

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**H. B. No. 875**

**Representatives Brennan, Sims**

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To amend sections 3314.01, 3314.02, and 3314.032 1  
and to enact section 3314.0111 of the Revised 2  
Code to prohibit for-profit operators of 3  
community schools. 4

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

**Section 1.** That sections 3314.01, 3314.02, and 3314.032 be 5  
amended and section 3314.0111 of the Revised Code be enacted to 6  
read as follows: 7

**Sec. 3314.01.** (A) (1) A board of education may permit all 8  
or part of any of the schools under its control, upon request of 9  
a proposing person or group and provided the person or group 10  
meets the requirements of this chapter, to become a community 11  
school. 12

(2) Any person or group of individuals may propose the 13  
creation of a community school pursuant to the provisions of 14  
this chapter. No nonpublic chartered or nonchartered school in 15  
existence on January 1, 1997, is eligible to become a community 16  
school under this chapter. 17

~~(B)~~ (B) (1) A community school created under this chapter 18  
is a public school, independent of any school district, and is 19  
part of the state's program of education. 20

(2) Notwithstanding division (B)(1) of this section, and 21  
subject to section 3314.032 of the Revised Code, on or after 22  
July 1, 2028, a community school with a for-profit operator no 23  
longer qualifies as a public school under this chapter. 24

(C) A community school may sue and be sued, acquire 25  
facilities as needed, contract for any services necessary for 26  
the operation of the school, and enter into contracts with a 27  
sponsor pursuant to this chapter. The governing authority of a 28  
community school may carry out any act and ensure the 29  
performance of any function that is in compliance with the Ohio 30  
Constitution, this chapter, other statutes applicable to 31  
community schools, and the contract entered into under this 32  
chapter establishing the school. 33

**Sec. 3314.0111.** Not later than January 1, 2027, a for- 34  
profit operator or management company of a community school 35  
shall notify the governing authority of each community school 36  
with which the operator has a contract regarding its decision to 37  
comply with the requirement under division (A)(8) of section 38  
3314.02 of the Revised Code to become a nonprofit organization 39  
by July 1, 2028, or the date on which the contract for operation 40  
of the school is subject to renewal. If a for-profit operator or 41  
management company does not comply with this requirement: 42

(A) The governing authority shall identify an educational 43  
service center to act as the new operator of the community 44  
school not later than July 1, 2027, and notify the school's 45  
sponsor of this decision. 46

(B) The governing authority shall notify the parents of 47  
current and prospective students regarding the new operator. 48

If a governing authority fails to identify an educational 49

service center to act as the new operator of the community 50  
school by July 1, 2027, the school shall close by the end of the 51  
2027-2028 school year or by the end of the last school year 52  
covered by the current operator contract. 53

**Sec. 3314.02.** (A) As used in this chapter: 54

(1) "Sponsor" means the board of education of a school 55  
district or the governing board of an educational service center 56  
that agrees to the conversion of all or part of a school or 57  
building under division (B) of this section, or an entity listed 58  
in division (C) (1) of this section, which has been approved by 59  
the department of education and workforce to sponsor community 60  
schools or is exempted by section 3314.021 or 3314.027 of the 61  
Revised Code from obtaining approval, and with which the 62  
governing authority of a community school enters into a contract 63  
under section 3314.03 of the Revised Code. 64

(2) "Pilot project area" means the school districts 65  
included in the territory of the former community school pilot 66  
project established by former Section 50.52 of Am. Sub. H.B. No. 67  
215 of the 122nd general assembly. 68

(3) "Challenged school district" means any of the 69  
following: 70

(a) A school district that is part of the pilot project 71  
area; 72

(b) A school district that meets one of the following 73  
conditions: 74

(i) On March 22, 2013, the district was in a state of 75  
academic emergency or in a state of academic watch under section 76  
3302.03 of the Revised Code, as that section existed prior to 77  
March 22, 2013; 78

