As Introduced

136th General Assembly
Regular Session **H. B. No. 875**
2025-2026

Representatives Brennan, Sims

To amend sections 3314.01, 3314.02, and 3314.032 and to enact section 3314.0111 of the Revised Code to prohibit for-profit operators of community schools.

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

Section 1. That sections 3314.01, 3314.02, and 3314.032 be amended and section 3314.0111 of the Revised Code be enacted to read as follows:

Sec. 3314.01. (A)(1) A board of education may permit all or part of any of the schools under its control, upon request of a proposing person or group and provided the person or group meets the requirements of this chapter, to become a community school.

(2) Any person or group of individuals may propose the creation of a community school pursuant to the provisions of this chapter. No nonpublic chartered or nonchartered school in existence on January 1, 1997, is eligible to become a community school under this chapter.

~~(B)~~ (B)(1) A community school created under this chapter is a public school, independent of any school district, and is part of the state's program of education.

(2) Notwithstanding division (B)(1) of this section, and subject to section 3314.032 of the Revised Code, on or after July 1, 2028, a community school with a for-profit operator no longer qualifies as a public school under this chapter.

(C) A community school may sue and be sued, acquire facilities as needed, contract for any services necessary for the operation of the school, and enter into contracts with a sponsor pursuant to this chapter. The governing authority of a community school may carry out any act and ensure the performance of any function that is in compliance with the Ohio Constitution, this chapter, other statutes applicable to community schools, and the contract entered into under this chapter establishing the school.

Sec. 3314.0111. Not later than January 1, 2027, a for-profit operator or management company of a community school shall notify the governing authority of each community school with which the operator has a contract regarding its decision to comply with the requirement under division (A)(8) of section 3314.02 of the Revised Code to become a nonprofit organization by July 1, 2028, or the date on which the contract for operation of the school is subject to renewal. If a for-profit operator or management company does not comply with this requirement:

(A) The governing authority shall identify an educational service center to act as the new operator of the community school not later than July 1, 2027, and notify the school's sponsor of this decision.

(B) The governing authority shall notify the parents of current and prospective students regarding the new operator.

If a governing authority fails to identify an educational

service center to act as the new operator of the community school by July 1, 2027, the school shall close by the end of the 2027-2028 school year or by the end of the last school year covered by the current operator contract.

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

(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 and workforce 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.

(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.

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

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

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

(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;

(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;

(iii) For the 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021 school years, 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;

(iv) For the 2021-2022 school year and for any school year thereafter, the district has received an overall performance rating of less than three stars under division (D)(3) of section 3302.03 of the Revised Code, or, for at least two of the three most recent school years, the district received one star for progress under division (D)(3)(c) 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 community school established under this chapter in which the enrolled students work primarily from their residences on assignments in nonclassroom-based learning opportunities provided via an internet- or other computer-based instructional method that does not rely on regular classroom instruction or via comprehensive instructional methods that include internet-based, other computer-based, and noncomputer-based learning opportunities unless a student receives career-technical education under section 3314.086 of the Revised Code.

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

(8) "Operator" or "management company" means a nonprofit organization or governing board of an educational service center

that does either of the following:

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

(b) ~~A nonprofit organization that provides~~Provides programmatic oversight and support to a community school under a contract with the school's governing authority and that retains the right to terminate its affiliation with the school if the school fails to meet the ~~organization's~~operator's or management company's quality standards.

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

(10) "Dropout prevention and recovery community school" means a community school that enrolls only students who are at least fourteen years of age and not older than twenty-one years of age and who, at the time of their initial enrollment, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional educational programs.

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

(2) Any person or group of individuals may initially propose under this division the conversion of all or a portion

of a building operated by an educational service center to a community school. The proposal shall be made to the governing board of the service center.

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

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

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

Division (B)(4) of this section does not apply to a sponsor that, on or before September 29, 2015, was exempted under section 3314.021 or 3314.027 of the Revised Code from the

requirement to be approved for sponsorship under divisions (A)(2) and (B)(1) of section 3314.015 of the Revised Code.

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

(C)(1) Provided all other conditions of sponsorship and governance are satisfied, any person or group of individuals may propose under this division the establishment of a new start-up school regardless of the school's proposed location. The proposal may be made to any of the following entities:

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

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

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

(d) The governing board of any educational service center, regardless of the location of the proposed school, may sponsor a new start-up school if all of the following are satisfied:

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

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

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

(e) A sponsoring authority designated by the board of trustees of any of the thirteen state universities listed in section 3345.011 of the Revised Code or the board of trustees itself as long as a mission of the proposed school to be specified in the contract under division (A)(2) of section 3314.03 of the Revised Code and as approved by the department under division (B)(3) of section 3314.015 of the Revised Code will be the practical demonstration of teaching methods, educational technology, or other teaching practices that are included in the curriculum of the university's teacher preparation program approved by the chancellor of higher education;

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

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

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

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

(iv) The entity is not a community school.

