

As Concurred by the House

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Sub. H. B. No. 2

Representatives Dovilla, Roegner

Cosponsors: Representatives Brenner, Anielski, Blessing, Buchy, Burkley, Cupp, Dever, DeVitis, Duffey, Grossman, Hackett, Hagan, Hayes, Henne, Koehler, Kraus, Kunze, Manning, McClain, Pelanda, Perales, Romanchuk, Scherer, Slaby, Smith, R., Terhar, Thompson, Young, Brown, Speaker Rosenberger Senators Coley, Hite, Balderson, Burke, Eklund, Gardner, Jones, LaRose, Lehner, Manning, Obhof, Peterson, Sawyer, Thomas, Widener, Williams, Yuko

A BILL

To amend sections 3302.03, 3307.01, 3309.011, 1
3313.12, 3314.011, 3314.015, 3314.016, 3314.02, 2
3314.021, 3314.023, 3314.024, 3314.027, 3
3314.029, 3314.03, 3314.07, 3314.074, 3314.10, 4
3314.19, 3314.23, 3314.27, 3314.35, 3314.351, 5
3314.50, and 3317.034; to enact sections 6
117.105, 3302.037, 3309.013, 3313.131, 3314.019, 7
3314.025, 3314.0210, 3314.031, 3314.032, 8
3314.034, 3314.035, 3314.036, 3314.037, 9
3314.038, 3314.039, 3314.251, 3314.271, and 10
3314.46; and to repeal section 3314.026 of the 11
Revised Code; and to repeal Section 263.660 of 12
Am. Sub. H.B. 64 of the 131st General Assembly 13
with regard to governance, sponsorship, and 14
management of community schools and community 15
school employee membership in the School 16
Employees Retirement System and State Teachers 17
Retirement System; to require the Department of 18
Education to study a regression formula for 19
measuring student academic performance; to limit 20

the total annual amount of compensation that a 21
school district or educational service center 22
board member may receive; and to revise the 23
conditions of enrollment status for high school 24
students. 25

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

Section 1. That sections 3302.03, 3307.01, 3309.011, 26
3313.12, 3314.011, 3314.015, 3314.016, 3314.02, 3314.021, 27
3314.023, 3314.024, 3314.027, 3314.029, 3314.03, 3314.07, 28
3314.074, 3314.10, 3314.19, 3314.23, 3314.27, 3314.35, 3314.351, 29
3314.50, and 3317.034 be amended and sections 117.105, 3302.037, 30
3309.013, 3313.131, 3314.019, 3314.025, 3314.0210, 3314.031, 31
3314.032, 3314.034, 3314.035, 3314.036, 3314.037, 3314.038, 32
3314.039, 3314.251, 3314.271, and 3314.46 of the Revised Code be 33
enacted to read as follows: 34

Sec. 117.105. The auditor of state shall provide written 35
notice to the sponsor of a community school regarding any action 36
taken against or upcoming audits of a community school to assist 37
the sponsor in complying with the requirements of section 38
3314.019 of the Revised Code. 39

Sec. 3302.03. Annually, not later than the fifteenth day 40
of September or the preceding Friday when that day falls on a 41
Saturday or Sunday, the department of education shall assign a 42
letter grade for overall academic performance and for each 43
separate performance measure for each school district, and each 44
school building in a district, in accordance with this section. 45
The state board shall adopt rules pursuant to Chapter 119. of 46

the Revised Code to establish performance criteria for each 47
letter grade and prescribe a method by which the department 48
assigns each letter grade. For a school building to which any of 49
the performance measures do not apply, due to grade levels 50
served by the building, the state board shall designate the 51
performance measures that are applicable to the building and 52
that must be calculated separately and used to calculate the 53
building's overall grade. The department shall issue annual 54
report cards reflecting the performance of each school district, 55
each building within each district, and for the state as a whole 56
using the performance measures and letter grade system described 57

in this section. The department shall include on the 58
report card for each district and each building within each 59
district the most recent two-year trend data in student 60
achievement for each subject and each grade. 61

(A) (1) For the 2012-2013 school year, the department shall 62
issue grades as described in division (E) of this section for 63
each of the following performance measures: 64

(a) Annual measurable objectives; 65

(b) Performance index score for a school district or 66
building. Grades shall be awarded as a percentage of the total 67
possible points on the performance index system as adopted by 68
the state board. In adopting benchmarks for assigning letter 69
grades under division (A) (1) (b) of this section, the state board 70
of education shall designate ninety per cent or higher for an 71
"A," at least seventy per cent but not more than eighty per cent 72
for a "C," and less than fifty per cent for an "F." 73

(c) The extent to which the school district or building 74
meets each of the applicable performance indicators established 75

by the state board under section 3302.02 of the Revised Code and 76
the percentage of applicable performance indicators that have 77
been achieved. In adopting benchmarks for assigning letter 78
grades under division (A) (1) (c) of this section, the state board 79
shall designate ninety per cent or higher for an "A." 80

(d) The four- and five-year adjusted cohort graduation 81
rates. 82

In adopting benchmarks for assigning letter grades under 83
division (A) (1) (d), (B) (1) (d), or (C) (1) (d) of this section, the 84
department shall designate a four-year adjusted cohort 85
graduation rate of ninety-three per cent or higher for an "A" 86
and a five-year cohort graduation rate of ninety-five per cent 87
or higher for an "A." 88

(e) The overall score under the value-added progress 89
dimension of a school district or building, for which the 90
department shall use up to three years of value-added data as 91
available. The letter grade assigned for this growth measure 92
shall be as follows: 93

(i) A score that is at least two standard errors of 94
measure above the mean score shall be designated as an "A." 95

(ii) A score that is at least one standard error of 96
measure but less than two standard errors of measure above the 97
mean score shall be designated as a "B." 98

(iii) A score that is less than one standard error of 99
measure above the mean score but greater than or equal to one 100
standard error of measure below the mean score shall be 101
designated as a "C." 102

(iv) A score that is not greater than one standard error 103
of measure below the mean score but is greater than or equal to 104

two standard errors of measure below the mean score shall be 105
designated as a "D." 106

(v) A score that is not greater than two standard errors 107
of measure below the mean score shall be designated as an "F." 108

Whenever the value-added progress dimension is used as a 109
graded performance measure, whether as an overall measure or as 110
a measure of separate subgroups, the grades for the measure 111
shall be calculated in the same manner as prescribed in division 112
(A) (1) (e) of this section. 113

(f) The value-added progress dimension score for a school 114
district or building disaggregated for each of the following 115
subgroups: students identified as gifted, students with 116
disabilities, and students whose performance places them in the 117
lowest quintile for achievement on a statewide basis. Each 118
subgroup shall be a separate graded measure. 119

(2) Not later than April 30, 2013, the state board of 120
education shall adopt a resolution describing the performance 121
measures, benchmarks, and grading system for the 2012-2013 122
school year and, not later than June 30, 2013, shall adopt rules 123
in accordance with Chapter 119. of the Revised Code that 124
prescribe the methods by which the performance measures under 125
division (A) (1) of this section shall be assessed and assigned a 126
letter grade, including performance benchmarks for each letter 127
grade. 128

At least forty-five days prior to the state board's 129
adoption of rules to prescribe the methods by which the 130
performance measures under division (A) (1) of this section shall 131
be assessed and assigned a letter grade, the department shall 132
conduct a public presentation before the standing committees of 133

the house of representatives and the senate that consider 134
education legislation describing such methods, including 135
performance benchmarks. 136

(3) There shall not be an overall letter grade for a 137
school district or building for the 2012-2013 school year. 138

(B) (1) For the 2013-2014 school year, the department shall 139
issue grades as described in division (E) of this section for 140
each of the following performance measures: 141

(a) Annual measurable objectives; 142

(b) Performance index score for a school district or 143
building. Grades shall be awarded as a percentage of the total 144
possible points on the performance index system as created by 145
the department. In adopting benchmarks for assigning letter 146
grades under division (B) (1) (b) of this section, the state board 147
shall designate ninety per cent or higher for an "A," at least 148
seventy per cent but not more than eighty per cent for a "C," 149
and less than fifty per cent for an "F." 150

(c) The extent to which the school district or building 151
meets each of the applicable performance indicators established 152
by the state board under section 3302.03 of the Revised Code and 153
the percentage of applicable performance indicators that have 154
been achieved. In adopting benchmarks for assigning letter 155
grades under division (B) (1) (c) of this section, the state board 156
shall designate ninety per cent or higher for an "A." 157

(d) The four- and five-year adjusted cohort graduation 158
rates; 159

(e) The overall score under the value-added progress 160
dimension of a school district or building, for which the 161
department shall use up to three years of value-added data as 162

available. 163

(f) The value-added progress dimension score for a school 164
district or building disaggregated for each of the following 165
subgroups: students identified as gifted in superior cognitive 166
ability and specific academic ability fields under Chapter 3324. 167
of the Revised Code, students with disabilities, and students 168
whose performance places them in the lowest quintile for 169
achievement on a statewide basis. Each subgroup shall be a 170
separate graded measure. 171

(g) Whether a school district or building is making 172
progress in improving literacy in grades kindergarten through 173
three, as determined using a method prescribed by the state 174
board. The state board shall adopt rules to prescribe benchmarks 175
and standards for assigning grades to districts and buildings 176
for purposes of division (B) (1) (g) of this section. In adopting 177
benchmarks for assigning letter grades under divisions (B) (1) (g) 178
and (C) (1) (g) of this section, the state board shall determine 179
progress made based on the reduction in the total percentage of 180
students scoring below grade level, or below proficient, 181
compared from year to year on the reading and writing diagnostic 182
assessments administered under section 3301.0715 of the Revised 183
Code and the third grade English language arts assessment under 184
section 3301.0710 of the Revised Code, as applicable. The state 185
board shall designate for a "C" grade a value that is not lower 186
than the statewide average value for this measure. No grade 187
shall be issued under divisions (B) (1) (g) and (C) (1) (g) of this 188
section for a district or building in which less than five per 189
cent of students have scored below grade level on the diagnostic 190
assessment administered to students in kindergarten under 191
division (B) (1) of section 3313.608 of the Revised Code. 192

(h) For a high mobility school district or building, an additional value-added progress dimension score. For this measure, the department shall use value-added data from the most recent school year available and shall use assessment scores for only those students to whom the district or building has administered the assessments prescribed by section 3301.0710 of the Revised Code for each of the two most recent consecutive school years.

As used in this division, "high mobility school district or building" means a school district or building where at least twenty-five per cent of its total enrollment is made up of students who have attended that school district or building for less than one year.

(2) In addition to the graded measures in division (B) (1) of this section, the department shall include on a school district's or building's report card all of the following without an assigned letter grade:

(a) The percentage of students enrolled in a district or building participating in advanced placement classes and the percentage of those students who received a score of three or better on advanced placement examinations;

(b) The number of a district's or building's students who have earned at least three college credits through dual enrollment or advanced standing programs, such as the post-secondary enrollment options program under Chapter 3365. of the Revised Code and state-approved career-technical courses offered through dual enrollment or statewide articulation, that appear on a student's transcript or other official document, either of which is issued by the institution of higher education from which the student earned the college credit. The credits earned

that are reported under divisions (B) (2) (b) and (C) (2) (c) of 223
this section shall not include any that are remedial or 224
developmental and shall include those that count toward the 225
curriculum requirements established for completion of a degree. 226

(c) The percentage of students enrolled in a district or 227
building who have taken a national standardized test used for 228
college admission determinations and the percentage of those 229
students who are determined to be remediation-free in accordance 230
with standards adopted under division (F) of section 3345.061 of 231
the Revised Code; 232

(d) The percentage of the district's or the building's 233
students who receive industry-recognized credentials. The state 234
board shall adopt criteria for acceptable industry-recognized 235
credentials. 236

(e) The percentage of students enrolled in a district or 237
building who are participating in an international baccalaureate 238
program and the percentage of those students who receive a score 239
of four or better on the international baccalaureate 240
examinations. 241

(f) The percentage of the district's or building's 242
students who receive an honors diploma under division (B) of 243
section 3313.61 of the Revised Code. 244

(3) Not later than December 31, 2013, the state board 245
shall adopt rules in accordance with Chapter 119. of the Revised 246
Code that prescribe the methods by which the performance 247
measures under divisions (B) (1) (f) and (B) (1) (g) of this section 248
will be assessed and assigned a letter grade, including 249
performance benchmarks for each grade. 250

At least forty-five days prior to the state board's 251

adoption of rules to prescribe the methods by which the 252
performance measures under division (B) (1) of this section shall 253
be assessed and assigned a letter grade, the department shall 254
conduct a public presentation before the standing committees of 255
the house of representatives and the senate that consider 256
education legislation describing such methods, including 257
performance benchmarks. 258

(4) There shall not be an overall letter grade for a 259
school district or building for the 2013-2014 school year. 260

(C) (1) For the 2014-2015 school year and each school year 261
thereafter, the department shall issue grades as described in 262
division (E) of this section for each of the performance 263
measures prescribed in division (C) (1) of this section and an 264
overall letter grade based on an aggregate of those measures, 265
except for the performance measure set forth in division (C) (1) 266
(h) of this section. The graded measures are as follows: 267

(a) Annual measurable objectives; 268

(b) Performance index score for a school district or 269
building. Grades shall be awarded as a percentage of the total 270
possible points on the performance index system as created by 271
the department. In adopting benchmarks for assigning letter 272
grades under division (C) (1) (b) of this section, the state board 273
shall designate ninety per cent or higher for an "A," at least 274
seventy per cent but not more than eighty per cent for a "C," 275
and less than fifty per cent for an "F." 276

(c) The extent to which the school district or building 277
meets each of the applicable performance indicators established 278
by the state board under section 3302.03 of the Revised Code and 279
the percentage of applicable performance indicators that have 280

been achieved. In adopting benchmarks for assigning letter 281
grades under division (C) (1) (c) of this section, the state board 282
shall designate ninety per cent or higher for an "A." 283

(d) The four- and five-year adjusted cohort graduation 284
rates; 285

(e) The overall score under the value-added progress 286
dimension, or another measure of student academic progress if 287
adopted by the state board, of a school district or building, 288
for which the department shall use up to three years of value- 289
added data as available. 290

In adopting benchmarks for assigning letter grades for 291
overall score on value-added progress dimension under division 292
(C) (1) (e) of this section, the state board shall prohibit the 293
assigning of a grade of "A" for that measure unless the 294
district's or building's grade assigned for value-added progress 295
dimension for all subgroups under division (C) (1) (f) of this 296
section is a "B" or higher. 297

For the metric prescribed by division (C) (1) (e) of this 298
section, the state board may adopt a student academic progress 299
measure to be used instead of the value-added progress 300
dimension. If the state board adopts such a measure, it also 301
shall prescribe a method for assigning letter grades for the new 302
measure that is comparable to the method prescribed in division 303
(A) (1) (e) of this section. 304

(f) The value-added progress dimension score of a school 305
district or building disaggregated for each of the following 306
subgroups: students identified as gifted in superior cognitive 307
ability and specific academic ability fields under Chapter 3324. 308
of the Revised Code, students with disabilities, and students 309

whose performance places them in the lowest quintile for 310
achievement on a statewide basis, as determined by a method 311
prescribed by the state board. Each subgroup shall be a separate 312
graded measure. 313

The state board may adopt student academic progress 314
measures to be used instead of the value-added progress 315
dimension. If the state board adopts such measures, it also 316
shall prescribe a method for assigning letter grades for the new 317
measures that is comparable to the method prescribed in division 318
(A) (1) (e) of this section. 319

(g) Whether a school district or building is making 320
progress in improving literacy in grades kindergarten through 321
three, as determined using a method prescribed by the state 322
board. The state board shall adopt rules to prescribe benchmarks 323
and standards for assigning grades to a district or building for 324
purposes of division (C) (1) (g) of this section. The state board 325
shall designate for a "C" grade a value that is not lower than 326
the statewide average value for this measure. No grade shall be 327
issued under division (C) (1) (g) of this section for a district 328
or building in which less than five per cent of students have 329
scored below grade level on the kindergarten diagnostic 330
assessment under division (B) (1) of section 3313.608 of the 331
Revised Code. 332

(h) For a high mobility school district or building, an 333
additional value-added progress dimension score. For this 334
measure, the department shall use value-added data from the most 335
recent school year available and shall use assessment scores for 336
only those students to whom the district or building has 337
administered the assessments prescribed by section 3301.0710 of 338
the Revised Code for each of the two most recent consecutive 339

school years. 340

As used in this division, "high mobility school district 341
or building" means a school district or building where at least 342
twenty-five per cent of its total enrollment is made up of 343
students who have attended that school district or building for 344
less than one year. 345

(2) In addition to the graded measures in division (C) (1) 346
of this section, the department shall include on a school 347
district's or building's report card all of the following 348
without an assigned letter grade: 349

(a) The percentage of students enrolled in a district or 350
building who have taken a national standardized test used for 351
college admission determinations and the percentage of those 352
students who are determined to be remediation-free in accordance 353
with the standards adopted under division (F) of section 354
3345.061 of the Revised Code; 355

(b) The percentage of students enrolled in a district or 356
building participating in advanced placement classes and the 357
percentage of those students who received a score of three or 358
better on advanced placement examinations; 359