(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 108  
3317.03 of the Revised Code. 109

(5) "New start-up school" means a community school other 110  
than one created by converting all or part of an existing public 111  
school or educational service center building, as designated in 112  
the school's contract pursuant to division (A)(17) of section 113  
3314.03 of the Revised Code. 114

(6) "Urban school district" means one of the state's 115  
twenty-one urban school districts as defined in division (O) of 116  
section 3317.02 of the Revised Code as that section existed 117  
prior to July 1, 1998. 118

(7) "Internet- or computer-based community school" means a 119  
community school established under this chapter in which the 120  
enrolled students work primarily from their residences on 121  
assignments in nonclassroom-based learning opportunities 122  
provided via an internet- or other computer-based instructional 123  
method that does not rely on regular classroom instruction or 124  
via comprehensive instructional methods that include internet- 125  
based, other computer-based, and noncomputer-based learning 126  
opportunities unless a student receives career-technical 127  
education under section 3314.086 of the Revised Code. 128

A community school that operates mainly as an internet- or 129  
computer-based community school and provides career-technical 130  
education under section 3314.086 of the Revised Code shall be 131  
considered an internet- or computer-based community school, even 132  
if it provides some classroom-based instruction, so long as it 133  
provides instruction via the methods described in this division. 134

(8) "Operator" or "management company" means a nonprofit 135  
organization or governing board of an educational service center 136

<u>that does either of the following:</u>	137
(a) <del>An individual or organization that manages</del> <u>Manages</u> the	138
daily operations of a community school pursuant to a contract	139
between the operator or management company and the school's	140
governing authority;	141
(b) <del>A nonprofit organization that provides</del> <u>Provides</u>	142
programmatic oversight and support to a community school under a	143
contract with the school's governing authority and that retains	144
the right to terminate its affiliation with the school if the	145
school fails to meet the <del>organization's</del> <u>operator's or management</u>	146
<u>company's</u> quality standards.	147
(9) "Alliance municipal school district" has the same	148
meaning as in section 3311.86 of the Revised Code.	149
(10) "Dropout prevention and recovery community school"	150
means a community school that enrolls only students who are at	151
least fourteen years of age and not older than twenty-one years	152
of age and who, at the time of their initial enrollment, are at	153
least one grade level behind their cohort age groups or	154
experience crises that significantly interfere with their	155
academic progress such that they are prevented from continuing	156
their traditional educational programs.	157
(B) (1) Any person or group of individuals may initially	158
propose under this division the conversion of all or a portion	159
of a public school to a community school. The proposal shall be	160
made to the board of education of the city, local, exempted	161
village, or joint vocational school district in which the public	162
school is proposed to be converted.	163
(2) Any person or group of individuals may initially	164
propose under this division the conversion of all or a portion	165

of a building operated by an educational service center to a 166  
community school. The proposal shall be made to the governing 167  
board of the service center. 168

On or after July 1, 2017, except as provided in section 169  
3314.027 of the Revised Code, any educational service center 170  
that sponsors a community school shall be approved by and enter 171  
into a written agreement with the department as described in 172  
section 3314.015 of the Revised Code. 173

(3) Upon receipt of a proposal, and after an agreement has 174  
been entered into pursuant to section 3314.015 of the Revised 175  
Code, a board may enter into a preliminary agreement with the 176  
person or group proposing the conversion of the public school or 177  
service center building, indicating the intention of the board 178  
to support the conversion to a community school. A proposing 179  
person or group that has a preliminary agreement under this 180  
division may proceed to finalize plans for the school, establish 181  
a governing authority for the school, and negotiate a contract 182  
with the board. Provided the proposing person or group adheres 183  
to the preliminary agreement and all provisions of this chapter, 184  
the board shall negotiate in good faith to enter into a contract 185  
in accordance with section 3314.03 of the Revised Code and 186  
division (C) of this section. 187