(g) The mayor of a city in which the majority of the 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 with the entity. Provided the proposing person or group adheres to the preliminary agreement and all provisions of this chapter, the entity shall negotiate in good faith to enter into a contract in accordance with section 3314.03 of the Revised Code.

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

(4) A copy of every preliminary agreement entered into under this division shall be filed with the director of education and workforce.

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

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

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

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

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

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

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

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

(c) Each sponsor of a community school shall annually verify that a finding for recovery has not been issued by the

auditor of state against any individual or individuals who propose to create a community school or any member of the governing authority, the operator, or any employee of each community school with responsibility for fiscal operations or authorization to expend money on behalf of the school.

(3) No person shall serve on the governing authorities of more than five start-up community schools at the same time unless both of the following apply:

(a) The person serves in a volunteer capacity and receives no compensation under division (E)(5) of this section from any governing authority on which the person serves.

(b) For any school that has an operator, the operator is a nonprofit organization.

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

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

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

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

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

(2) A community school that was established prior to June 29, 1999, and is located in a county contiguous to the pilot project area and in a school district that was not a challenged school district may continue to operate after that date, provided the school complies with all provisions of this chapter. The contract between the school's governing authority and the school's sponsor may be renewed.

(3) Any educational service center that, on June 30, 2007, sponsors a community school that is not located in a county within the territory of the service center or in a county contiguous to such county may continue to sponsor that community school on and after June 30, 2007, and may renew its contract with the school.

(4) The department of education and workforce shall not restrict the establishment of a new start-up community school to those located in a challenged school district as was required by this section prior to September 30, 2021.

Sec. 3314.032. On and after the effective date of this amendment, only an operator or management company as defined in division (A)(8) of section 3314.02 of the Revised Code, as it exists on or after the effective date of this amendment, may enter into or renew a contract to manage the daily operations of, or provide programmatic oversight and support to, a community school. Contracts entered into or renewed prior to the effective date of this amendment may continue in effect for the term provided in the contract.

(A) On and after February 1, 2016, any new or renewed contract between the governing authority of a community school and an operator shall include at least the following:

(1) Criteria to be used for early termination of the operator contract;

(2) Required notification procedures and timeline for early termination or nonrenewal of the operator contract;

(3) A stipulation of which entity owns all community school facilities and property including, but not limited to, equipment, furniture, fixtures, instructional materials and supplies, computers, printers, and other digital devices purchased by the governing authority or operator. Any stipulation regarding property ownership shall comply with the requirements of section 3314.0210 of the Revised Code.

(B)(1) The operator with which the governing authority of a community school contracts for services shall not lease any

parcel of real property to that community school until an independent professional in the real estate field verifies via addendum that at the time the lease was agreed to, the lease was commercially reasonable.

(2) The independent professional described in division (B)(1) of this section shall be immune from civil liability for any decision rendered pursuant to this section.

(C) Beginning with the 2016-2017 school year, the governing authority of a community school, with the assistance of the school's designated fiscal officer, shall adopt an annual budget by the thirty-first day of October of each year.

The department of education and workforce shall develop a format for annual budgets of community schools. The format shall prescribe inclusion of the following information in a school's budget:

(1) Administrative costs for the community school as a whole;

(2) Instructional services costs for each category of service provided directly to students, compiled and reported in terms of average expenditure per pupil receiving the service;

(3) The cost of instructional support services, such as services provided by a speech-language pathologist, classroom aide, multimedia aide, or librarian, provided directly to students;

(4) The cost of administrative support services, such as the cost of personnel that develop the curriculum and the cost of personnel supervising or coordinating the delivery of the instructional services;

(5) The cost of support or extracurricular services costs for services directly provided to students;

(6) The cost of services provided directly to students by a nonlicensed employee related to support or extracurricular services, such as janitorial services, cafeteria services, or services of a sports trainer;

(7) The cost of administrative services related to support or extracurricular services, such as the cost of any licensed or unlicensed employees that develop, supervise, coordinate, or otherwise are involved in administrating or aiding the delivery of services.

(D) The governing authority of a community school shall be the sole entity responsible for the adoption of the school's annual budget, but the governing authority shall adopt such budget with the assistance of the school's designated fiscal officer.

Section 2. That existing sections 3314.01, 3314.02, and 3314.032 of the Revised Code are hereby repealed.