(c) The percentage of a district's or building's students 360
who have earned at least three college credits through advanced 361
standing programs, such as the college credit plus program under 362
Chapter 3365. of the Revised Code and state-approved career- 363
technical courses offered through dual enrollment or statewide 364
articulation, that appear on a student's college transcript 365
issued by the institution of higher education from which the 366
student earned the college credit. The credits earned that are 367
reported under divisions (B) (2) (b) and (C) (2) (c) of this section 368

shall not include any that are remedial or developmental and 369
shall include those that count toward the curriculum 370
requirements established for completion of a degree. 371

(d) The percentage of the district's or building's 372
students who receive an honor's diploma under division (B) of 373
section 3313.61 of the Revised Code; 374

(e) The percentage of the district's or building's 375
students who receive industry-recognized credentials; 376

(f) The percentage of students enrolled in a district or 377
building who are participating in an international baccalaureate 378
program and the percentage of those students who receive a score 379
of four or better on the international baccalaureate 380
examinations; 381

(g) The results of the college and career-ready 382
assessments administered under division (B) (1) of section 383
3301.0712 of the Revised Code. 384

(3) The state board shall adopt rules pursuant to Chapter 385
119. of the Revised Code that establish a method to assign an 386
overall grade for a school district or school building for the 387
2014-2015 school year and each school year thereafter. The rules 388
shall group the performance measures in divisions (C) (1) and (2) 389
of this section into the following components: 390

(a) Gap closing, which shall include the performance 391
measure in division (C) (1) (a) of this section; 392

(b) Achievement, which shall include the performance 393
measures in divisions (C) (1) (b) and (c) of this section; 394

(c) Progress, which shall include the performance measures 395
in divisions (C) (1) (e) and (f) of this section; 396

(d) Graduation, which shall include the performance 397
measure in division (C) (1) (d) of this section; 398

(e) Kindergarten through third-grade literacy, which shall 399
include the performance measure in division (C) (1) (g) of this 400
section; 401

(f) Prepared for success, which shall include the 402
performance measures in divisions (C) (2) (a), (b), (c), (d), (e), 403
and (f) of this section. The state board shall develop a method 404
to determine a grade for the component in division (C) (3) (f) of 405
this section using the performance measures in divisions (C) (2) 406
(a), (b), (c), (d), (e), and (f) of this section. When 407
available, the state board may incorporate the performance 408
measure under division (C) (2) (g) of this section into the 409
component under division (C) (3) (f) of this section. When 410
determining the overall grade for the prepared for success 411
component prescribed by division (C) (3) (f) of this section, no 412
individual student shall be counted in more than one performance 413
measure. However, if a student qualifies for more than one 414
performance measure in the component, the state board may, in 415
its method to determine a grade for the component, specify an 416
additional weight for such a student that is not greater than or 417
equal to 1.0. In determining the overall score under division 418
(C) (3) (f) of this section, the state board shall ensure that the 419
pool of students included in the performance measures aggregated 420
under that division are all of the students included in the 421
four- and five-year adjusted graduation cohort. 422

In the rules adopted under division (C) (3) of this 423
section, the state board shall adopt a method for determining a 424
grade for each component in divisions (C) (3) (a) to (f) of this 425
section. The state board also shall establish a method to assign 426

an overall grade of "A," "B," "C," "D," or "F" using the grades 427
assigned for each component. The method the state board adopts 428
for assigning an overall grade shall give equal weight to the 429
components in divisions (C) (3) (b) and (c) of this section. 430

At least forty-five days prior to the state board's 431
adoption of rules to prescribe the methods for calculating the 432
overall grade for the report card, as required by this division, 433
the department shall conduct a public presentation before the 434
standing committees of the house of representatives and the 435
senate that consider education legislation describing the format 436
for the report card, weights that will be assigned to the 437
components of the overall grade, and the method for calculating 438
the overall grade. 439

(D) Not later than July 1, 2015, the state board shall 440
develop a measure of student academic progress for high school 441
students using only data from assessments in English language 442
arts and mathematics. For the 2014-2015 school year, the 443
department shall include this measure on a school district or 444
building's report card, as applicable, without an assigned 445
letter grade. Beginning with the report card for the 2015-2016 446
school year, each school district and applicable school building 447
shall be assigned a separate letter grade for this measure and 448
the district's or building's grade for that measure shall be 449
included in determining the district's or building's overall 450
letter grade. This measure shall be included within the measure 451
prescribed in division (C) (3) (c) of this section in the 452
calculation for the overall letter grade. 453

(E) The letter grades assigned to a school district or 454
building under this section shall be as follows: 455

(1) "A" for a district or school making excellent 456

progress;	457
(2) "B" for a district or school making above average	458
progress;	459
(3) "C" for a district or school making average progress;	460
(4) "D" for a district or school making below average	461
progress;	462
(5) "F" for a district or school failing to meet minimum	463
progress.	464
(F) When reporting data on student achievement and	465
progress, the department shall disaggregate that data according	466
to the following categories:	467
(1) Performance of students by grade-level;	468
(2) Performance of students by race and ethnic group;	469
(3) Performance of students by gender;	470
(4) Performance of students grouped by those who have been	471
enrolled in a district or school for three or more years;	472
(5) Performance of students grouped by those who have been	473
enrolled in a district or school for more than one year and less	474
than three years;	475
(6) Performance of students grouped by those who have been	476
enrolled in a district or school for one year or less;	477
(7) Performance of students grouped by those who are	478
economically disadvantaged;	479
(8) Performance of students grouped by those who are	480
enrolled in a conversion community school established under	481
Chapter 3314. of the Revised Code;	482

(9) Performance of students grouped by those who are	483
classified as limited English proficient;	484
(10) Performance of students grouped by those who have	485
disabilities;	486
(11) Performance of students grouped by those who are	487
classified as migrants;	488
(12) Performance of students grouped by those who are	489
identified as gifted in superior cognitive ability and the	490
specific academic ability fields of reading and math pursuant to	491
Chapter 3324. of the Revised Code. In disaggregating specific	492
academic ability fields for gifted students, the department	493
shall use data for those students with specific academic ability	494
in math and reading. If any other academic field is assessed,	495
the department shall also include data for students with	496
specific academic ability in that field as well.	497
(13) Performance of students grouped by those who perform	498
in the lowest quintile for achievement on a statewide basis, as	499
determined by a method prescribed by the state board.	500
The department may disaggregate data on student	501
performance according to other categories that the department	502
determines are appropriate. To the extent possible, the	503
department shall disaggregate data on student performance	504
according to any combinations of two or more of the categories	505
listed in divisions (F) (1) to (13) of this section that it deems	506
relevant.	507
In reporting data pursuant to division (F) of this	508
section, the department shall not include in the report cards	509
any data statistical in nature that is statistically unreliable	510
or that could result in the identification of individual	511

students. For this purpose, the department shall not report 512
student performance data for any group identified in division 513
(F) of this section that contains less than ten students. If the 514
department does not report student performance data for a group 515
because it contains less than ten students, the department shall 516
indicate on the report card that is why data was not reported. 517

(G) The department may include with the report cards any 518
additional education and fiscal performance data it deems 519
valuable. 520

(H) The department shall include on each report card a 521
list of additional information collected by the department that 522
is available regarding the district or building for which the 523
report card is issued. When available, such additional 524
information shall include student mobility data disaggregated by 525
race and socioeconomic status, college enrollment data, and the 526
reports prepared under section 3302.031 of the Revised Code. 527

The department shall maintain a site on the world wide 528
web. The report card shall include the address of the site and 529
shall specify that such additional information is available to 530
the public at that site. The department shall also provide a 531
copy of each item on the list to the superintendent of each 532
school district. The district superintendent shall provide a 533
copy of any item on the list to anyone who requests it. 534

~~(I) Division (I) of this section does not apply to 535
conversion community schools that primarily enroll students 536
between sixteen and twenty-two years of age who dropped out of 537
high school or are at risk of dropping out of high school due to 538
poor attendance, disciplinary problems, or suspensions. 539~~

~~(1) For (a) Except as provided in division (I) (1) (b) of 540~~

this section, for any district that sponsors a conversion 541
community school under Chapter 3314. of the Revised Code, the 542
department shall combine data regarding the academic performance 543
of students enrolled in the community school with comparable 544
data from the schools of the district for the purpose of 545
determining the performance of the district as a whole on the 546
report card issued for the district under this section or 547
section 3302.033 of the Revised Code. 548

(b) The department shall not combine data from any 549
conversion community school that a district sponsors if a 550
majority of the students enrolled in the conversion community 551
school are enrolled in a dropout prevention and recovery program 552
that is operated by the school, as described in division (A)(4) 553
(a) of section 3314.35 of the Revised Code. The department shall 554
include as an addendum to the district's report card the ratings 555
and performance measures that are required under section 556
3314.017 of the Revised Code for any community school to which 557
division (I)(1)(b) of this section applies. This addendum shall 558
include, at a minimum, the data specified in divisions (C)(1) 559
(a), (C)(2), and (C)(3) of section 3314.017 of the Revised Code. 560

(2) Any district that leases a building to a community 561
school located in the district or that enters into an agreement 562
with a community school located in the district whereby the 563
district and the school endorse each other's programs may elect 564
to have data regarding the academic performance of students 565
enrolled in the community school combined with comparable data 566
from the schools of the district for the purpose of determining 567
the performance of the district as a whole on the district 568
report card. Any district that so elects shall annually file a 569
copy of the lease or agreement with the department. 570

(3) Any municipal school district, as defined in section 571
3311.71 of the Revised Code, that sponsors a community school 572
located within the district's territory, or that enters into an 573
agreement with a community school located within the district's 574
territory whereby the district and the community school endorse 575
each other's programs, may exercise either or both of the 576
following elections: 577

(a) To have data regarding the academic performance of 578
students enrolled in that community school combined with 579
comparable data from the schools of the district for the purpose 580
of determining the performance of the district as a whole on the 581
district's report card; 582

(b) To have the number of students attending that 583
community school noted separately on the district's report card. 584

The election authorized under division (I) (3) (a) of this 585
section is subject to approval by the governing authority of the 586
community school. 587

Any municipal school district that exercises an election 588
to combine or include data under division (I) (3) of this 589
section, by the first day of October of each year, shall file 590
with the department documentation indicating eligibility for 591
that election, as required by the department. 592

(J) The department shall include on each report card the 593
percentage of teachers in the district or building who are 594
highly qualified, as defined by the No Child Left Behind Act of 595
2001, and a comparison of that percentage with the percentages 596
of such teachers in similar districts and buildings. 597

(K) (1) In calculating English language arts, mathematics, 598
social studies, or science assessment passage rates used to 599

determine school district or building performance under this 600
section, the department shall include all students taking an 601
assessment with accommodation or to whom an alternate assessment 602
is administered pursuant to division (C)(1) or (3) of section 603
3301.0711 of the Revised Code. 604

(2) In calculating performance index scores, rates of 605
achievement on the performance indicators established by the 606
state board under section 3302.02 of the Revised Code, and 607
annual measurable objectives for determining adequate yearly 608
progress for school districts and buildings under this section, 609
the department shall do all of the following: 610

(a) Include for each district or building only those 611
students who are included in the ADM certified for the first 612
full school week of October and are continuously enrolled in the 613
district or building through the time of the spring 614
administration of any assessment prescribed by division (A)(1) 615
or (B)(1) of section 3301.0710 or division (B) of section 616
3301.0712 of the Revised Code that is administered to the 617
student's grade level; 618

(b) Include cumulative totals from both the fall and 619
spring administrations of the third grade English language arts 620
achievement assessment; 621

(c) Except as required by the No Child Left Behind Act of 622
2001, exclude for each district or building any limited English 623
proficient student who has been enrolled in United States 624
schools for less than one full school year. 625

(L) Beginning with the 2015-2016 school year and at least 626
once every three years thereafter, the state board of education 627
shall review and may adjust the benchmarks for assigning letter 628

grades to the performance measures and components prescribed 629
under divisions (C) (3) and (D) of this section. 630

Sec. 3302.037. The department of education shall conduct a 631
study to evaluate the validity and usefulness of using the 632
"similar students measure," as created by the California charter 633
schools association, to calculate student academic progress, 634
using a regression model to take into account demographic 635
differences, for each public school. 636

Not later than December 1, 2016, the department shall 637
prepare and submit a report regarding its findings and 638
recommendations to the state board of education and the general 639
assembly in accordance with section 101.68 of the Revised Code. 640

Sec. 3307.01. As used in this chapter: 641

(A) "Employer" means the board of education, school 642
district, governing authority of any community school 643
established under Chapter 3314. of the Revised Code, a science, 644
technology, engineering, and mathematics school established 645
under Chapter 3326. of the Revised Code, college, university, 646
institution, or other agency within the state by which a teacher 647
is employed and paid. 648

(B) (1) "Teacher" means all of the following: 649

(a) Any person paid from public funds and employed in the 650
public schools of the state under any type of contract described 651
in section 3311.77 or 3319.08 of the Revised Code in a position 652
for which the person is required to have a license issued 653
pursuant to sections 3319.22 to 3319.31 of the Revised Code; 654

(b) Any-Except as provided in division (B) (2) (b) or (c) of 655
this section, any person employed as a teacher ~~by~~ or faculty 656
member in a community school or a science, technology, 657

engineering, and mathematics school pursuant to Chapter 3314. or 658
3326. of the Revised Code; 659

(c) Any person having a license issued pursuant to 660
sections 3319.22 to 3319.31 of the Revised Code and employed in 661
a public school in this state in an educational position, as 662
determined by the state board of education, under programs 663
provided for by federal acts or regulations and financed in 664
whole or in part from federal funds, but for which no licensure 665
requirements for the position can be made under the provisions 666
of such federal acts or regulations; 667

(d) Any other teacher or faculty member employed in any 668
school, college, university, institution, or other agency wholly 669
controlled and managed, and supported in whole or in part, by 670
the state or any political subdivision thereof, including 671
Central state university, Cleveland state university, and the 672
university of Toledo; 673

(e) The educational employees of the department of 674
education, as determined by the state superintendent of public 675
instruction. 676

In all cases of doubt, the state teachers retirement board 677
shall determine whether any person is a teacher, and its 678
decision shall be final. 679

(2) "Teacher" does not include any of the following: 680

(a) Any eligible employee of a public institution of 681
higher education, as defined in section 3305.01 of the Revised 682
Code, who elects to participate in an alternative retirement 683
plan established under Chapter 3305. of the Revised Code; 684

(b) Any person employed by a community school operator, as 685
defined in section 3314.02 of the Revised Code, for whom the 686

operator withholds and pays employee and employer taxes pursuant 687
to 26 U.S.C. 3101(a) and 3111(a), unless the person had 688
contributing service in a community school in the state within 689
one year prior to the later of July 1, 2016, or the date on 690
which the operator for the first time withholds and pays 691
employee and employer taxes pursuant to 26 U.S.C. 3101(a) and 692
3111(a) for that person; 693

(c) Any person who would otherwise be a teacher under 694
division (B)(2)(b) of this section who terminates employment 695
with a community school operator and has no contributing service 696
in a community school in the state for a period of at least one 697
year from the date of termination of employment. 698

(C) "Member" means any person included in the membership 699
of the state teachers retirement system, which shall consist of 700
all teachers and contributors as defined in divisions (B) and 701
(D) of this section and all disability benefit recipients, as 702
defined in section 3307.50 of the Revised Code. However, for 703
purposes of this chapter, the following persons shall not be 704
considered members: 705

(1) A student, intern, or resident who is not a member 706
while employed part-time by a school, college, or university at 707
which the student, intern, or resident is regularly attending 708
classes; 709

(2) A person denied membership pursuant to section 3307.24 710
of the Revised Code; 711

(3) An other system retirant, as defined in section 712
3307.35 of the Revised Code, or a superannuate; 713

(4) An individual employed in a program established 714
pursuant to the "Job Training Partnership Act," 96 Stat. 1322 715

(1982), 29 U.S.C.A. 1501; 716

(5) The surviving spouse of a member or retirant if the 717
surviving spouse's only connection to the retirement system is 718
an account in an STRS defined contribution plan. 719

(D) "Contributor" means any person who has an account in 720
the teachers' savings fund or defined contribution fund, except 721
that "contributor" does not mean a member or retirant's 722
surviving spouse with an account in an STRS defined contribution 723
plan. 724

(E) "Beneficiary" means any person eligible to receive, or 725
in receipt of, a retirement allowance or other benefit provided 726
by this chapter. 727

(F) "Year" means the year beginning the first day of July 728
and ending with the thirtieth day of June next following, except 729
that for the purpose of determining final average salary under 730
the plan described in sections 3307.50 to 3307.79 of the Revised 731
Code, "year" may mean the contract year. 732

(G) "Local district pension system" means any school 733
teachers pension fund created in any school district of the 734
state in accordance with the laws of the state prior to 735
September 1, 1920. 736

(H) "Employer contribution" means the amount paid by an 737
employer, as determined by the employer rate, including the 738
normal and deficiency rates, contributions, and funds wherever 739
used in this chapter. 740

(I) "Five years of service credit" means employment 741
covered under this chapter and employment covered under a former 742
retirement plan operated, recognized, or endorsed by a college, 743
institute, university, or political subdivision of this state 744

prior to coverage under this chapter. 745

(J) "Actuary" means an actuarial professional contracted 746
with or employed by the state teachers retirement board, who 747
shall be either of the following: 748