(4) The sponsor of a conversion community school proposed 188  
to open in an alliance municipal school district shall be 189  
subject to approval by the department of education and workforce 190  
for sponsorship of that school using the criteria established 191  
under division (A) of section 3311.87 of the Revised Code. 192

Division (B) (4) of this section does not apply to a 193  
sponsor that, on or before September 29, 2015, was exempted 194  
under section 3314.021 or 3314.027 of the Revised Code from the 195

requirement to be approved for sponsorship under divisions (A)	196
(2) and (B) (1) of section 3314.015 of the Revised Code.	197
(5) A school established in accordance with division (B)	198
of this section that later enters into a sponsorship contract	199
with an entity that is not a school district or educational	200
service center shall, at the time of entering into the new	201
contract, be deemed a community school established in accordance	202
with division (C) of this section.	203
(C) (1) Provided all other conditions of sponsorship and	204
governance are satisfied, any person or group of individuals may	205
propose under this division the establishment of a new start-up	206
school regardless of the school's proposed location. The	207
proposal may be made to any of the following entities:	208
(a) The board of education of the district in which the	209
school is proposed to be located;	210
(b) The board of education of any joint vocational school	211
district with territory in the county in which is located the	212
majority of the territory of the district in which the school is	213
proposed to be located;	214
(c) The board of education of any other city, local, or	215
exempted village school district having territory in the same	216
county where the district in which the school is proposed to be	217
located has the major portion of its territory;	218
(d) The governing board of any educational service center,	219
regardless of the location of the proposed school, may sponsor a	220
new start-up school if all of the following are satisfied:	221
(i) If applicable, it satisfies the requirements of	222
division (E) of section 3311.86 of the Revised Code;	223

(ii) It is approved to do so by the department;	224
(iii) It enters into an agreement with the department under section 3314.015 of the Revised Code.	225 226
(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;	227 228 229 230 231 232 233 234 235 236 237 238
(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:	239 240 241
(i) The entity has been in operation for at least five years prior to applying to be a community school sponsor.	242 243
(ii) The entity has assets of at least five hundred thousand dollars and a demonstrated record of financial responsibility.	244 245 246
(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.	247 248 249 250
(iv) The entity is not a community school.	251

(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 283  
(E) of this section for the school, and negotiate a contract 284  
with the entity. Provided the proposing person or group adheres 285  
to the preliminary agreement and all provisions of this chapter, 286  
the entity shall negotiate in good faith to enter into a 287  
contract in accordance with section 3314.03 of the Revised Code. 288

(3) A new start-up school that is established in a school 289  
district described in either division (A) (3) (b) or (d) of this 290  
section may continue in existence once the school district no 291  
longer meets the conditions described in either division, 292  
provided there is a valid contract between the school and a 293  
sponsor. 294

(4) A copy of every preliminary agreement entered into 295  
under this division shall be filed with the director of 296  
education and workforce. 297

(D) A majority vote of the board of a sponsoring entity 298  
and a majority vote of the members of the governing authority of 299  
a community school shall be required to adopt a contract and 300  
convert the public school or educational service center building 301  
to a community school or establish the new start-up school. 302  
Beginning September 29, 2005, adoption of the contract shall 303  
occur not later than the fifteenth day of March, and signing of 304  
the contract shall occur not later than the fifteenth day of 305  
May, prior to the school year in which the school will open. The 306  
governing authority shall notify the department of education and 307  
workforce when the contract has been signed. Subject to sections 308  
3314.013 and 3314.016 of the Revised Code, an unlimited number 309  
of community schools may be established in any school district 310  
provided that a contract is entered into for each community 311  
school pursuant to this chapter. 312

(E) (1) As used in this division, "immediate relatives" are 313  
limited to spouses, children, parents, grandparents, and 314  
siblings, as well as in-laws residing in the same household as 315  
the person serving on the governing authority. 316

