year 229
thereafter, student academic performance prescribed under 230
division (B) (1) (a) of this section shall include student 231
academic performance data from dropout prevention and recovery 232
community schools. 233

(8) The department shall publish annually academic 234
performance data for each sponsor in accordance with division 235
(B) (1) (a) of this section, regardless of whether the sponsor is 236
being evaluated under this section for that school year. 237

(C) If the governing authority of a community school 238
enters into a contract with a sponsor prior to the date on which 239
the sponsor is prohibited from sponsoring additional schools 240
under division (A) of this section and the school has not opened 241
for operation as of that date, that contract shall be void and 242
the school shall not open until the governing authority secures 243
a new sponsor by entering into a contract with the new sponsor 244
under section 3314.03 of the Revised Code. However, the 245
department's office of Ohio school sponsorship, established 246
under section 3314.029 of the Revised Code, may assume the 247
sponsorship of the school until the earlier of the expiration of 248
two school years or until a new sponsor is secured by the 249
school's governing authority. A community school sponsored by 250
the department under this division shall not be included when 251
calculating the maximum number of directly authorized community 252
schools permitted under division (A) (3) of section 3314.029 of 253
the Revised Code. 254

(D) When an entity's authority to sponsor schools is 255
revoked pursuant to division ~~(B) (6) (e)~~ (B) (6) (b) or ~~(d)~~ (c) of 256
this section, the office of Ohio school sponsorship shall assume 257

sponsorship of any schools with which the original sponsor has 258
contracted for the remainder of that school year. The office may 259
continue sponsoring those schools until the earlier of: 260

(1) The expiration of two school years from the time that 261
sponsorship is revoked; 262

(2) When a new sponsor is secured by the governing 263
authority pursuant to division (C) (1) of section 3314.02 of the 264
Revised Code. 265

Any community school sponsored under this division shall 266
not be counted for purposes of directly authorized community 267
schools under division (A) (3) of section 3314.029 of the Revised 268
Code. 269

(E) The department shall recalculate the rating for the 270
2017-2018 school year for each sponsor of a community school 271
that receives recalculated ratings pursuant to division (I) of 272
section 3314.017 of the Revised Code. 273

Sec. 3314.0111. (A) Annually, not later than the fifteenth 274
day of November or the preceding Friday when that day falls on a 275
Saturday or Sunday, the department of education and workforce 276
shall issue a report card reflecting the performance of 277
community school sponsors in the prior school year. The report 278
card shall present information about each sponsor, and be posted 279
on the department's web site, in a manner similar to a state 280
report card issued under section 3302.03 of the Revised Code. 281
The report card for a sponsor shall include detailed information 282
about the sponsor and the sponsor's evaluation under section 283
3314.016 of the Revised Code, including its overall rating under 284
that section. 285

(B) The department shall present a sponsor's overall 286

<u>rating on an evaluation under section 3314.016 of the Revised</u>	287
<u>Code on the report card, as follows:</u>	288
<u>(1) For an overall rating of "exemplary" and any of ten</u>	289
<u>through twelve total points on the evaluation, the department</u>	290
<u>shall assign the sponsor a performance rating of four stars and</u>	291
<u>include a descriptor of "exemplary."</u>	292
<u>(2) For an overall rating of "effective" and any of seven</u>	293
<u>through nine total points on the evaluation, the department</u>	294
<u>shall assign the sponsor a performance rating of three stars and</u>	295
<u>include a descriptor of "effective."</u>	296
<u>(3) For an overall rating of "ineffective" and any of</u>	297
<u>three through six total points on the evaluation, the department</u>	298
<u>shall assign the sponsor a performance rating of two stars and</u>	299
<u>include a descriptor of "ineffective."</u>	300
<u>(4) For an overall rating of "poor" and either one or two</u>	301
<u>total points on the evaluation, the department shall assign the</u>	302
<u>sponsor a performance rating of one star and include a</u>	303
<u>descriptor of "poor."</u>	304
<u>(5) For an overall rating of "poor" and zero total points</u>	305
<u>on the evaluation, the department shall assign the sponsor a</u>	306
<u>performance rating of zero stars and include a descriptor of</u>	307
<u>"failed."</u>	308
<u>(C) The department shall establish a method to assign</u>	309
<u>performance ratings for each sponsor evaluation component</u>	310
<u>prescribed under divisions (B) (1) (a) to (c) of section 3314.016</u>	311
<u>of the Revised Code. The department's method shall assign one of</u>	312
<u>the following performance ratings and descriptors to a component</u>	313
<u>based on the component's points used in the evaluation:</u>	314
<u>(1) A performance rating of four stars and a descriptor of</u>	315