(1) A member of the American academy of actuaries; 749

(2) A firm, partnership, or corporation of which at least 750
one person is a member of the American academy of actuaries. 751

(K) "Fiduciary" means a person who does any of the 752
following: 753

(1) Exercises any discretionary authority or control with 754
respect to the management of the system, or with respect to the 755
management or disposition of its assets; 756

(2) Renders investment advice for a fee, direct or 757
indirect, with respect to money or property of the system; 758

(3) Has any discretionary authority or responsibility in 759
the administration of the system. 760

(L) (1) Except as provided in this division, "compensation" 761
means all salary, wages, and other earnings paid to a teacher by 762
reason of the teacher's employment, including compensation paid 763
pursuant to a supplemental contract. The salary, wages, and 764
other earnings shall be determined prior to determination of the 765
amount required to be contributed to the teachers' savings fund 766
or defined contribution fund under section 3307.26 of the 767
Revised Code and without regard to whether any of the salary, 768
wages, or other earnings are treated as deferred income for 769
federal income tax purposes. 770

(2) Compensation does not include any of the following: 771

(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;	772 773 774 775
(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;	776 777 778
(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter or Chapter 145. or 3309. of the Revised Code are paid;	779 780 781 782
(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by the employer to the teacher in lieu of providing the insurance;	783 784 785 786 787
(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the employer's property or equipment, and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;	788 789 790 791 792 793
(f) Payments made by the employer in exchange for a member's waiver of a right to receive any payment, amount, or benefit described in division (L) (2) of this section;	794 795 796
(g) Payments by the employer for services not actually rendered;	797 798
(h) Any amount paid by the employer as a retroactive increase in salary, wages, or other earnings, unless the	799 800

increase is one of the following: 801

(i) A retroactive increase paid to a member employed by a 802
school district board of education in a position that requires a 803
license designated for teaching and not designated for being an 804
administrator issued under section 3319.22 of the Revised Code 805
that is paid in accordance with uniform criteria applicable to 806
all members employed by the board in positions requiring the 807
licenses; 808

(ii) A retroactive increase paid to a member employed by a 809
school district board of education in a position that requires a 810
license designated for being an administrator issued under 811
section 3319.22 of the Revised Code that is paid in accordance 812
with uniform criteria applicable to all members employed by the 813
board in positions requiring the licenses; 814

(iii) A retroactive increase paid to a member employed by 815
a school district board of education as a superintendent that is 816
also paid as described in division (L) (2) (h) (i) of this section; 817

(iv) A retroactive increase paid to a member employed by 818
an employer other than a school district board of education in 819
accordance with uniform criteria applicable to all members 820
employed by the employer. 821

(i) Payments made to or on behalf of a teacher that are in 822
excess of the annual compensation that may be taken into account 823
by the retirement system under division (a) (17) of section 401 824
of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 825
U.S.C.A. 401(a) (17), as amended. For a teacher who first 826
establishes membership before July 1, 1996, the annual 827
compensation that may be taken into account by the retirement 828
system shall be determined under division (d) (3) of section 829

13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub.	830
L. No. 103-66, 107 Stat. 472.	831
(j) Payments made under division (B), (C), or (E) of	832
section 5923.05 of the Revised Code, Section 4 of Substitute	833
Senate Bill No. 3 of the 119th general assembly, Section 3 of	834
Amended Substitute Senate Bill No. 164 of the 124th general	835
assembly, or Amended Substitute House Bill No. 405 of the 124th	836
general assembly;	837
(k) Anything of value received by the teacher that is	838
based on or attributable to retirement or an agreement to	839
retire;	840
(l) Any amount paid by the employer as a retroactive	841
payment of earnings, damages, or back pay pursuant to a court	842
order, court-adopted settlement agreement, or other settlement	843
agreement, unless the retirement system receives both of the	844
following:	845
(i) Teacher and employer contributions under sections	846
3307.26 and 3307.28 of the Revised Code, plus interest	847
compounded annually at a rate determined by the board, for each	848
year or portion of a year for which amounts are paid under the	849
order or agreement;	850
(ii) Teacher and employer contributions under sections	851
3307.26 and 3307.28 of the Revised Code, plus interest	852
compounded annually at a rate determined by the board, for each	853
year or portion of a year not subject to division (L) (2) (l) (i)	854
of this section for which the board determines the teacher was	855
improperly paid, regardless of the teacher's ability to recover	856
on such amounts improperly paid.	857
(3) The retirement board shall determine both of the	858

following: 859

(a) Whether particular forms of earnings are included in 860
any of the categories enumerated in this division; 861

(b) Whether any form of earnings not enumerated in this 862
division is to be included in compensation. 863

Decisions of the board made under this division shall be 864
final. 865

(M) "Superannuate" means both of the following: 866

(1) A former teacher receiving from the system a 867
retirement allowance under section 3307.58 or 3307.59 of the 868
Revised Code; 869

(2) A former teacher receiving a benefit from the system 870
under a plan established under section 3307.81 of the Revised 871
Code, except that "superannuate" does not include a former 872
teacher who is receiving a benefit based on disability under a 873
plan established under section 3307.81 of the Revised Code. 874

For purposes of sections 3307.35 and 3307.353 of the 875
Revised Code, "superannuate" also means a former teacher 876
receiving from the system a combined service retirement benefit 877
paid in accordance with section 3307.57 of the Revised Code, 878
regardless of which retirement system is paying the benefit. 879

(N) "STRS defined benefit plan" means the plan described 880
in sections 3307.50 to 3307.79 of the Revised Code. 881

(O) "STRS defined contribution plan" means the plans 882
established under section 3307.81 of the Revised Code and 883
includes the STRS combined plan under that section. 884

(P) "Faculty" means the teaching staff of a university, 885

college, or school, including any academic administrators. 886

Sec. 3309.011. "Employee" as defined in division (B) of 887
section 3309.01 of the Revised Code, does not include ~~either~~any 888
of the following: 889

(A) Any person having a license issued pursuant to 890
sections 3319.22 to 3319.31 of the Revised Code and employed in 891
a public school in this state in an educational position, as 892
determined by the state board of education, under programs 893
provided for by federal acts or regulations and financed in 894
whole or in part from federal funds, but for which no licensure 895
requirements for the position can be made under the provisions 896
of such federal acts or regulations; 897

(B) Any person who participates in an alternative 898
retirement plan established under Chapter 3305. of the Revised 899
Code; 900

(C) Any person who elects to transfer from the school 901
employees retirement system to the public employees retirement 902
system under section 3309.312 of the Revised Code; 903

(D) Any person whose full-time employment by the 904
university of Akron as a state university law enforcement 905
officer pursuant to section 3345.04 of the Revised Code 906
commences on or after ~~the effective date of this amendment~~ 907
September 16, 1998; 908

(E) Any person described in division (B) of section 909
3309.013 of the Revised Code. 910

Sec. 3309.013. (A) As used in this section, "operator" has 911
the same meaning as in section 3314.02 of the Revised Code. 912

(B) "Employee," as defined in division (B) of section 913

3309.01 of the Revised Code, does not include either of the 914
following: 915

(1) Any person initially employed on or after July 1, 916
2016, by a community school operator and for whom the operator 917
withholds and pays employee and employer taxes pursuant to 26 918
U.S.C. 3101(a) and 3111(a) beginning with the first paycheck 919
after commencing initial employment; 920

(2) Except as provided in division (C) of this section, 921
any person who is a former employee of a community school 922
operator who is reemployed on or after July 1, 2016, by that 923
operator and for whom the operator withholds and pays employee 924
and employer taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) 925
beginning with the first paycheck after commencing reemployment 926
with that operator. 927

(C) Division (B)(2) of this section does not apply to 928
either of the following: 929

(1) Any person who was employed by the same operator at 930
any time within the period of July 1, 2015, to June 30, 2016, 931
and whose date of reemployment is before July 1, 2017; 932

(2) Any person to whom both of the following apply: 933

(a) The person was employed by the same operator at any 934
time in the twelve-month period preceding the date the operator 935
for the first time withholds and pays employee and employer 936
taxes pursuant to 26 U.S.C. 3101(a) and 3111(a) on behalf of its 937
employees and had previously only contributed to the school 938
employees retirement system; 939

(b) The person's date of reemployment is not more than 940
twelve months after the date the operator for the first time 941
withholds and pays employee and employer taxes pursuant to 26 942

U.S.C. 3101(a) and 3111(a). 943

Sec. 3313.12. (A) Each member of the educational service center governing board may be paid such compensation as the governing board provides by resolution, provided that any such compensation shall not exceed one hundred twenty-five dollars a day plus mileage both ways, at the rate per mile provided by resolution of the governing board, for attendance at any meeting of the board. No member of an educational service center governing board shall receive in compensation under this division a total amount greater than five thousand dollars per year for service on the governing board. Such compensation and the expenses of the educational service center superintendent, itemized and verified, shall be paid from the educational service center governing board fund upon vouchers signed by the president of the governing board. 944
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(B) The board of education of any city, local, or exempted village school district may provide by resolution for compensation of its members, provided that such compensation shall not exceed one hundred twenty-five dollars per member for meetings attended. No member of a school district board of education shall receive in compensation under this division a total amount greater than five thousand dollars per year for service on the board of education. The board may provide by resolution for the deduction of amounts payable for benefits under section 3313.202 of the Revised Code. 958
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(C) Each member of a district board or educational service center governing board may be paid such compensation as the respective board provides by resolution for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars a day for attendance at a training 968
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program three hours or fewer in length and one hundred twenty- 973
five dollars a day for attendance at a training program longer 974
than three hours in length. 975

Sec. 3313.131. No person who is a member of the governing 976
authority of a community school established under Chapter 3314. 977
of the Revised Code shall be a member of a board of education. 978

Sec. 3314.011. (A) Every community school established 979
under this chapter shall have a designated fiscal officer. 980
Except as provided for in division (C) of this section, the 981
fiscal officer shall be employed by or engaged under a contract 982
with the governing authority of the community school. 983

(B) The auditor of state ~~may shall~~ require ~~by rule~~ that 984
the fiscal officer of any community school, before entering upon 985
duties as fiscal officer of the school, execute a bond in an 986
amount and with surety to be approved by the governing authority 987
of the school, payable to the state, conditioned for the 988
faithful performance of all the official duties required of the 989
fiscal officer. ~~Any such~~ The bond shall be deposited with the 990
governing authority of the school, and a copy thereof, certified 991
by the governing authority, shall be filed with the county 992
auditor. 993

(C) Prior to assuming the duties of fiscal officer, the 994
fiscal officer designated under this section shall be licensed 995
under section 3301.074 of the Revised Code. Any person serving 996
as a fiscal officer of a community school ~~on the effective date~~ 997
~~of this amendment~~ March 22, 2013, who is not licensed as a 998
treasurer shall be permitted to serve as a fiscal officer for 999
not more than one year following ~~the effective date of this~~ 1000
~~amendment~~ March 22, 2013. Beginning on that date and thereafter, 1001
no community school shall permit any individual to serve as a 1002

fiscal officer without a license as required by this section. 1003

(D) (1) The governing authority of a community school may 1004
adopt a resolution waiving the requirement that the governing 1005
authority is the party responsible to employ or contract with 1006
the designated fiscal officer, as prescribed by division (A) of 1007
this section, so long as the school's sponsor also approves the 1008
resolution. The resolution shall be valid for one year. A new 1009
resolution shall be adopted for each year that the governing 1010
authority wishes to waive this requirement, so long as the 1011
school's sponsor also approves the resolution. 1012

No resolution adopted pursuant to this division may waive 1013
the requirement for a community school to have a designated 1014
fiscal officer. 1015

(2) If the governing authority adopts a resolution 1016
pursuant to division (D) (1) of this section, the school's 1017
designated fiscal officer annually shall meet with the governing 1018
authority to review the school's financial status. 1019

(3) The governing authority shall submit to the department 1020
of education a copy of each resolution adopted pursuant to 1021
division (D) (1) of this section. 1022

Sec. 3314.015. (A) The department of education shall be 1023
responsible for the oversight of any and all sponsors of the 1024
community schools established under this chapter and shall 1025
provide technical assistance to schools and sponsors in their 1026
compliance with applicable laws and the terms of the contracts 1027
entered into under section 3314.03 of the Revised Code and in 1028
the development and start-up activities of those schools. In 1029
carrying out its duties under this section, the department shall 1030
do all of the following: 1031

(1) In providing technical assistance to proposing 1032
parties, governing authorities, and sponsors, conduct training 1033
sessions and distribute informational materials; 1034

(2) Approve entities to be sponsors of community schools; 1035

(3) Monitor and evaluate, as required under section 1036
3314.016 of the Revised Code, the effectiveness of any and all 1037
sponsors in their oversight of the schools with which they have 1038
contracted; 1039

(4) By December thirty-first of each year, issue a report 1040
to the governor, the speaker of the house of representatives, 1041
the president of the senate, and the chairpersons of the house 1042
and senate committees principally responsible for education 1043
matters regarding the effectiveness of academic programs, 1044
operations, and legal compliance and of the financial condition 1045
of all community schools established under this chapter and on 1046
the performance of community school sponsors; 1047

(5) From time to time, make legislative recommendations to 1048
the general assembly designed to enhance the operation and 1049
performance of community schools. 1050

(B) (1) Except as provided in sections 3314.021 and 1051
3314.027 of the Revised Code, no entity ~~listed in division (C)~~ 1052
~~(1) of section 3314.02 of the Revised Code~~ shall enter into a 1053
preliminary agreement under division (C) (2) of section 3314.02 1054
of the Revised Code or renew an existing contract to sponsor a 1055
community school until it has received approval from the 1056
department of education to sponsor community schools under this 1057
chapter and has entered into a written agreement with the 1058
department regarding the manner in which the entity will conduct 1059
such sponsorship. 1060

On and after July 1, 2017, each entity that sponsors a 1061
community school in this state, except for an entity described 1062
in sections 3314.021 and 3314.027 of the Revised Code, shall 1063
attain approval from the department in order to continue 1064
sponsoring schools regardless of whether that entity intends to 1065
enter into a preliminary agreement or renew an existing 1066
contract. 1067

All new and renewed agreements between the department and 1068
a sponsor shall contain specific language addressing the 1069
parameters under which the department can intervene and 1070
potentially revoke sponsorship authority in the event that the 1071
sponsor is unwilling or unable to fulfill its obligations. 1072
Additionally, each agreement shall set forth any territorial 1073
restrictions and limits on the number of schools that entity may 1074
sponsor, provide for an annual evaluation process, and include a 1075
stipulation permitting the department to modify the agreement 1076
under the following circumstances: 1077

(a) Poor fiscal management; 1078

(b) Lack of academic progress. 1079

(2) The initial term of a sponsor's agreement with the 1080
department shall be for up to ~~seven~~ five years. For every year 1081
that the sponsor satisfies the conditions of division (B)(1)(a) 1082
or (b) of this section, as applicable, the department shall add 1083
one year to the agreement term, subject to divisions (C) and (F) 1084
of this section, unless the sponsor notifies the department that 1085
it does not wish to have the term of the agreement so extended. 1086

To qualify for the extension of the term of the sponsor's 1087
agreement, the sponsor shall satisfy one of the following, as 1088
applicable: 1089

~~(a) Prior to January 1, 2015, the sponsor is not in the lowest twenty per cent of sponsors statewide according to the composite performance index score as ranked under section 3314.016 of the Revised Code, as that section exists prior to that date, and the sponsor continues to meet all the requirements of this chapter pertaining to community school sponsors.~~

~~(b) On or after January 1, 2015, the sponsor is rated as "exemplary" or "effective" under section 3314.016 of the Revised Code, as that section exists on and after that date, and the sponsor continues to meet all the requirements of this chapter pertaining to community school sponsors.~~

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

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

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

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

(b) Each agreement between the department and a sponsor shall specify that entities with an overall rating of "exemplary" for at least two consecutive years shall not be subject to the limit on the number of community schools the entity may sponsor or any territorial restrictions on

sponsorship, for so long as that entity continues to be rated 1119
"exemplary." 1120

(c) The ~~department~~ state board of education shall adopt in 1121
accordance with Chapter 119. of the Revised Code rules 1122
containing criteria, procedures, and deadlines for processing 1123
applications for approval of sponsors, for oversight of 1124
sponsors, for notifying a sponsor of noncompliance with 1125
applicable laws and administrative rules under division (F) of 1126
this section, for revocation of the approval of sponsors under 1127
division (C) of this section, and for entering into written 1128
agreements with sponsors. The rules shall require an entity to 1129
submit evidence of the entity's ability and willingness to 1130
comply with the provisions of division (D) of section 3314.03 of 1131
the Revised Code. The rules also shall require all entities 1132
approved as sponsors ~~on and after June 30, 2005,~~ to demonstrate 1133
a record of financial responsibility and successful 1134
implementation of educational programs. If an entity seeking 1135
approval ~~on or after June 30, 2005,~~ to sponsor community schools 1136
in this state sponsors or operates schools in another state, at 1137
least one of the schools sponsored or operated by the entity 1138
must be comparable to or better than the performance of Ohio 1139
schools in need of continuous improvement under section 3302.03 1140
of the Revised Code, as determined by the department. 1141