Each new start-up community school established under this 317  
chapter shall be under the direction of a governing authority 318  
which shall consist of a board of not less than five 319  
individuals. 320

(2) (a) No person shall serve on the governing authority or 321  
operate the community school under contract with the governing 322  
authority under any of the following circumstances: 323

(i) The person owes the state any money or is in a dispute 324  
over whether the person owes the state any money concerning the 325  
operation of a community school that has closed. 326

(ii) The person would otherwise be subject to division (B) 327  
of section 3319.31 of the Revised Code with respect to refusal, 328  
limitation, or revocation of a license to teach, if the person 329  
were a licensed educator. 330

(iii) The person has pleaded guilty to or been convicted 331  
of theft in office under section 2921.41 of the Revised Code, or 332  
has pleaded guilty to or been convicted of a substantially 333  
similar offense in another state. 334

(b) No person shall serve on the governing authority or 335  
engage in the financial day-to-day management of the community 336  
school under contract with the governing authority unless and 337  
until that person has submitted to a criminal records check in 338  
the manner prescribed by section 3319.39 of the Revised Code. 339

(c) Each sponsor of a community school shall annually 340  
verify that a finding for recovery has not been issued by the 341

auditor of state against any individual or individuals who 342  
propose to create a community school or any member of the 343  
governing authority, the operator, or any employee of each 344  
community school with responsibility for fiscal operations or 345  
authorization to expend money on behalf of the school. 346

(3) No person shall serve on the governing authorities of 347  
more than five start-up community schools at the same time 348  
unless both of the following apply: 349

(a) The person serves in a volunteer capacity and receives 350  
no compensation under division (E) (5) of this section from any 351  
governing authority on which the person serves. 352

(b) For any school that has an operator, the operator is a 353  
nonprofit organization. 354

(4) (a) For a community school established under this 355  
chapter that is not sponsored by a school district or an 356  
educational service center, no present or former member, or 357  
immediate relative of a present or former member, of the 358  
governing authority shall be an owner, employee, or consultant 359  
of the community school's sponsor or operator, unless at least 360  
one year has elapsed since the conclusion of the person's 361  
membership on the governing authority. 362

(b) For a community school established under this chapter 363  
that is sponsored by a school district or an educational service 364  
center, no present or former member, or immediate relative of a 365  
present or former member, of the governing authority shall: 366

(i) Be an officer of the district board or service center 367  
governing board that serves as the community school's sponsor, 368  
unless at least one year has elapsed since the conclusion of the 369  
person's membership on the governing authority; 370

(ii) Serve as an employee of, or a consultant for, the 371  
department, division, or section of the sponsoring district or 372  
service center that is directly responsible for sponsoring 373  
community schools, or have supervisory authority over such a 374  
department, division, or section, unless at least one year has 375  
elapsed since the conclusion of the person's membership on the 376  
governing authority. 377

(5) The governing authority of a start-up or conversion 378  
community school may provide by resolution for the compensation 379  
of its members. However, no individual who serves on the 380  
governing authority of a start-up or conversion community school 381  
shall be compensated more than one hundred twenty-five dollars 382  
per meeting of that governing authority and no such individual 383  
shall be compensated more than a total amount of five thousand 384  
dollars per year for all governing authorities upon which the 385  
individual serves. Each member of the governing authority may be 386  
paid compensation for attendance at an approved training 387  
program, provided that such compensation shall not exceed sixty 388  
dollars a day for attendance at a training program three hours 389  
or less in length and one hundred twenty-five dollars a day for 390  
attendance at a training program longer than three hours in 391  
length. 392

(6) No person who is the employee of a school district or 393  
educational service center shall serve on the governing 394  
authority of any community school sponsored by that school 395  
district or service center. 396