<u>"exceeds standards";</u>	316
<u>(2) A performance rating of three stars and a descriptor of "meets standards";</u>	317
<u>(3) A performance rating of two stars and a descriptor of "progressing towards standards";</u>	319
<u>(4) A performance rating of one star and a descriptor of "below standards";</u>	321
<u>(5) A performance rating of zero stars and a descriptor of "significantly below standards."</u>	323
<u>(D) Nothing in this section shall be construed to conflict with, or override, a sponsor's evaluation under section 3314.016 of the Revised Code. A sponsor's evaluation under section 3314.016 of the Revised Code shall be used to determine any sanctions or incentives that are based on such evaluations.</u>	325
Sec. 3314.021. (A) This section applies to any entity that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code and that satisfies the conditions specified in divisions (C)(1)(f)(ii) and (iii) of section 3314.02 of the Revised Code but does not satisfy the condition specified in division (C)(1)(f)(i) of that section.	326
(B) Notwithstanding division (C)(1)(f)(i) of section 3314.02 of the Revised Code, and subject to division (D)(2) of this section, an entity described in division (A) of this section may do both of the following without obtaining the department of education and workforce's initial approval of its sponsorship under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code:	327
(1) Succeed the board of trustees of a state university	328
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located in the pilot project area or that board's designee as 344
the sponsor of a community school established under this 345
chapter; 346

(2) Continue to sponsor that school in conformance with 347
the terms of the contract between the board of trustees or its 348
designee and the governing authority of the community school and 349
renew that contract as provided in division (D) of section 350
3314.03 of the Revised Code. 351

(C) The entity that succeeds the board of trustees or the 352
board's designee as sponsor of a community school under division 353
(B) of this section also may enter into contracts to sponsor 354
other community schools regardless of the proposed school's 355
location, without obtaining the department's initial approval of 356
its sponsorship of those schools under divisions (A) (2) and (B) 357
(1) of section 3314.015 of the Revised Code as long as the 358
contracts conform with and the entity complies with all other 359
requirements of this chapter. 360

(D) (1) Regardless of the entity's authority to sponsor 361
community schools without the initial approval of the 362
department, the entity is under the continuing oversight of the 363
department in accordance with rules adopted under section 364
3314.015 of the Revised Code. 365

(2) If an entity described in division (A) of this section 366
receives a rating below "effective" under division (B) of 367
section 3314.016 of the Revised Code for two or more consecutive 368
years, that entity shall receive approval from the department to 369
sponsor community schools and enter into a written agreement 370
with the department in accordance with division (B) (1) of 371
section 3314.015 of the Revised Code prior to entering into any 372
further preliminary agreements under division (C) (2) of section 373

3314.02 of the Revised Code or renewing any existing contract to sponsor a community school. 374
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~~(E) (1) As used in division (E) of this section: 376~~

~~(a) "Board of trustees" means a board of trustees of a state university located in the pilot project area. 377
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~~(b) "Rating" means a sponsor rating under section 3314.016 of the Revised Code. 379
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~~(2) Notwithstanding anything to the contrary in division (B) (6) (b) of section 3314.016 of the Revised Code, for the purposes of that division, the department shall consider an entity that succeeded a board of trustees as the sponsor of a community school in accordance with division (B) (1) of this section to have received the same rating for the 2016-2017 school year as the board of trustees, provided all of the following apply: 381
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~~(a) The department assigned the board of trustees a rating of either "effective" or "exemplary" for the 2016-2017 school year. 389
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~~(b) The department did not assign the entity its own rating for the 2016-2017 school year. 392
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~~(c) The department assigned the entity its own rating for the 2017-2018 school year. 394
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Sec. 3314.031. (A) Beginning March 31, 2016, the department shall do the following: 396
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(1) Maintain and annually publish an accurate record of the names and identifying information of all entities that have entered into a contract with the governing authority of a community school to manage or operate that school; 398
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(2) Receive from the governing authority of each community school a copy of the contract between a governing authority and its operator. A copy of each contract shall be made available on the department's web site.

(B) ~~Not later than November 15, 2016~~Annually, and not later than the fifteenth day of November ~~for each year thereafter~~or the preceding Friday when that day falls on a Saturday or Sunday, the department shall ~~develop and publish an annual performance~~issue a report for card reflecting the performance of all operators of community schools in the state based on their performance for the previous school year. The report card shall present information about each operator, and be posted on the department's web site, in a manner similar to a state report card issued under section 3302.03 of the Revised Code. The department shall establish an overall operator rating system in a manner similar to the sponsor evaluation system under section 3314.016 of the Revised Code that includes both overall ratings and individual category ratings. The report card for each operator shall be made available in an easily accessible format on the department's web site.

(C) The department shall include the ~~performance report obtained~~card issued pursuant to division (B) of this section in the department's annual report required by division (A) (4) of section 3314.015 of the Revised Code.

(D) For purposes of this section, "operator" has the same meaning as in division (A) (8) of section 3314.02 of the Revised Code.

Section 2. That existing sections 3314.012, 3314.016, 3314.021, and 3314.031 of the Revised Code are hereby repealed.

Section 3. This act shall be known as the Charter School	431
Sponsor and Operator Rating Act.	432