Subject to section 3314.016 of the Revised Code, an entity 1142
that sponsors community schools may enter into preliminary 1143
agreements and sponsor up to one hundred schools, provided each 1144
school and the contract for sponsorship meets the requirements 1145
of this chapter. 1146

~~(2)~~ (3) The state board of education shall determine, 1147
pursuant to criteria specified in rules adopted in accordance 1148

with Chapter 119. of the Revised Code, whether the mission 1149
proposed to be specified in the contract of a community school 1150
to be sponsored by a state university board of trustees or the 1151
board's designee under division (C) (1) (e) of section 3314.02 of 1152
the Revised Code complies with the requirements of that 1153
division. Such determination of the state board is final. 1154

~~(3)~~ (4) The state board of education shall determine, 1155
pursuant to criteria specified in rules adopted in accordance 1156
with Chapter 119. of the Revised Code, if any tax-exempt entity 1157
under section 501(c) (3) of the Internal Revenue Code that is 1158
proposed to be a sponsor of a community school is an education- 1159
oriented entity for purpose of satisfying the condition 1160
prescribed in division (C) (1) (f) (iii) of section 3314.02 of the 1161
Revised Code. Such determination of the state board is final. 1162

(C) If at any time the state board of education finds that 1163
a sponsor is not in compliance or is no longer willing to comply 1164
with its contract with any community school or with the 1165
department's rules for sponsorship, the state board or designee 1166
shall conduct a hearing in accordance with Chapter 119. of the 1167
Revised Code on that matter. If after the hearing, the state 1168
board or designee has confirmed the original finding, the 1169
department of education may revoke the sponsor's approval to 1170
sponsor community schools. In that case, the department's office 1171
of Ohio school sponsorship, established under section 3314.029 1172
of the Revised Code, may assume the sponsorship of any schools 1173
with which the sponsor has contracted until the earlier of the 1174
expiration of two school years or until a new sponsor as 1175
described in division (C) (1) of section 3314.02 of the Revised 1176
Code is secured by the school's governing authority. The office 1177
of Ohio school sponsorship may extend the term of the contract 1178
in the case of a school for which it has assumed sponsorship 1179

under this division as necessary to accommodate the term of the 1180
department's authorization to sponsor the school specified in 1181
this division. Community schools sponsored under this division 1182
shall not apply to the limit on directly authorized community 1183
schools under division (A) (3) of section 3314.029 of the Revised 1184
Code. However, nothing in this division shall preclude a 1185
community school affected by this division from applying for 1186
sponsorship under that section. 1187

(D) The decision of the department to disapprove an entity 1188
for sponsorship of a community school or to revoke approval for 1189
such sponsorship under division (C) of this section, may be 1190
appealed by the entity in accordance with section 119.12 of the 1191
Revised Code. 1192

(E) The department shall adopt procedures for use by a 1193
community school governing authority and sponsor when the school 1194
permanently closes and ceases operation, which shall include at 1195
least procedures for data reporting to the department, handling 1196
of student records, distribution of assets in accordance with 1197
section 3314.074 of the Revised Code, and other matters related 1198
to ceasing operation of the school. 1199

(F) (1) In lieu of revoking a sponsor's authority to 1200
sponsor community schools under division (C) of this section, if 1201
the department finds that a sponsor is not in compliance with 1202
applicable laws and administrative rules, the department shall 1203
declare in a written notice to the sponsor the specific laws or 1204
rules, or both, for which the sponsor is noncompliant. A sponsor 1205
notified under division (F) (1) of this section shall respond to 1206
the department not later than fourteen days after the 1207
notification with a proposed plan to remedy the conditions for 1208
which the sponsor was found to be noncompliant. The department 1209

shall approve or disapprove the plan not later than fourteen 1210
days after receiving it. If the plan is disapproved, the sponsor 1211
may submit a revised plan to the department not later than 1212
fourteen days after receiving notification of disapproval from 1213
the department or not later than sixty days after the date the 1214
sponsor received notification of noncompliance from the 1215
department, whichever is earlier. The department shall approve 1216
or disapprove the revised plan not later than fourteen days 1217
after receiving it or not later than sixty days after the date 1218
the sponsor received notification of noncompliance from the 1219
department, whichever is earlier. A sponsor may continue to make 1220
revisions by the deadlines prescribed in division (F) (1) of this 1221
section to any revised plan that is disapproved by the 1222
department until the sixtieth day after the date the sponsor 1223
received notification of noncompliance from the department. 1224

If a plan or a revised plan is approved, the sponsor shall 1225
implement it not later than sixty days after the date the 1226
sponsor received notification of noncompliance from the 1227
department or not later than thirty days after the plan is 1228
approved, whichever is later. If a sponsor does not respond to 1229
the department or implement an approved compliance plan by the 1230
deadlines prescribed by division (F) (1) of this section, or if a 1231
sponsor does not receive approval of a compliance plan on or 1232
before the sixtieth day after the date the sponsor received 1233
notification of noncompliance from the department, the 1234
department shall declare in written notice to the sponsor that 1235
the sponsor is in probationary status, and may limit the 1236
sponsor's ability to sponsor additional schools. 1237

(2) A sponsor that has been placed on probationary status 1238
under division (F) (1) of this section may apply to the 1239
department for its probationary status to be lifted. The 1240

application for a sponsor's probationary status to be lifted 1241
shall include evidence, occurring after the initial notification 1242
of noncompliance, of the sponsor's compliance with applicable 1243
laws and administrative rules. Not later than fourteen days 1244
after receiving an application from the sponsor, the department 1245
shall decide whether or not to remove the sponsor's probationary 1246
status. 1247

(G) In carrying out its duties under this chapter, the 1248
department shall not impose requirements on community schools or 1249
their sponsors that are not permitted by law or duly adopted 1250
rules. 1251

(H) This section applies to entities that sponsor 1252
conversion community schools and new start-up schools. 1253

(I) Nothing in divisions (C) to (F) of this section 1254
prohibits the department from taking any action permitted or 1255
required under the written agreement between the department and 1256
a sponsoring entity without a hearing on the matter, in the 1257
event that the sponsor is unwilling or unable to fulfill its 1258
obligations. 1259

Sec. 3314.016. This section applies to any entity that 1260
sponsors a community school, regardless of whether section 1261
3314.021 or 3314.027 of the Revised Code exempts the entity from 1262
the requirement to be approved for sponsorship under divisions 1263
(A) (2) and (B) (1) of section 3314.015 of the Revised Code. The 1264
office of Ohio school sponsorship established under section 1265
3314.029 of the Revised Code shall be rated under division (B) 1266
of this section, but divisions (A) and (C) of this section do 1267
not apply to the office. 1268

(A) An entity that sponsors a community school shall be 1269

permitted to enter into contracts under section 3314.03 of the Revised Code to sponsor additional community schools only if the entity meets ~~both~~ all of the following criteria:

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

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

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

~~(B) (1) For purposes of this section~~ Beginning with the 2015-2016 school year, the department shall develop and implement an evaluation system that annually rates and assigns an overall rating to each entity that sponsors a community school based on the following components:

(a) Academic performance of students enrolled in community schools sponsored by the same entity~~r~~. The academic performance component shall be derived from the performance measures prescribed for the state report cards under section 3302.03 or 3314.017 of the Revised Code, and shall be based on the performance of the schools for the school year for which the evaluation is conducted. In addition to the academic performance for a specific school year, the academic performance component shall also include year-to-year changes in the overall sponsor portfolio. For a community school for which no graded performance measures are applicable or available, the department shall use nonreport card performance measures specified in the

contract between the community school and the sponsor under 1299
division (A) (4) of section 3314.03 of the Revised Code. 1300

(b) Adherence by a sponsor to the quality practices 1301
prescribed by the department under division (B) (3) of this 1302
section. ~~The department shall not include this measure in the~~ 1303
~~sponsor evaluation rating system until the department prescribes~~ 1304
~~quality practices and develops an instrument to measure~~ 1305
~~adherence to those practices under division (B) (3) of this~~ 1306
~~section.~~ For a sponsor that was rated "effective" or "exemplary" 1307
on its most recent rating, the department may evaluate that 1308
sponsor's adherence to quality practices once over a period of 1309
three years. If the department elects to evaluate a sponsor once 1310
over a period of three years, the most recent rating for a 1311
sponsor's adherence to quality practices shall be used when 1312
determining an annual overall rating conducted under this 1313
section. 1314

(c) Compliance with all applicable laws and administrative 1315
rules by an entity that sponsors a community school. 1316

(2) In calculating an academic performance component, the 1317
department shall exclude ~~all of the following:~~ 1318

~~(a) All~~ all community schools that have been in operation 1319
for not more than two full school years. 1320

~~(b) All~~ and all community schools described in division 1321
(A) (4) (b) of section 3314.35 of the Revised Code. However, the 1322
academic performance of the community schools described in 1323
division (A) (4) (b) of section 3314.35 of the Revised Code shall 1324
be reported, but shall not be used as a factor when determining 1325
a sponsoring entity's rating under this section. 1326

(3) The department, in consultation with entities that 1327

sponsor community schools, shall prescribe quality practices for 1328
community school sponsors and develop an instrument to measure 1329
adherence to those quality practices. The quality practices 1330
shall be based on standards developed by the national 1331
association of charter school authorizers or any other 1332
nationally organized community school organization. 1333

(4) (a) The department may permit peer review of a 1334
sponsor's adherence to the quality practices prescribed under 1335
division (B) (3) of this section. Peer reviewers shall be limited 1336
to individuals employed by sponsors rated "effective" or 1337
"exemplary" on the most recent ratings conducted under this 1338
section. 1339

(b) The department shall require individuals participating 1340
in peer review under division (B) (4) (a) of this section to 1341
complete training approved or established by the department. 1342

(c) The department may enter into an agreement with 1343
another entity to provide training to individuals conducting 1344
peer review of sponsors. Prior to entering into an agreement 1345
with an entity, the department shall review and approve of the 1346
entity's training program. 1347

(5) Not later than July 1, 2013, the state board of 1348
education shall adopt rules in accordance with Chapter 119. of 1349
the Revised Code prescribing standards for measuring compliance 1350
with applicable laws and rules under division (B) (1) (c) of this 1351
section. 1352

(6) The department annually shall rate all entities that 1353
sponsor community schools as either "exemplary," "effective," ~~or~~ 1354
"ineffective," or "poor," based on the components prescribed by 1355
division (B) of this section, where each component is weighted 1356

~~equally, except that entities sponsoring community schools for~~ 1357
~~the first time may be assigned the rating of "emerging" for only~~ 1358
~~the first two consecutive years. A separate rating shall be~~ 1359
given by the department for each component of the evaluation 1360
system. 1361

The department shall publish the ratings between the first 1362
day of October and the fifteenth day of October. 1363

The department shall provide training on an annual basis 1364
regarding the evaluation system prescribed under this section. 1365
The training shall, at a minimum, describe methodology, 1366
timelines, and data required for the evaluation system. The 1367
first training session shall occur not later than thirty days 1368
after the effective date of this section. 1369

~~(7) (a) Prior to the 2014-2015 school year, student~~ 1370
~~academic performance prescribed under division (B) (1) (a) of this~~ 1371
~~section shall not include student academic performance data from~~ 1372
~~community schools that primarily serve students enrolled in a~~ 1373
~~dropout prevention and recovery program as described in division~~ 1374
~~(A) (4) (a) of section 3314.35 of the Revised Code.~~ 1375

~~(b) Entities with an overall rating of "exemplary" for at~~ 1376
~~least two consecutive years may take advantage of the following~~ 1377
~~incentives:~~ 1378

(i) Renewal of the written agreement with the department, 1379
not to exceed ten years, provided that the entity consents to 1380
continued evaluation of adherence to quality practices as 1381
described in division (B) (1) (b) of this section; 1382

(ii) The ability to extend the term of the contract 1383
between the sponsoring entity and the community school beyond 1384
the term described in the written agreement with the department; 1385

(iii) An exemption from the preliminary agreement and 1386
contract adoption and execution deadline requirements prescribed 1387
in division (D) of section 3314.02 of the Revised Code; 1388

(iv) An exemption from the automatic contract expiration 1389
requirement, should a new community school fail to open by the 1390
thirtieth day of September of the calendar year in which the 1391
community school contract is executed; 1392

(v) No limit on the number of community schools the entity 1393
may sponsor; 1394

(vi) No territorial restrictions on sponsorship. 1395

An entity may continue to sponsor any community schools 1396
with which it entered into agreements under division (B) (7) (a) 1397
(v) or (vi) of this section while rated "exemplary," 1398
notwithstanding the fact that the entity later receives a lower 1399
overall rating. 1400

(b) (i) Entities that receive an overall rating of 1401
"ineffective" shall be prohibited from sponsoring any new or 1402
additional community schools during the time in which the 1403
sponsor is rated as "ineffective" and shall be subject to a 1404
quality improvement plan based on correcting the deficiencies 1405
that led to the "ineffective" rating, with timelines and 1406
benchmarks that have been established by the department. 1407

(ii) Entities that receive an overall rating of 1408
"ineffective" on their three most recent ratings shall have all 1409
sponsorship authority revoked. Within thirty days after 1410
receiving its third rating of "ineffective," the entity may 1411
appeal the revocation of its sponsorship authority to the 1412
superintendent of public instruction, who shall appoint an 1413
independent hearing officer to conduct a hearing in accordance 1414

with Chapter 119. of the Revised Code. The hearing shall be 1415
conducted within thirty days after receipt of the notice of 1416
appeal. Within forty-five days after the hearing is completed, 1417
the state board of education shall determine whether the 1418
revocation is appropriate based on the hearing conducted by the 1419
independent hearing officer, and if determined appropriate, the 1420
revocation shall be confirmed. 1421

(c) Entities that receive an overall rating of "poor" 1422
shall have all sponsorship authority revoked. Within thirty days 1423
after receiving a rating of "poor," the entity may appeal the 1424
revocation of its sponsorship authority to the superintendent of 1425
public instruction, who shall appoint an independent hearing 1426
officer to conduct a hearing in accordance with Chapter 119. of 1427
the Revised Code. The hearing shall be conducted within thirty 1428
days after receipt of the notice of appeal. Within forty-five 1429
days after the hearing is completed, the state board of 1430
education shall determine whether the revocation is appropriate 1431
based on the hearing conducted by the independent hearing 1432
officer, and if determined appropriate, the revocation shall be 1433
confirmed. 1434

(8) For the 2014-2015 school year and each school year 1435
thereafter, student academic performance prescribed under 1436
division (B) (1) (a) of this section shall include student 1437
academic performance data from community schools that primarily 1438
serve students enrolled in a dropout prevention and recovery 1439
program. 1440

(C) If the governing authority of a community school 1441
enters into a contract with a sponsor prior to the date on which 1442
the sponsor is prohibited from sponsoring additional schools 1443
under division (A) of this section and the school has not opened 1444

for operation as of that date, that contract shall be void and 1445
the school shall not open until the governing authority secures 1446
a new sponsor by entering into a contract with the new sponsor 1447
under section 3314.03 of the Revised Code. However, the 1448
department's office of Ohio school sponsorship, established 1449
under section 3314.029 of the Revised Code, may assume the 1450
sponsorship of the school until the earlier of the expiration of 1451
two school years or until a new sponsor is secured by the 1452
school's governing authority. A community school sponsored by 1453
the department under this division shall not be included when 1454
calculating the maximum number of directly authorized community 1455
schools permitted under division (A) (3) of section 3314.029 of 1456
the Revised Code. 1457

(D) When an entity's authority to sponsor schools is 1458
revoked pursuant to division (B) (7) (b) or (c) of this section, 1459
the office of Ohio school sponsorship shall assume sponsorship 1460
of any schools with which the original sponsor has contracted 1461
for the remainder of that school year. The office may continue 1462
sponsoring those schools until the earlier of: 1463

(1) The expiration of two school years from the time that 1464
sponsorship is revoked; 1465

(2) When a new sponsor is secured by the governing 1466
authority pursuant to division (C) (1) of section 3314.02 of the 1467
Revised Code. 1468

Any community school sponsored under this division shall 1469
not be counted for purposes of directly authorized community 1470
schools under division (A) (3) of section 3314.029 of the Revised 1471
Code. 1472

Sec. 3314.019. A community school's sponsor shall 1473

communicate with the auditor of state regarding an audit of the 1474
school or the condition of financial and enrollment records of 1475
the school, and shall maintain a presence at any and all 1476
meetings with the auditor of state regardless of whether the 1477
sponsor has entered into an agreement with another entity to 1478
perform all or part of the sponsor's oversight duties. 1479

Sec. 3314.02. (A) As used in this chapter: 1480

(1) "Sponsor" means the board of education of a school 1481
district or the governing board of an educational service center 1482
that agrees to the conversion of all or part of a school or 1483
building under division (B) of this section, or an entity listed 1484
in division (C) (1) of this section, which has been approved by 1485
the department of education to sponsor community schools or is 1486
exempted by section 3314.021 or 3314.027 of the Revised Code 1487
from obtaining approval, and with which the governing authority 1488
of a community school enters into a contract under section 1489
3314.03 of the Revised Code. 1490