(7) Each member of the governing authority of a community 397  
school shall annually file a disclosure statement setting forth 398  
the names of any immediate relatives or business associates 399  
employed by any of the following within the previous three 400

years:	401
(a) The sponsor or operator of that community school;	402
(b) A school district or educational service center that has contracted with that community school;	403 404
(c) A vendor that is or has engaged in business with that community school.	405 406
(8) No person who is a member of a school district board of education shall serve on the governing authority of any community school.	407 408 409
(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.	410 411 412 413 414 415
(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.	416 417 418 419 420 421 422
(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.	423 424 425 426 427 428

(4) The department of education and workforce shall not 429  
restrict the establishment of a new start-up community school to 430  
those located in a challenged school district as was required by 431  
this section prior to September 30, 2021. 432

**Sec. 3314.032.** On and after the effective date of this 433  
amendment, only an operator or management company as defined in 434  
division (A)(8) of section 3314.02 of the Revised Code, as it 435  
exists on or after the effective date of this amendment, may 436  
enter into or renew a contract to manage the daily operations 437  
of, or provide programmatic oversight and support to, a 438  
community school. Contracts entered into or renewed prior to the 439  
effective date of this amendment may continue in effect for the 440  
term provided in the contract. 441

(A) On and after February 1, 2016, any new or renewed 442  
contract between the governing authority of a community school 443  
and an operator shall include at least the following: 444

(1) Criteria to be used for early termination of the 445  
operator contract; 446

(2) Required notification procedures and timeline for 447  
early termination or nonrenewal of the operator contract; 448

(3) A stipulation of which entity owns all community 449  
school facilities and property including, but not limited to, 450  
equipment, furniture, fixtures, instructional materials and 451  
supplies, computers, printers, and other digital devices 452  
purchased by the governing authority or operator. Any 453  
stipulation regarding property ownership shall comply with the 454  
requirements of section 3314.0210 of the Revised Code. 455

(B) (1) The operator with which the governing authority of 456  
a community school contracts for services shall not lease any 457

parcel of real property to that community school until an 458  
independent professional in the real estate field verifies via 459  
addendum that at the time the lease was agreed to, the lease was 460  
commercially reasonable. 461

(2) The independent professional described in division (B) 462  
(1) of this section shall be immune from civil liability for any 463  
decision rendered pursuant to this section. 464

(C) Beginning with the 2016-2017 school year, the 465  
governing authority of a community school, with the assistance 466  
of the school's designated fiscal officer, shall adopt an annual 467  
budget by the thirty-first day of October of each year. 468

The department of education and workforce shall develop a 469  
format for annual budgets of community schools. The format shall 470  
prescribe inclusion of the following information in a school's 471  
budget: 472

(1) Administrative costs for the community school as a 473  
whole; 474

(2) Instructional services costs for each category of 475  
service provided directly to students, compiled and reported in 476  
terms of average expenditure per pupil receiving the service; 477

(3) The cost of instructional support services, such as 478  
services provided by a speech-language pathologist, classroom 479  
aide, multimedia aide, or librarian, provided directly to 480  
students; 481

(4) The cost of administrative support services, such as 482  
the cost of personnel that develop the curriculum and the cost 483  
of personnel supervising or coordinating the delivery of the 484  
instructional services; 485

(5) The cost of support or extracurricular services costs	486
for services directly provided to students;	487
(6) The cost of services provided directly to students by	488
a nonlicensed employee related to support or extracurricular	489
services, such as janitorial services, cafeteria services, or	490
services of a sports trainer;	491
(7) The cost of administrative services related to support	492
or extracurricular services, such as the cost of any licensed or	493
unlicensed employees that develop, supervise, coordinate, or	494
otherwise are involved in administrating or aiding the delivery	495
of services.	496
(D) The governing authority of a community school shall be	497
the sole entity responsible for the adoption of the school's	498
annual budget, but the governing authority shall adopt such	499
budget with the assistance of the school's designated fiscal	500
officer.	501
<b>Section 2.</b> That existing sections 3314.01, 3314.02, and	502
3314.032 of the Revised Code are hereby repealed.	503