(2) "Pilot project area" means the school districts 1491
included in the territory of the former community school pilot 1492
project established by former Section 50.52 of Am. Sub. H.B. No. 1493
215 of the 122nd general assembly. 1494

(3) "Challenged school district" means any of the 1495
following: 1496

(a) A school district that is part of the pilot project 1497
area; 1498

(b) A school district that meets one of the following 1499
conditions: 1500

(i) On March 22, 2013, the district was in a state of 1501
academic emergency or in a state of academic watch under section 1502

3302.03 of the Revised Code, as that section existed prior to 1503
March 22, 2013; 1504

(ii) For two of the 2012-2013, 2013-2014, 2014-2015, and 1505
2015-2016 school years, the district received a grade of "D" or 1506
"F" for the performance index score and a grade of "F" for the 1507
value-added progress dimension under section 3302.03 of the 1508
Revised Code; 1509

(iii) For the 2016-2017 school year and for any school 1510
year thereafter, the district has received an overall grade of 1511
"D" or "F" under division (C) (3) of section 3302.03 of the 1512
Revised Code, or, for at least two of the three most recent 1513
school years, the district received a grade of "F" for the 1514
value-added progress dimension under division (C) (1) (e) of that 1515
section. 1516

(c) A big eight school district; 1517

(d) A school district ranked in the lowest five per cent 1518
of school districts according to performance index score under 1519
section 3302.21 of the Revised Code. 1520

(4) "Big eight school district" means a school district 1521
that for fiscal year 1997 had both of the following: 1522

(a) A percentage of children residing in the district and 1523
participating in the predecessor of Ohio works first greater 1524
than thirty per cent, as reported pursuant to section 3317.10 of 1525
the Revised Code; 1526

(b) An average daily membership greater than twelve 1527
thousand, as reported pursuant to former division (A) of section 1528
3317.03 of the Revised Code. 1529

(5) "New start-up school" means a community school other 1530

than one created by converting all or part of an existing public 1531
school or educational service center building, as designated in 1532
the school's contract pursuant to division (A) (17) of section 1533
3314.03 of the Revised Code. 1534

(6) "Urban school district" means one of the state's 1535
twenty-one urban school districts as defined in division (O) of 1536
section 3317.02 of the Revised Code as that section existed 1537
prior to July 1, 1998. 1538

(7) "Internet- or computer-based community school" means a 1539
community school established under this chapter in which the 1540
enrolled students work primarily from their residences on 1541
assignments in nonclassroom-based learning opportunities 1542
provided via an internet- or other computer-based instructional 1543
method that does not rely on regular classroom instruction or 1544
via comprehensive instructional methods that include internet- 1545
based, other computer-based, and noncomputer-based learning 1546
opportunities unless a student receives career-technical 1547
education under section 3314.086 of the Revised Code. 1548

A community school that operates mainly as an internet- or 1549
computer-based community school and provides career-technical 1550
education under section 3314.086 of the Revised Code shall be 1551
considered an internet- or computer-based community school, even 1552
if it provides some classroom-based instruction, so long as it 1553
provides instruction via the methods described in this division. 1554

(8) "Operator" means either of the following: 1555

(a) An individual or organization that manages the daily 1556
operations of a community school pursuant to a contract between 1557
the operator and the school's governing authority; 1558

(b) A nonprofit organization that provides programmatic 1559

oversight and support to a community school under a contract 1560
with the school's governing authority and that retains the right 1561
to terminate its affiliation with the school if the school fails 1562
to meet the organization's quality standards. 1563

(9) "Alliance municipal school district" has the same 1564
meaning as in section 3311.86 of the Revised Code. 1565

(B) (1) Any person or group of individuals may initially 1566
propose under this division the conversion of all or a portion 1567
of a public school to a community school. The proposal shall be 1568
made to the board of education of the city, local, exempted 1569
village, or joint vocational school district in which the public 1570
school is proposed to be converted. 1571

(2) Any person or group of individuals may initially 1572
propose under this division the conversion of all or a portion 1573
of a building operated by an educational service center to a 1574
community school. The proposal shall be made to the governing 1575
board of the service center. 1576

~~An~~ On or after July 1, 2017, except as provided in section 1577
3314.027 of the Revised Code, any educational service center 1578
that sponsors a community school ~~in accordance with this~~ 1579
~~division~~ shall be approved by and enter into a written agreement 1580
with the department as described in section 3314.015 of the 1581
Revised Code. 1582

(3) Upon receipt of a proposal, and after an agreement has 1583
been entered into pursuant to section 3314.015 of the Revised 1584
Code, a board may enter into a preliminary agreement with the 1585
person or group proposing the conversion of the public school or 1586
service center building, indicating the intention of the board 1587
to support the conversion to a community school. A proposing 1588

person or group that has a preliminary agreement under this 1589
division may proceed to finalize plans for the school, establish 1590
a governing authority for the school, and negotiate a contract 1591
with the board. Provided the proposing person or group adheres 1592
to the preliminary agreement and all provisions of this chapter, 1593
the board shall negotiate in good faith to enter into a contract 1594
in accordance with section 3314.03 of the Revised Code and 1595
division (C) of this section. 1596

(4) The sponsor of a conversion community school proposed 1597
to open in an alliance municipal school district shall be 1598
subject to approval by the department of education for 1599
sponsorship of that school using the criteria established under 1600
division (A) of section 3311.87 of the Revised Code. 1601

Division (B) (4) of this section does not apply to a 1602
sponsor that, on or before ~~the effective date of this amendment~~ 1603
September 29, 2015, was exempted under section 3314.021 or 1604
3314.027 of the Revised Code from the requirement to be approved 1605
for sponsorship under divisions (A) (2) and (B) (1) of section 1606
3314.015 of the Revised Code. 1607

(C) (1) Any person or group of individuals may propose 1608
under this division the establishment of a new start-up school 1609
to be located in a challenged school district. The proposal may 1610
be made to any of the following entities: 1611

(a) The board of education of the district in which the 1612
school is proposed to be located; 1613

(b) The board of education of any joint vocational school 1614
district with territory in the county in which is located the 1615
majority of the territory of the district in which the school is 1616
proposed to be located; 1617

(c) The board of education of any other city, local, or 1618
exempted village school district having territory in the same 1619
county where the district in which the school is proposed to be 1620
located has the major portion of its territory; 1621

(d) The governing board of any educational service center, 1622
regardless of the location of the proposed school, may sponsor a 1623
new start-up school in any challenged school district in the 1624
state if all of the following are satisfied: 1625

(i) If applicable, it satisfies the requirements of 1626
division (E) of section 3311.86 of the Revised Code; 1627

(ii) It is approved to do so by the department; 1628

(iii) It enters into an agreement with the department 1629
under section 3314.015 of the Revised Code. 1630

(e) A sponsoring authority designated by the board of 1631
trustees of any of the thirteen state universities listed in 1632
section 3345.011 of the Revised Code or the board of trustees 1633
itself as long as a mission of the proposed school to be 1634
specified in the contract under division (A) (2) of section 1635
3314.03 of the Revised Code and as approved by the department 1636
under division (B) ~~(2)~~ (3) of section 3314.015 of the Revised 1637
Code will be the practical demonstration of teaching methods, 1638
educational technology, or other teaching practices that are 1639
included in the curriculum of the university's teacher 1640
preparation program approved by the state board of education; 1641

(f) Any qualified tax-exempt entity under section 501(c) 1642
(3) of the Internal Revenue Code as long as all of the following 1643
conditions are satisfied: 1644

(i) The entity has been in operation for at least five 1645
years prior to applying to be a community school sponsor. 1646

(ii) The entity has assets of at least five hundred 1647
thousand dollars and a demonstrated record of financial 1648
responsibility. 1649

(iii) The department has determined that the entity is an 1650
education-oriented entity under division (B) (3) of section 1651
3314.015 of the Revised Code and the entity has a demonstrated 1652
record of successful implementation of educational programs. 1653

(iv) The entity is not a community school. 1654

(g) The mayor of a city in which the majority of the 1655
territory of a school district to which section 3311.60 of the 1656
Revised Code applies is located, regardless of whether that 1657
district has created the position of independent auditor as 1658
prescribed by that section. The mayor's sponsorship authority 1659
under this division is limited to community schools that are 1660
located in that school district. Such mayor may sponsor 1661
community schools only with the approval of the city council of 1662
that city, after establishing standards with which community 1663
schools sponsored by the mayor must comply, and after entering 1664
into a sponsor agreement with the department as prescribed under 1665
section 3314.015 of the Revised Code. The mayor shall establish 1666
the standards for community schools sponsored by the mayor not 1667
later than one hundred eighty days after July 15, 2013, and 1668
shall submit them to the department upon their establishment. 1669
The department shall approve the mayor to sponsor community 1670
schools in the district, upon receipt of an application by the 1671
mayor to do so. Not later than ninety days after the 1672
department's approval of the mayor as a community school 1673
sponsor, the department shall enter into the sponsor agreement 1674
with the mayor. 1675

Any entity described in division (C) (1) of this section 1676

may enter into a preliminary agreement pursuant to division (C) 1677
(2) of this section with the proposing person or group, provided 1678
that entity has been approved by and entered into a written 1679
agreement with the department pursuant to section 3314.015 of 1680
the Revised Code. 1681

(2) A preliminary agreement indicates the intention of an 1682
entity described in division (C)(1) of this section to sponsor 1683
the community school. A proposing person or group that has such 1684
a preliminary agreement may proceed to finalize plans for the 1685
school, establish a governing authority as described in division 1686
(E) of this section for the school, and negotiate a contract 1687
with the entity. Provided the proposing person or group adheres 1688
to the preliminary agreement and all provisions of this chapter, 1689
the entity shall negotiate in good faith to enter into a 1690
contract in accordance with section 3314.03 of the Revised Code. 1691

(3) A new start-up school that is established in a school 1692
district described in either division (A)(3)(b) or (d) of this 1693
section may continue in existence once the school district no 1694
longer meets the conditions described in either division, 1695
provided there is a valid contract between the school and a 1696
sponsor. 1697

(4) A copy of every preliminary agreement entered into 1698
under this division shall be filed with the superintendent of 1699
public instruction. 1700

(D) A majority vote of the board of a sponsoring entity 1701
and a majority vote of the members of the governing authority of 1702
a community school shall be required to adopt a contract and 1703
convert the public school or educational service center building 1704
to a community school or establish the new start-up school. 1705
Beginning September 29, 2005, adoption of the contract shall 1706

occur not later than the fifteenth day of March, and signing of 1707
the contract shall occur not later than the fifteenth day of 1708
May, prior to the school year in which the school will open. The 1709
governing authority shall notify the department of education 1710
when the contract has been signed. Subject to sections 3314.013 1711
and 3314.016 of the Revised Code, an unlimited number of 1712
community schools may be established in any school district 1713
provided that a contract is entered into for each community 1714
school pursuant to this chapter. 1715

(E) (1) As used in this division, "immediate relatives" are 1716
limited to spouses, children, parents, grandparents, siblings, 1717
and in-laws. 1718

Each new start-up community school established under this 1719
chapter shall be under the direction of a governing authority 1720
which shall consist of a board of not less than five 1721
individuals. 1722

(2) (a) No person shall serve on the governing authority or 1723
operate the community school under contract with the governing 1724
authority so long as the person under any of the following 1725
circumstances: 1726

(i) The person owes the state any money or is in a dispute 1727
over whether the person owes the state any money concerning the 1728
operation of a community school that has closed. 1729

(ii) The person would otherwise be subject to division (B) 1730
of section 3319.31 of the Revised Code with respect to refusal, 1731
limitation, or revocation of a license to teach, if the person 1732
were a licensed educator. 1733

(iii) The person has pleaded guilty to or been convicted 1734
of theft in office under section 2921.41 of the Revised Code, or 1735

has pleaded guilty to or been convicted of a substantially 1736
similar offense in another state. 1737

(b) No person shall serve on the governing authority or 1738
engage in the financial day-to-day management of the community 1739
school under contract with the governing authority unless and 1740
until that person has submitted to a criminal records check in 1741
the manner prescribed by section 3319.39 of the Revised Code. 1742

(c) Each sponsor of a community school shall annually 1743
verify that a finding for recovery has not been issued by the 1744
auditor of state against any individual or individuals who 1745
propose to create a community school or any member of the 1746
governing authority, the operator, or any employee of each 1747
community school. 1748

~~(2)~~(3) No person shall serve on the governing authorities 1749
of more than five start-up community schools at the same time. 1750

~~(3)~~(4) No present or former member, or immediate relative 1751
of a present or former member, of the governing authority of any 1752
community school established under this chapter shall be an 1753
owner, employee, or consultant of any sponsor or operator of a 1754
community school, unless at least one year has elapsed since the 1755
conclusion of the person's membership. 1756

~~(4)~~(5) The governing authority of a start-up or 1757
conversion community school may provide by resolution for the 1758
compensation of its members. However, no individual who serves 1759
on the governing authority of a start-up or conversion community 1760
school shall be compensated more than ~~four~~one hundred twenty- 1761
five dollars per meeting of that governing authority and no such 1762
individual shall be compensated more than a total amount of five 1763
thousand dollars per year for all governing authorities upon 1764

which the individual serves. Each member of the governing 1765
authority may be paid compensation for attendance at an approved 1766
training program, provided that such compensation shall not 1767
exceed sixty dollars a day for attendance at a training program 1768
three hours or less in length and one hundred twenty-five 1769
dollars a day for attendance at a training program longer than 1770
three hours in length. 1771

(6) No person who is the employee of a school district or 1772
educational service center shall serve on the governing 1773
authority of any community school sponsored by that school 1774
district or service center. 1775

(7) Each member of the governing authority of a community 1776
school shall annually file a disclosure statement setting forth 1777
the names of any immediate relatives or business associates 1778
employed by any of the following within the previous three 1779
years: 1780

(a) The sponsor or operator of that community school; 1781

(b) A school district or educational service center that 1782
has contracted with that community school; 1783

(c) A vendor that is or has engaged in business with that 1784
community school. 1785

(8) No person who is a member of a school district board 1786
of education shall serve on the governing authority of any 1787
community school. 1788

(F) (1) A new start-up school that is established prior to 1789
August 15, 2003, in an urban school district that is not also a 1790
big-eight school district may continue to operate after that 1791
date and the contract between the school's governing authority 1792
and the school's sponsor may be renewed, as provided under this 1793

chapter, after that date, but no additional new start-up schools 1794
may be established in such a district unless the district is a 1795
challenged school district as defined in this section as it 1796
exists on and after that date. 1797

(2) A community school that was established prior to June 1798
29, 1999, and is located in a county contiguous to the pilot 1799
project area and in a school district that is not a challenged 1800
school district may continue to operate after that date, 1801
provided the school complies with all provisions of this 1802
chapter. The contract between the school's governing authority 1803
and the school's sponsor may be renewed, but no additional 1804
start-up community school may be established in that district 1805
unless the district is a challenged school district. 1806

(3) Any educational service center that, on June 30, 2007, 1807
sponsors a community school that is not located in a county 1808
within the territory of the service center or in a county 1809
contiguous to such county may continue to sponsor that community 1810
school on and after June 30, 2007, and may renew its contract 1811
with the school. However, the educational service center shall 1812
not enter into a contract with any additional community school, 1813
unless the governing board of the service center has entered 1814
into an agreement with the department authorizing the service 1815
center to sponsor a community school in any challenged school 1816
district in the state. 1817

Sec. 3314.021. (A) This section applies to any entity that 1818
is exempt from taxation under section 501(c)(3) of the Internal 1819
Revenue Code and that satisfies the conditions specified in 1820
divisions (C)(1)(f)(ii) and (iii) of section 3314.02 of the 1821
Revised Code but does not satisfy the condition specified in 1822
division (C)(1)(f)(i) of that section. 1823

(B) Notwithstanding division (C) (1) (f) (i) of section 1824
3314.02 of the Revised Code, and subject to division (D) (2) of 1825
this section, an entity described in division (A) of this 1826
section may do both of the following without obtaining the 1827
department of education's initial approval of its sponsorship 1828
under divisions (A) (2) and (B) (1) of section 3314.015 of the 1829
Revised Code: 1830

(1) Succeed the board of trustees of a state university 1831
located in the pilot project area or that board's designee as 1832
the sponsor of a community school established under this 1833
chapter; 1834

(2) Continue to sponsor that school in conformance with 1835
the terms of the contract between the board of trustees or its 1836
designee and the governing authority of the community school and 1837
renew that contract as provided in division (E) of section 1838
3314.03 of the Revised Code. 1839

(C) The entity that succeeds the board of trustees or the 1840
board's designee as sponsor of a community school under division 1841
(B) of this section also may enter into contracts to sponsor 1842
other community schools located in any challenged school 1843
district, without obtaining the department's initial approval of 1844
its sponsorship of those schools under divisions (A) (2) and (B) 1845
(1) of section 3314.015 of the Revised Code as long as the 1846
contracts conform with and the entity complies with all other 1847
requirements of this chapter. 1848

(D) (1) Regardless of the entity's authority to sponsor 1849
community schools without the initial approval of the 1850
department, the entity is under the continuing oversight of the 1851
department in accordance with rules adopted under section 1852
3314.015 of the Revised Code. 1853

(2) If an entity described in division (A) of this section 1854
receives a rating below "effective" under division (B) of 1855
section 3314.016 of the Revised Code for two or more consecutive 1856
years, that entity shall receive approval from the department of 1857
education to sponsor community schools and enter into a written 1858
agreement with the department in accordance with division (B)(1) 1859
of section 3314.015 of the Revised Code prior to entering into 1860
any further preliminary agreements under division (C)(2) of 1861
section 3314.02 of the Revised Code or renewing any existing 1862
contract to sponsor a community school. 1863

Sec. 3314.023. A sponsor shall provide monitoring, 1864
oversight, and technical assistance to each school that it 1865
sponsors. In order to provide monitoring, oversight, and 1866
technical assistance, a representative of the sponsor of a 1867
community school shall meet with the governing authority or 1868
fiscal officer of the school and shall review the financial and 1869
enrollment records of the school at least once every month. Not 1870
later than ten days after each review, the sponsor shall provide 1871
the governing authority and fiscal officer with a written report 1872
regarding the review. Copies of those financial and enrollment 1873
records shall be furnished to the community school sponsor and 1874
operator, members of the governing authority, and the fiscal 1875
officer designated in section 3314.011 of the Revised Code on a 1876
monthly basis. 1877

If a community school closes or is permanently closed, the 1878
designated fiscal officer shall deliver all financial and 1879
enrollment records to the school's sponsor within thirty days of 1880
the school's closure. If the fiscal officer fails to provide the 1881
records in a timely manner, or fails to faithfully perform any 1882
of the fiscal officer's other duties, the sponsor has the right 1883
of action against the fiscal officer to compel delivery of all 1884

financial and enrollment records of the school and shall, if 1885
necessary, seek recovery of any funds owed as a result of any 1886
finding of recovery by the auditor of state against the fiscal 1887
officer. 1888

For purposes of this chapter, "monitoring, oversight, and 1889
technical assistance" shall include the following: 1890

(A) Monitoring the community school's compliance with all 1891
laws applicable to the school and with the terms of the 1892
contract; 1893

(B) Monitoring and evaluating the academic and fiscal 1894
performance and the organization and operation of the community 1895
school on at least an annual basis. The evaluation of a school's 1896
academic and fiscal performance shall be based on the 1897
performance requirements specified in the contract between the 1898
sponsor and the governing authority under section 3314.03 of the 1899
Revised Code, the state report cards issued for the school under 1900
section 3302.03 or 3314.017 of the Revised Code, and any other 1901
analysis conducted by the department of education. 1902

(C) Reporting on an annual basis the results of the 1903
evaluation conducted under division (D) (2) of section 3314.03 of 1904
the Revised Code to the department of education and to the 1905
parents of students enrolled in the community school; 1906

(D) Providing technical assistance to the community school 1907
in complying with laws applicable to the school and terms of the 1908
contract; 1909

(E) Taking steps to intervene in the school's operation to 1910
correct problems in the school's overall performance, declaring 1911
the school to be on probationary status pursuant to section 1912
3314.073 of the Revised Code, suspending the operation of the 1913

school pursuant to section 3314.072 of the Revised Code, or 1914
terminating the contract of the school pursuant to section 1915
3314.07 of the Revised Code as determined necessary by the 1916
sponsor; 1917

(F) Having in place a plan of action to be undertaken in 1918
the event the community school experiences financial 1919
difficulties or closes prior to the end of a school year. 1920

(G) Other activities designed to specifically benefit the 1921
community school the entity sponsors. 1922

Sec. 3314.024. (A) A management company that ~~provides~~ 1923
~~services to a community school that amounts to~~ receives more 1924
than twenty per cent of the annual gross revenues of ~~the a~~ 1925
community school shall provide a detailed accounting including 1926
the nature and costs of ~~the goods and~~ services it provides to 1927
the community school. This information shall be ~~included in the~~ 1928
~~footnotes of the financial statements of the school reported~~ 1929
using the categories and designations set forth in divisions (B) 1930
and (C) of this section, as applicable. 1931

(B) The detailed accounting shall include the following 1932
categories of expenses for each designation as set forth in 1933
division (C) of this section: 1934

(1) Aggregate salaries and wages; 1935

(2) Aggregate employee benefits; 1936

(3) Professional and technical services; 1937

(4) Property services; 1938

(5) Utilities; 1939

(6) Contracted craft or trade services; 1940

<u>(7) Tuition paid to other districts;</u>	1941
<u>(8) Transportation;</u>	1942
<u>(9) Other purchased services;</u>	1943
<u>(10) Supplies;</u>	1944
<u>(11) Land;</u>	1945
<u>(12) Buildings;</u>	1946
<u>(13) Improvements other than buildings;</u>	1947
<u>(14) Equipment;</u>	1948
<u>(15) All other capital outlay;</u>	1949
<u>(16) Principal;</u>	1950
<u>(17) Interest;</u>	1951
<u>(18) Judgments;</u>	1952
<u>(19) Other direct and indirect costs.</u>	1953
<u>(C) The expenses set forth in division (B) of this section</u>	1954
<u>shall be disaggregated according to the following designations,</u>	1955
<u>as applicable:</u>	1956
<u>(1) Regular instruction;</u>	1957
<u>(2) Special instruction;</u>	1958
<u>(3) Vocational instruction;</u>	1959
<u>(4) Other instruction;</u>	1960
<u>(5) Support services;</u>	1961
<u>(6) Noninstructional activities.</u>	1962
<u>(D) The information provided pursuant to this section</u>	1963

shall be subject to ~~audit~~ verification through examination of 1964
community school records during the course of the regular 1965
financial audit of the community school. 1966

Sec. 3314.025. (A) Beginning with the 2016-2017 school 1967
year, each sponsor of a community school shall submit, not later 1968
than the fifteenth day of August of each year, a report to the 1969
department of education, using the format and manner prescribed 1970
by the department as set forth in division (B) of this section, 1971
describing the amount and type of expenditures made to provide 1972
monitoring, oversight, and technical assistance to the community 1973
schools it sponsors. The report shall also be submitted to the 1974
governing authority of the community school. 1975

(B) Not later than ninety days after the effective date of 1976
this section, the department shall establish requirements and a 1977
reporting procedure to aid each sponsor in complying with 1978
division (A) of this section. The department shall require that 1979
each report include at least the following types of expenditures 1980
made to provide oversight, monitoring, and technical assistance 1981
to the community school it sponsors: 1982

(1) Employee salaries, wages, benefits, and other 1983
compensation; 1984

(2) All purchased or contracted services; 1985

(3) Materials and supplies; 1986

(4) Equipment, furniture, and fixtures; 1987

(5) Facilities; 1988

(6) Other expenditures. 1989

(C) The report submitted under this section shall be a 1990
factor when evaluating a sponsor's compliance with applicable 1991

law and administrative rules as prescribed under division (B) (1) (c) of section 3314.016 of the Revised Code. The report also may be used as a factor when evaluating a sponsor's adherence to quality practices as prescribed under division (B) (1) (b) of that section.

Sec. 3314.027. Notwithstanding the requirement for initial approval of sponsorship by the department of education prescribed in divisions (A) (2) and (B) (1) of section 3314.015 of the Revised Code and any geographical restriction or mission requirement prescribed in division (C) (1) of section 3314.02 of the Revised Code, an entity that has entered into a contract to sponsor a community school on April 8, 2003, may continue to sponsor the school in conformance with the terms of that contract and also may enter into new contracts to sponsor community schools after April 8, 2003, as long as the contracts conform to and the entity complies with all other provisions of this chapter.

Regardless of the entity's authority to sponsor community schools without the initial approval of the department, each entity described in this section is under the continuing oversight of the department in accordance with rules adopted under section 3314.015 of the Revised Code.

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

3314.02 of the Revised Code or renewing any existing contract to 2022
sponsor a community school. 2023

Sec. 3314.029. This section establishes the Ohio school 2024
sponsorship program. The department of education shall establish 2025
an office of Ohio school sponsorship to perform the department's 2026
duties prescribed by this section. 2027

(A) (1) Notwithstanding anything to the contrary in this 2028
chapter, any person, group of individuals, or entity may apply 2029
to the department for direct authorization to establish a 2030
community school and, upon approval of the application, may 2031
establish the school. Notwithstanding anything to the contrary 2032
in this chapter, the governing authority of an existing 2033
community school, upon the expiration or termination of its 2034
contract with the school's sponsor entered into under section 2035
3314.03 of the Revised Code, may apply to the department for 2036
direct authorization to continue operating the school and, upon 2037
approval of the application, may continue to operate the school. 2038
The department may establish a format and deadlines for an 2039
application. 2040

Each application submitted to the department shall include 2041
the following: 2042

(a) Evidence that the applicant will be able to comply 2043
with division (C) of this section; 2044

(b) A statement indicating that the applicant agrees to 2045
comply with all applicable provisions of this chapter, including 2046
the requirement to be established as a nonprofit corporation or 2047
public benefit corporation in accordance with division (A) (1) of 2048
section 3314.03 of the Revised Code; 2049

(c) A statement attesting that no unresolved finding of 2050

recovery has been issued by the auditor of state against any 2051
person, group of individuals, or entity that is a party to the 2052
application and that no person who is party to the application 2053
has been a member of the governing authority of any community 2054
school that has permanently closed and against which an 2055
unresolved finding of recovery has been issued by the auditor of 2056
state. In the case of an application submitted by the governing 2057
authority of an existing community school, a person who is party 2058
to the application shall include each individual member of that 2059
governing authority. 2060

(d) A statement that the school will be nonsectarian in 2061
its programs, admission policies, employment practices, and all 2062
other operations, and will not be operated by a sectarian school 2063
or religious institution; 2064

(e) A statement of whether the school is to be created by 2065
converting all or part of an existing public school or 2066
educational service center building or is to be a new start-up 2067
school. If it is a converted public school or service center 2068
building, the statement shall include a specification of any 2069
duties or responsibilities of an employer that the board of 2070
education or service center governing board that operated the 2071
school or building before conversion is delegating to the 2072
governing authority of the community school with respect to all 2073
or any specified group of employees, provided the delegation is 2074
not prohibited by a collective bargaining agreement applicable 2075
to such employees. 2076

(f) A statement that the school's teachers will be 2077
licensed in the manner prescribed by division (A)(10) of section 2078
3314.03 of the Revised Code; 2079

(g) A statement that the school will comply with all of 2080

the provisions of law enumerated in divisions (A) (11) (d) and (e) 2081
of section 3314.03 of the Revised Code and of division (A) (11) 2082
(h) of that section, if applicable; 2083

(h) A statement that the school's graduation and 2084
curriculum requirements will comply with division (A) (11) (f) of 2085
section 3314.03 of the Revised Code; 2086

(i) A description of each of the following: 2087

(i) The school's mission and educational program, the 2088
characteristics of the students the school is expected to 2089
attract, the ages and grade levels of students, and the focus of 2090
the curriculum; 2091

(ii) The school's governing authority, which shall be in 2092
compliance with division (E) of section 3314.02 of the Revised 2093
Code; 2094

(iii) The school's admission and dismissal policies, which 2095
shall be in compliance with divisions (A) (5) and (6) of section 2096
3314.03 of the Revised Code; 2097

(iv) The school's business plan, including a five-year 2098
financial forecast; 2099

(v) In the case of an application to establish a community 2100
school, the applicant's resources and capacity to establish and 2101
operate the school; 2102

(vi) The school's academic goals to be achieved and the 2103
method of measurement that will be used to determine progress 2104
toward those goals, which shall include the statewide 2105
achievement assessments; 2106

(vii) The facilities to be used by the school and their 2107
locations; 2108

(viii) A description of the learning opportunities that 2109
will be offered to students including both classroom-based and 2110
nonclassroom-based learning opportunities that are in compliance 2111
with criteria for student participation established by the 2112
department under division (H) (2) of section 3314.08 of the 2113
Revised Code. 2114

(2) Subject to division (A) (3) of this section, the 2115
department ~~shall~~ may approve each application, unless, within 2116
~~thirty days after receipt of the application, the department~~ 2117
~~determines that the application does not satisfy the~~ 2118
~~requirements of division (A) (1) of this section and provides the~~ 2119
~~applicant a written explanation of the reasons for the~~ 2120
~~determination. In that case, the department shall grant the~~ 2121
~~applicant thirty days to correct the insufficiencies in the~~ 2122
~~application. If the department determines that the~~ 2123
~~insufficiencies have been corrected, it shall approve the~~ 2124
~~application. If the department determines that the~~ 2125
~~insufficiencies have not been corrected, it shall deny the~~ 2126
~~application and provide the applicant with a written explanation~~ 2127
~~of the reasons for the denial. The denial of an application may~~ 2128
~~be appealed in accordance with section 119.12 of the Revised~~ 2129
~~Code or deny an application, taking into consideration the~~ 2130
standards for quality authorizing, capacity requirements, 2131
financial constraints, or any other criteria it determines 2132
necessary and appropriate. The department shall adopt the 2133
criteria not later than sixty days after the effective date of 2134
this amendment. The department shall assign each applicant 2135
school a rating established for a new start-up community school 2136
or an existing community school, as applicable. 2137

The department of education shall annually publish on its 2138
web site the criteria it uses to approve or deny an application 2139

submitted pursuant to this section. 2140

(3) For each of five school years, beginning with the 2141
school year that begins in the calendar year in which this 2142
section takes effect, the department may approve up to twenty 2143
applications for community schools to be established or to 2144
continue operation under division (A) of this section; however, 2145
of the twenty applications that may be approved each school 2146
year, only up to five may be for the establishment of new 2147
schools. 2148

(4) Notwithstanding division (A)(2) of this section, the 2149
department may deny an application submitted by the governing 2150
authority of an existing community school, if a previous sponsor 2151
of that school did not renew its contract or terminated its 2152
contract with the school entered into under section 3314.03 of 2153
the Revised Code. 2154

(5) In the case of a proposed new community school to be 2155
located in an alliance municipal school district, the department 2156
shall not approve the application of that community school 2157
unless both of the following apply: 2158

(a) The department approves the application using the 2159
requirements of divisions (A)(1)(a) to (h) of this section and 2160
the criteria developed under division (A)(2) of this section. 2161

(b) The department has determined that the applicant has 2162
requested and received a recommendation from the alliance in the 2163
manner prescribed by divisions (E)(1) and (2) of section 3311.86 2164
of the Revised Code. 2165

As used in this section, "alliance municipal school 2166
district" and "alliance" have the same meanings as in section 2167
3311.86 of the Revised Code. 2168

(B) The department and the governing authority of each 2169
community school authorized under this section shall enter into 2170
a contract under section 3314.03 of the Revised Code. 2171
Notwithstanding division (A) (13) of that section, the contract 2172
with an existing community school may begin at any time during 2173
the academic year. The length of the initial contract of any 2174
community school under this section may be for any term up to 2175
five years. The contract may be renewed in accordance with 2176
division (E) of that section. The contract may provide for the 2177
school's governing authority to pay a fee for oversight and 2178
monitoring of the school that does not exceed three per cent of 2179
the total amount of payments for operating expenses that the 2180
school receives from the state. 2181

(C) The department may require a community school 2182
authorized under this section to post and file with the 2183
superintendent of public instruction a bond payable to the state 2184
or to file with the state superintendent a guarantee, which 2185
shall be used to pay the state any moneys owed by the community 2186
school in the event the school closes. 2187

(D) Except as otherwise provided in this section, a 2188
community school authorized under this section shall comply with 2189
all applicable provisions of this chapter. The department may 2190
take any action that a sponsor may take under this chapter to 2191
enforce the school's compliance with this division and the terms 2192
of the contract entered into under division (B) of this section. 2193

(E) Not later than December 31, 2012, and annually 2194
thereafter, the department shall issue a report on the program, 2195
including information about the number of community schools 2196
participating in the program and their compliance with the 2197
provisions of this chapter. In its fifth report, the department 2198

shall include a complete evaluation of the program and 2199
recommendations regarding the program's continuation. Each 2200
report shall be provided to the general assembly, in accordance 2201
with section 101.68 of the Revised Code, and to the governor. 2202

Sec. 3314.0210. When an operator or management company 2203
purchases furniture, computers, software, equipment, or other 2204
personal property for use in the operation of a community school 2205
under this chapter with state funds that were paid to the 2206
operator or management company by the community school as 2207
payment for services rendered, such property is property of that 2208
school and is not property of the operator or management 2209
company. 2210

When a community school permanently closes and ceases its 2211
operation as a community school, any property that was acquired 2212
by the operator or management company of the school in the 2213
manner described in this section shall be distributed in 2214
accordance with division (E) of section 3314.015 and section 2215
3314.074 of the Revised Code. 2216

Sec. 3314.03. A copy of every contract entered into under 2217
this section shall be filed with the superintendent of public 2218
instruction. The department of education shall make available on 2219
its web site a copy of every approved, executed contract filed 2220
with the superintendent under this section. 2221

(A) Each contract entered into between a sponsor and the 2222
governing authority of a community school shall specify the 2223
following: 2224

(1) That the school shall be established as either of the 2225
following: 2226

(a) A nonprofit corporation established under Chapter 2227

1702. of the Revised Code, if established prior to April 8, 2228
2003; 2229

(b) A public benefit corporation established under Chapter 2230
1702. of the Revised Code, if established after April 8, 2003. 2231

(2) The education program of the school, including the 2232
school's mission, the characteristics of the students the school 2233
is expected to attract, the ages and grades of students, and the 2234
focus of the curriculum; 2235

(3) The academic goals to be achieved and the method of 2236
measurement that will be used to determine progress toward those 2237
goals, which shall include the statewide achievement 2238
assessments; 2239

(4) Performance standards, including but not limited to 2240
all applicable report card measures set forth in section 3302.03 2241
or 3314.017 of the Revised Code, by which the success of the 2242
school will be evaluated by the sponsor; 2243

(5) The admission standards of section 3314.06 of the 2244
Revised Code and, if applicable, section 3314.061 of the Revised 2245
Code; 2246

(6) (a) Dismissal procedures; 2247

(b) A requirement that the governing authority adopt an 2248
attendance policy that includes a procedure for automatically 2249
withdrawing a student from the school if the student without a 2250
legitimate excuse fails to participate in one hundred five 2251
consecutive hours of the learning opportunities offered to the 2252
student. 2253

(7) The ways by which the school will achieve racial and 2254
ethnic balance reflective of the community it serves; 2255

(8) Requirements for financial audits by the auditor of 2256
state. The contract shall require financial records of the 2257
school to be maintained in the same manner as are financial 2258
records of school districts, pursuant to rules of the auditor of 2259
state. Audits shall be conducted in accordance with section 2260
117.10 of the Revised Code. 2261

(9) ~~The~~ An addendum to the contract outlining the 2262
facilities to be used and their locations, that contains at least 2263
the following information: 2264

(a) A detailed description of each facility used for 2265
instructional purposes; 2266

(b) The annual costs associated with leasing each facility 2267
that are paid by or on behalf of the school; 2268

(c) The annual mortgage principal and interest payments 2269
that are paid by the school; 2270

(d) The name of the lender or landlord, identified as 2271
such, and the lender's or landlord's relationship to the 2272
operator, if any. 2273

(10) Qualifications of teachers, including a requirement 2274
that the school's classroom teachers be licensed in accordance 2275
with sections 3319.22 to 3319.31 of the Revised Code, except 2276
that a community school may engage noncertificated persons to 2277
teach up to twelve hours per week pursuant to section 3319.301 2278
of the Revised Code. 2279

(11) That the school will comply with the following 2280
requirements: 2281

(a) The school will provide learning opportunities to a 2282
minimum of twenty-five students for a minimum of nine hundred 2283

twenty hours per school year. 2284

(b) The governing authority will purchase liability 2285
insurance, or otherwise provide for the potential liability of 2286
the school. 2287

(c) The school will be nonsectarian in its programs, 2288
admission policies, employment practices, and all other 2289
operations, and will not be operated by a sectarian school or 2290
religious institution. 2291

(d) The school will comply with sections 9.90, 9.91, 2292
109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.19, 3301.0710, 2293
3301.0711, 3301.0712, 3301.0715, 3301.948, 3313.472, 3313.50, 2294
3313.536, 3313.539, 3313.608, 3313.609, 3313.6012, 3313.6013, 2295
3313.6014, 3313.6015, 3313.6020, 3313.643, 3313.648, 3313.6411, 2296
3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.67, 2297
3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 2298
3313.718, 3313.719, 3313.7112, 3313.80, 3313.814, 3313.816, 2299
3313.817, 3313.86, 3313.89, 3313.96, 3319.073, 3319.321, 2300
3319.39, 3319.391, 3319.41, 3319.46, 3321.01, 3321.041, 3321.13, 2301
3321.14, 3321.17, 3321.18, 3321.19, 3321.191, 3327.10, 4111.17, 2302
4113.52, and 5705.391 and Chapters 117., 1347., 2744., 3365., 2303
3742., 4112., 4123., 4141., and 4167. of the Revised Code as if 2304
it were a school district and will comply with section 3301.0714 2305
of the Revised Code in the manner specified in section 3314.17 2306
of the Revised Code. 2307

(e) The school shall comply with Chapter 102. and section 2308
2921.42 of the Revised Code. 2309

(f) The school will comply with sections 3313.61, 2310
3313.611, and 3313.614 of the Revised Code, except that for 2311
students who enter ninth grade for the first time before July 1, 2312

2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the governing authority of the community school rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the requirements prescribed in division (C) of section 3313.603 of the Revised Code, unless the person qualifies under division (D) or (F) of that section. Each school shall comply with the plan for awarding high school credit based on demonstration of subject area competency, adopted by the state board of education under division (J) of section 3313.603 of the Revised Code.

(g) The school governing authority will submit within four months after the end of each school year a report of its activities and progress in meeting the goals and standards of divisions (A) (3) and (4) of this section and its financial status to the sponsor and the parents of all students enrolled in the school.

(h) The school, unless it is an internet- or computer-based community school, will comply with section 3313.801 of the Revised Code as if it were a school district.

(i) If the school is the recipient of moneys from a grant awarded under the federal race to the top program, Division (A), Title XIV, Sections 14005 and 14006 of the "American Recovery

and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115, 2343
the school will pay teachers based upon performance in 2344
accordance with section 3317.141 and will comply with section 2345
3319.111 of the Revised Code as if it were a school district. 2346

(12) Arrangements for providing health and other benefits 2347
to employees; 2348

(13) The length of the contract, which shall begin at the 2349
beginning of an academic year. No contract shall exceed five 2350
years unless such contract has been renewed pursuant to division 2351
(E) of this section. 2352

(14) The governing authority of the school, which shall be 2353
responsible for carrying out the provisions of the contract; 2354

(15) A financial plan detailing an estimated school budget 2355
for each year of the period of the contract and specifying the 2356
total estimated per pupil expenditure amount for each such year. 2357

(16) Requirements and procedures regarding the disposition 2358
of employees of the school in the event the contract is 2359
terminated or not renewed pursuant to section 3314.07 of the 2360
Revised Code; 2361

(17) Whether the school is to be created by converting all 2362
or part of an existing public school or educational service 2363
center building or is to be a new start-up school, and if it is 2364
a converted public school or service center building, 2365
specification of any duties or responsibilities of an employer 2366
that the board of education or service center governing board 2367
that operated the school or building before conversion is 2368
delegating to the governing authority of the community school 2369
with respect to all or any specified group of employees provided 2370
the delegation is not prohibited by a collective bargaining 2371

agreement applicable to such employees;	2372
(18) Provisions establishing procedures for resolving	2373
disputes or differences of opinion between the sponsor and the	2374
governing authority of the community school;	2375
(19) A provision requiring the governing authority to	2376
adopt a policy regarding the admission of students who reside	2377
outside the district in which the school is located. That policy	2378
shall comply with the admissions procedures specified in	2379
sections 3314.06 and 3314.061 of the Revised Code and, at the	2380
sole discretion of the authority, shall do one of the following:	2381
(a) Prohibit the enrollment of students who reside outside	2382
the district in which the school is located;	2383
(b) Permit the enrollment of students who reside in	2384
districts adjacent to the district in which the school is	2385
located;	2386
(c) Permit the enrollment of students who reside in any	2387
other district in the state.	2388
(20) A provision recognizing the authority of the	2389
department of education to take over the sponsorship of the	2390
school in accordance with the provisions of division (C) of	2391
section 3314.015 of the Revised Code;	2392
(21) A provision recognizing the sponsor's authority to	2393
assume the operation of a school under the conditions specified	2394
in division (B) of section 3314.073 of the Revised Code;	2395
(22) A provision recognizing both of the following:	2396
(a) The authority of public health and safety officials to	2397
inspect the facilities of the school and to order the facilities	2398
closed if those officials find that the facilities are not in	2399

compliance with health and safety laws and regulations; 2400

(b) The authority of the department of education as the 2401
community school oversight body to suspend the operation of the 2402
school under section 3314.072 of the Revised Code if the 2403
department has evidence of conditions or violations of law at 2404
the school that pose an imminent danger to the health and safety 2405
of the school's students and employees and the sponsor refuses 2406
to take such action. 2407

(23) A description of the learning opportunities that will 2408
be offered to students including both classroom-based and non- 2409
classroom-based learning opportunities that is in compliance 2410
with criteria for student participation established by the 2411
department under division (H) (2) of section 3314.08 of the 2412
Revised Code; 2413

(24) The school will comply with sections 3302.04 and 2414
3302.041 of the Revised Code, except that any action required to 2415
be taken by a school district pursuant to those sections shall 2416
be taken by the sponsor of the school. However, the sponsor 2417
shall not be required to take any action described in division 2418
(F) of section 3302.04 of the Revised Code. 2419

(25) Beginning in the 2006-2007 school year, the school 2420
will open for operation not later than the thirtieth day of 2421
September each school year, unless the mission of the school as 2422
specified under division (A) (2) of this section is solely to 2423
serve dropouts. In its initial year of operation, if the school 2424
fails to open by the thirtieth day of September, or within one 2425
year after the adoption of the contract pursuant to division (D) 2426
of section 3314.02 of the Revised Code if the mission of the 2427
school is solely to serve dropouts, the contract shall be void. 2428

(26) Whether the school's governing authority is planning 2429
to seek designation for the school as a STEM school equivalent 2430
under section 3326.032 of the Revised Code; 2431

(27) That the school's attendance and participation 2432
policies will be available for public inspection; 2433

(28) That the school's attendance and participation 2434
records shall be made available to the department of education, 2435
auditor of state, and school's sponsor to the extent permitted 2436
under and in accordance with the "Family Educational Rights and 2437
Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232g, as amended, 2438
and any regulations promulgated under that act, and section 2439
3319.321 of the Revised Code; 2440

(29) If a school operates using the blended learning 2441
model, as defined in section 3301.079 of the Revised Code, all 2442
of the following information: 2443

(a) An indication of what blended learning model or models 2444
will be used; 2445

(b) A description of how student instructional needs will 2446
be determined and documented; 2447

(c) The method to be used for determining competency, 2448
granting credit, and promoting students to a higher grade level; 2449

(d) The school's attendance requirements, including how 2450
the school will document participation in learning 2451
opportunities; 2452

(e) A statement describing how student progress will be 2453
monitored; 2454

(f) A statement describing how private student data will 2455
be protected; 2456

(g) A description of the professional development 2457
activities that will be offered to teachers. 2458

(30) A provision requiring that all moneys the school's 2459
operator loans to the school, including facilities loans or cash 2460
flow assistance, must be accounted for, documented, and bear 2461
interest at a fair market rate; 2462

(31) A provision requiring that, if the governing 2463
authority contracts with an attorney, accountant, or entity 2464
specializing in audits, the attorney, accountant, or entity 2465
shall be independent from the operator with which the school has 2466
contracted. 2467

(B) The community school shall also submit to the sponsor 2468
a comprehensive plan for the school. The plan shall specify the 2469
following: 2470

(1) The process by which the governing authority of the 2471
school will be selected in the future; 2472

(2) The management and administration of the school; 2473

(3) If the community school is a currently existing public 2474
school or educational service center building, alternative 2475
arrangements for current public school students who choose not 2476
to attend the converted school and for teachers who choose not 2477
to teach in the school or building after conversion; 2478

(4) The instructional program and educational philosophy 2479
of the school; 2480

(5) Internal financial controls. 2481

When submitting the plan under this division, the school 2482
shall also submit copies of all policies and procedures 2483
regarding internal financial controls adopted by the governing 2484

authority of the school. 2485

(C) A contract entered into under section 3314.02 of the 2486
Revised Code between a sponsor and the governing authority of a 2487
community school may provide for the community school governing 2488
authority to make payments to the sponsor, which is hereby 2489
authorized to receive such payments as set forth in the contract 2490
between the governing authority and the sponsor. The total 2491
amount of such payments for ~~oversight and monitoring,~~ oversight, 2492
and technical assistance of the school shall not exceed three 2493
per cent of the total amount of payments for operating expenses 2494
that the school receives from the state. 2495

(D) The contract shall specify the duties of the sponsor 2496
which shall be in accordance with the written agreement entered 2497
into with the department of education under division (B) of 2498
section 3314.015 of the Revised Code and shall include the 2499
following: 2500

(1) Monitor the community school's compliance with all 2501
laws applicable to the school and with the terms of the 2502
contract; 2503

(2) Monitor and evaluate the academic and fiscal 2504
performance and the organization and operation of the community 2505
school on at least an annual basis; 2506

(3) Report on an annual basis the results of the 2507
evaluation conducted under division (D) (2) of this section to 2508
the department of education and to the parents of students 2509
enrolled in the community school; 2510

(4) Provide technical assistance to the community school 2511
in complying with laws applicable to the school and terms of the 2512
contract; 2513

(5) Take steps to intervene in the school's operation to 2514
correct problems in the school's overall performance, declare 2515
the school to be on probationary status pursuant to section 2516
3314.073 of the Revised Code, suspend the operation of the 2517
school pursuant to section 3314.072 of the Revised Code, or 2518
terminate the contract of the school pursuant to section 3314.07 2519
of the Revised Code as determined necessary by the sponsor; 2520

(6) Have in place a plan of action to be undertaken in the 2521
event the community school experiences financial difficulties or 2522
closes prior to the end of a school year. 2523

(E) Upon the expiration of a contract entered into under 2524
this section, the sponsor of a community school may, with the 2525
approval of the governing authority of the school, renew that 2526
contract for a period of time determined by the sponsor, but not 2527
ending earlier than the end of any school year, if the sponsor 2528
finds that the school's compliance with applicable laws and 2529
terms of the contract and the school's progress in meeting the 2530
academic goals prescribed in the contract have been 2531
satisfactory. Any contract that is renewed under this division 2532
remains subject to the provisions of sections 3314.07, 3314.072, 2533
and 3314.073 of the Revised Code. 2534

(F) If a community school fails to open for operation 2535
within one year after the contract entered into under this 2536
section is adopted pursuant to division (D) of section 3314.02 2537
of the Revised Code or permanently closes prior to the 2538
expiration of the contract, the contract shall be void and the 2539
school shall not enter into a contract with any other sponsor. A 2540
school shall not be considered permanently closed because the 2541
operations of the school have been suspended pursuant to section 2542
3314.072 of the Revised Code. 2543

Sec. 3314.031. (A) Beginning March 31, 2016, the 2544
department shall do the following: 2545

(1) Maintain and annually publish an accurate record of 2546
the names and identifying information of all entities that have 2547
entered into a contract with the governing authority of a 2548
community school to manage or operate that school; 2549

(2) Receive from the governing authority of each community 2550
school a copy of the contract between a governing authority and 2551
its operator. A copy of each contract shall be made available on 2552
the department's web site. 2553

(B) Not later than November 15, 2016, and not later than 2554
the fifteenth day of November for each year thereafter, the 2555
department shall develop and publish an annual performance 2556
report for all operators of community schools in the state based 2557
on their performance for the previous school year. The report 2558
shall be made available on the department's web site. 2559

(C) The department shall include the performance report 2560
obtained pursuant to division (B) of this section in the 2561
department's annual report required by division (A) (4) of 2562
section 3314.015 of the Revised Code. 2563

(D) For purposes of this section, "operator" has the same 2564
meaning as in division (A) (8) of section 3314.02 of the Revised 2565
Code. 2566

Sec. 3314.032. (A) On and after the effective date of this 2567
section, any new or renewed contract between the governing 2568
authority of a community school and an operator shall include at 2569
least the following: 2570

(1) Criteria to be used for early termination of the 2571
operator contract; 2572

(2) Required notification procedures and timeline for 2573
early termination or nonrenewal of the operator contract; 2574

(3) A stipulation of which entity owns all community 2575
school facilities and property including, but not limited to, 2576
equipment, furniture, fixtures, instructional materials and 2577
supplies, computers, printers, and other digital devices 2578
purchased by the governing authority or operator. Any 2579
stipulation regarding property ownership shall comply with the 2580
requirements of section 3314.0210 of the Revised Code. 2581

(B) (1) The operator with which the governing authority of 2582
a community school contracts for services shall not lease any 2583
parcel of real property to that community school until an 2584
independent professional in the real estate field verifies via 2585
addendum that at the time the lease was agreed to, the lease was 2586
commercially reasonable. 2587

(2) The independent professional described in division (B) 2588
(1) of this section shall be immune from civil liability for any 2589
decision rendered pursuant to this section. 2590

(C) Beginning with the 2016-2017 school year, the 2591
governing authority of a community school, with the assistance 2592
of the school's designated fiscal officer, shall adopt an annual 2593
budget by the thirty-first day of October of each year. 2594

Not later than ninety days after the effective date of 2595
this section, the department of education shall develop a format 2596
for annual budgets of community schools. The format shall 2597
prescribe inclusion of the following information in a school's 2598
budget: 2599

(1) Administrative costs for the community school as a 2600
whole; 2601

(2) Instructional services costs for each category of 2602
service provided directly to students, compiled and reported in 2603
terms of average expenditure per pupil receiving the service; 2604

(3) The cost of instructional support services, such as 2605
services provided by a speech-language pathologist, classroom 2606
aide, multimedia aide, or librarian, provided directly to 2607
students; 2608

(4) The cost of administrative support services, such as 2609
the cost of personnel that develop the curriculum and the cost 2610
of personnel supervising or coordinating the delivery of the 2611
instructional services; 2612

(5) The cost of support or extracurricular services costs 2613
for services directly provided to students; 2614

(6) The cost of services provided directly to students by 2615
a nonlicensed employee related to support or extracurricular 2616
services, such as janitorial services, cafeteria services, or 2617
services of a sports trainer; 2618

(7) The cost of administrative services related to support 2619
or extracurricular services, such as the cost of any licensed or 2620
unlicensed employees that develop, supervise, coordinate, or 2621
otherwise are involved in administrating or aiding the delivery 2622
of services. 2623

(D) The governing authority of a community school shall be 2624
the sole entity responsible for the adoption of the school's 2625
annual budget, but the governing authority shall adopt such 2626
budget with the assistance of the school's designated fiscal 2627
officer. 2628

Sec. 3314.034. (A) Subject to division (B) of this 2629
section, any community school to which either of the following 2630

conditions apply shall be prohibited from entering into a 2631
contract with a new sponsor: 2632

(1) The community school has received a grade of "D" or 2633
"F" for the performance index score, under division (C) (1) (b) of 2634
section 3302.03 of the Revised Code, and an overall grade of "D" 2635
or "F" for the value-added progress dimension or another measure 2636
of student academic progress if adopted by the state board of 2637
education, under division (C) (1) (e) of that section, on the most 2638
recent report card issued for the school pursuant to that 2639
section. 2640

(2) The community school is one in which a majority of the 2641
students are enrolled in a dropout prevention and recovery 2642
program, and it has received a rating of "does not meet 2643
standards" for the annual student growth measure and combined 2644
graduation rates on the most recent report card issued for the 2645
school under section 3314.017 of the Revised Code. 2646

(B) A community school to which division (A) of this 2647
section applies may enter into a contract with a new sponsor if 2648
all of the following conditions are satisfied: 2649

(1) The proposed sponsor received a rating of "effective" 2650
or higher pursuant to division (B) (6) of section 3314.016 of the 2651
Revised Code on its most recent evaluation conducted according 2652
to that section, or the proposed sponsor is the office of Ohio 2653
school sponsorship established in section 3314.029 of the 2654
Revised Code. 2655

(2) The community school submits a request to enter into a 2656
new contract with a sponsor. 2657

(3) The community school has not submitted a prior request 2658
that was granted. 2659

(4) The department grants the school's request pursuant to 2660
division (C) of this section. 2661

(C) A school shall submit a request to change sponsors 2662
under this section not later than on the fifteenth day of 2663
February of the year in which the school wishes to do so. The 2664
department shall grant or deny the request not later than thirty 2665
days after the department receives it. If the department denies 2666
the request, the community school may submit an appeal to the 2667
state board of education, which shall hold a hearing in 2668
accordance with Chapter 119. of the Revised Code. The community 2669
school shall file its notice of appeal to the state board not 2670
later than ten days after receiving the decision from the 2671
department. The state board shall conduct the hearing not later 2672
than thirty days after receiving the school's notice of appeal 2673
and act upon the determination of the hearing officer not later 2674
than the twenty-fifth day of June of the year in which the 2675
school wishes to change sponsors. 2676

(D) Factors to be considered during a hearing held 2677
pursuant to division (C) of this section include, but are not 2678
limited to, the following: 2679

(1) The school's impact on the students and the community 2680
or communities it serves; 2681

(2) The quality and quantity of academic and 2682
administrative support the school receives from its current 2683
sponsor to help the school to improve; 2684

(3) The sponsor's annual evaluations of the community 2685
school under division (D) (2) of section 3314.03 of the Revised 2686
Code for the previous three years; 2687

(4) The academic performance of the school, taking into 2688

account the demographic information of the students enrolled in 2689
the school; 2690

(5) The academic performance of alternative schools that 2691
serve comparable populations of students as those served by the 2692
community school; 2693

(6) The fiscal stability of the school; 2694

(7) The results of any audits of the school by the auditor 2695
of state; 2696

(8) The length of time the school has been under the 2697
oversight of its current sponsor; 2698

(9) The number of times the school has changed sponsors 2699
prior to the current request; 2700

(10) Parent and student satisfaction rates as demonstrated 2701
by surveys, if available. 2702

Sec. 3314.035. Each community school shall post on the 2703
school's web site the name of each member of the school's 2704
governing authority. Each community school also shall provide, 2705
upon request, the name and address of each member of the 2706
governing authority to the sponsor of the school and the 2707
department of education. 2708

Sec. 3314.036. The governing authority of a community 2709
school shall employ an attorney, who shall be independent from 2710
the school's sponsor or the operator with which the school has 2711
contracted, for any services related to the negotiation of the 2712
community school's contract with the sponsor or the school's 2713
contract with the operator. 2714

Sec. 3314.037. The members of the governing authority of a 2715
community school, the designated fiscal officer of the school, 2716

the chief administrative officer and other administrative 2717
employees of the school, and all individuals performing 2718
supervisory or administrative services for the school under a 2719
contract with the operator of the school shall complete training 2720
on an annual basis on the public records and open meetings laws, 2721
so that they may comply with those laws as prescribed by 2722
division (A) (11) (d) of section 3314.03 of the Revised Code. 2723

Sec. 3314.038. Each community school shall annually submit 2724
to the department of education and auditor of state a report of 2725
each instance under which a student who is enrolled in that 2726
community school resides in a children's residential center as 2727
defined under section 5103.05 of the Revised Code. 2728

Sec. 3314.039. The department of education shall compile 2729
and publish the following information, for each year since the 2730
2010-2011 school year, in a simple, easily accessible location 2731
on its web site: 2732

(A) A single document identifying each community school 2733
that has closed during each year and the reason for the closure 2734
of each school; 2735

(B) A single document for each entity that submitted an 2736
application to sponsor schools that contains the following, 2737
where applicable: 2738

(1) The entity's application and most recent evaluation; 2739

(2) A designation of whether the entity's application was 2740
approved or denied; 2741

(3) All documentation used in determining whether to 2742
approve or deny the entity's application; 2743

(4) A short statement describing the rationale used in 2744

approving or denying the entity's application. 2745

(C) A single document containing the following 2746
information: 2747

(1) A list of all sponsor ratings for each school year for 2748
which ratings are available; 2749

(2) A list of each sponsor that is prohibited, as of the 2750
thirty-first day of December of each school year, from 2751
sponsoring new schools; 2752

(3) A list of each sponsor that sponsors or has sponsored 2753
a school that is or was subject to closure, and the reason for 2754
that closure. 2755

(D) The department shall update the document required 2756
pursuant to division (A) of this section on an annual basis. 2757

Sec. 3314.07. (A) The expiration of the contract for a 2758
community school between a sponsor and a school shall be the 2759
date provided in the contract. A successor contract may be 2760
entered into pursuant to division (E) of section 3314.03 of the 2761
Revised Code unless the contract is terminated or not renewed 2762
pursuant to this section. 2763

(B) (1) A sponsor may choose not to renew a contract at its 2764
expiration or may choose to terminate a contract prior to its 2765
expiration for any of the following reasons: 2766

(a) Failure to meet student performance requirements 2767
stated in the contract; 2768

(b) Failure to meet generally accepted standards of fiscal 2769
management; 2770

(c) Violation of any provision of the contract or 2771

applicable state or federal law; 2772

(d) Other good cause. 2773

(2) A sponsor may choose to terminate a contract prior to 2774
its expiration if the sponsor has suspended the operation of the 2775
contract under section 3314.072 of the Revised Code. 2776

(3) Not later than the ~~first~~fifteenth day of ~~February~~ 2777
January in the year in which the sponsor intends to terminate or 2778
take actions not to renew the community school's contract, the 2779
sponsor shall notify the school of the proposed action in 2780
writing. The notice shall include the reasons for the proposed 2781
action in detail, the effective date of the termination or 2782
nonrenewal, and a statement that the school may, within fourteen 2783
days of receiving the notice, request an informal hearing before 2784
the sponsor. Such request must be in writing. The informal 2785
hearing shall be held within fourteen days of the receipt of a 2786
request for the hearing. Not later than fourteen days after the 2787
informal hearing, the sponsor shall issue a written decision 2788
either affirming or rescinding the decision to terminate or not 2789
renew the contract. 2790

(4) ~~A decision by the sponsor to terminate a contract may~~ 2791
~~be appealed to the state board of education. The notice of~~ 2792
~~appeal shall be filed with the state board not later than~~ 2793
~~fourteen days following receipt of the sponsor's written~~ 2794
~~decision to terminate the contract. Within sixty days of receipt~~ 2795
~~of the notice of appeal, the state board shall conduct a hearing~~ 2796
~~and issue a written decision on the appeal. The written decision~~ 2797
~~of the state board shall include the reasons for affirming or~~ 2798
~~rescinding the decision of the sponsor. The decision by the~~ 2799
~~state board pertaining to an appeal under this division is~~ 2800
~~final. If the sponsor is the state board, its decision to~~ 2801

~~terminate a contract under division (B) (3) of this section shall
be final.~~ 2802
2803

~~(5)~~ The termination of a contract under this section shall 2804
be effective upon the occurrence of the later of the following 2805
events: 2806

(a) The date the sponsor notifies the school of its 2807
decision to terminate the contract as prescribed in division (B) 2808
(3) of this section; 2809

(b) If an informal hearing is requested under division (B) 2810
(3) of this section and as a result of that hearing the sponsor 2811
affirms its decision to terminate the contract, the effective 2812
date of the termination specified in the notice issued under 2813
division (B) (3) of this section, ~~or if that decision is appealed~~ 2814
~~to the state board under division (B) (4) of this section and the~~ 2815
~~state board affirms that decision, the date established in the~~ 2816
~~resolution of the state board affirming the sponsor's decision.~~ 2817

~~(6)~~ (5) Any community school whose contract is terminated 2818
or not renewed under division (B) (1) (a) or (b) of this section 2819
shall close permanently at the end of the current school year or 2820
on a date specified in the notification of termination or 2821
nonrenewal under division (B) (3) of this section. Any community 2822
school whose contract is terminated or not renewed for failure 2823
to meet student performance requirements stated in the contract, 2824
or for failure to meet generally accepted standards of fiscal 2825
management under this division shall not enter into a contract 2826
with any other sponsor. 2827

(C) A child attending a community school whose contract 2828
has been terminated, nonrenewed, or suspended or that closes for 2829
any reason shall be admitted to the schools of the district in 2830

which the child is entitled to attend under section 3313.64 or 2831
3313.65 of the Revised Code. Any deadlines established for the 2832
purpose of admitting students under section 3313.97 or 3313.98 2833
of the Revised Code shall be waived for students to whom this 2834
division pertains. 2835

(D) If a community school does not intend to renew a 2836
contract with its sponsor, the community school shall notify its 2837
sponsor in writing of that fact at least one hundred eighty days 2838
prior to the expiration of the contract. Such a community school 2839
may enter into a contract with a new sponsor in accordance with 2840
section 3314.03 of the Revised Code upon the expiration of the 2841
previous contract. 2842

(E) A sponsor of a community school and the officers, 2843
directors, or employees of such a sponsor are immune from civil 2844
liability for any action authorized under this chapter or the 2845
contract entered into with the school under section 3314.03 of 2846
the Revised Code that is taken to fulfill the sponsor's 2847
responsibility to oversee and monitor the school. The sponsor 2848
and its officers, directors, or employees are not liable in 2849
damages in a tort or other civil action for harm allegedly 2850
arising from ~~either~~any of the following: 2851

(1) A failure of the community school or any of its 2852
officers, directors, or employees to perform any statutory or 2853
common law duty or responsibility or any other legal obligation; 2854

(2) An action or omission of the community school or any 2855
of its officers, directors, or employees that results in harm. 2856

(3) A failure of the community school or any of its 2857
officers, directors, or employees to meet the obligations of any 2858
contract or other obligation entered into on behalf of the 2859

<u>community school and another party.</u>	2860
(F) As used in this section:	2861
(1) "Harm" means injury, death, or loss to person or property.	2862 2863
(2) "Tort action" means a civil action for damages for injury, death, or loss to person or property other than a civil action for damages for a breach of contract or another agreement between persons.	2864 2865 2866 2867
Sec. 3314.074. Divisions (A) and (B) of this section apply only to the extent permitted under Chapter 1702. of the Revised Code.	2868 2869 2870
(A) If any community school established under this chapter permanently closes and ceases its operation as a community school, the assets of that school shall be distributed first to the retirement funds of employees of the school, employees of the school, and private creditors who are owed compensation, and then any remaining funds shall be paid to the department of education for redistribution to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. The amount distributed to each school district shall be proportional to the district's share of the total enrollment in the community school.	2871 2872 2873 2874 2875 2876 2877 2878 2879 2880 2881 2882
(B) If a community school closes and ceases to operate as a community school and the school has received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission, such hardware or software shall be turned over to the department of education, which shall redistribute the hardware and software, to the extent such	2883 2884 2885 2886 2887 2888

redistribution is possible, to school districts in conformance 2889
with the provisions of the programs as they were operated and 2890
administered by the former eTech Ohio commission. 2891

(C) If the assets of the school are insufficient to pay 2892
all persons or entities to whom compensation is owed, the 2893
prioritization of the distribution of the assets to individual 2894
persons or entities within each class of payees may be 2895
determined by decree of a court in accordance with this section 2896
and Chapter 1702. of the Revised Code. 2897

(D) A community school that engages in a merger or 2898
consolidation pursuant to division (B) of section 1702.41 of the 2899
Revised Code and becomes a single public benefit corporation 2900
shall not be required to distribute assets pursuant to divisions 2901
(A), (B), and (C) of this section, provided that the governing 2902
authority of the community school created by the merger or 2903
consolidation enters into a contract for sponsorship under 2904
section 3314.03 of the Revised Code with an entity rated 2905
"effective" or higher by the department of education pursuant to 2906
section 3314.016 of the Revised Code. 2907

Sec. 3314.10. (A) (1) The governing authority of any 2908
community school established under this chapter may employ 2909
teachers and nonteaching employees necessary to carry out its 2910
mission and fulfill its contract. 2911

(2) Except as provided under division (A) (3) of this 2912
section, employees hired under this section may organize and 2913
collectively bargain pursuant to Chapter 4117. of the Revised 2914
Code. Notwithstanding division (D) (1) of section 4117.06 of the 2915
Revised Code, a unit containing teaching and nonteaching 2916
employees employed under this section shall be considered an 2917
appropriate unit. ~~As applicable~~Except as provided in divisions 2918

(B) (2) (b) and (c) of section 3307.01 of the Revised Code and in 2919
section 3309.013 of the Revised Code, employment under this 2920
section is subject to either Chapter 3307. or 3309. of the 2921
Revised Code. 2922

(3) If a school is created by converting all or part of an 2923
existing public school rather than by establishment of a new 2924
start-up school, at the time of conversion, the employees of the 2925
community school shall remain part of any collective bargaining 2926
unit in which they were included immediately prior to the 2927
conversion and shall remain subject to any collective bargaining 2928
agreement for that unit in effect on the first day of July of 2929
the year in which the community school initially begins 2930
operation and shall be subject to any subsequent collective 2931
bargaining agreement for that unit, unless a petition is 2932
certified as sufficient under division (A) (6) of this section 2933
with regard to those employees. Any new employees of the 2934
community school shall also be included in the unit to which 2935
they would have been assigned had not the conversion taken place 2936
and shall be subject to the collective bargaining agreement for 2937
that unit unless a petition is certified as sufficient under 2938
division (A) (6) of this section with regard to those employees. 2939

Notwithstanding division (B) of section 4117.01 of the 2940
Revised Code, the board of education of a school district and 2941
not the governing authority of a community school shall be 2942
regarded, for purposes of Chapter 4117. of the Revised Code, as 2943
the "public employer" of the employees of a conversion community 2944
school subject to a collective bargaining agreement pursuant to 2945
division (A) (3) of this section unless a petition is certified 2946
under division (A) (6) of this section with regard to those 2947
employees. Only on and after the effective date of a petition 2948
certified as sufficient under division (A) (6) of this section 2949

shall division (A) (2) of this section apply to those employees 2950
of that community school and only on and after the effective 2951
date of that petition shall Chapter 4117. of the Revised Code 2952
apply to the governing authority of that community school with 2953
regard to those employees. 2954

(4) Notwithstanding sections 4117.03 to 4117.18 of the 2955
Revised Code and Section 4 of Amended Substitute Senate Bill No. 2956
133 of the 115th general assembly, the employees of a conversion 2957
community school who are subject to a collective bargaining 2958
agreement pursuant to division (A) (3) of this section shall 2959
cease to be subject to that agreement and all subsequent 2960
agreements pursuant to that division and shall cease to be part 2961
of the collective bargaining unit that is subject to that and 2962
all subsequent agreements, if a majority of the employees of 2963
that community school who are subject to that collective 2964
bargaining agreement sign and submit to the state employment 2965
relations board a petition requesting all of the following: 2966

(a) That all the employees of the community school who are 2967
subject to that agreement be removed from the bargaining unit 2968
that is subject to that agreement and be designated by the state 2969
employment relations board as a new and separate bargaining unit 2970
for purposes of Chapter 4117. of the Revised Code; 2971

(b) That the employee organization certified as the 2972
exclusive representative of the employees of the bargaining unit 2973
from which the employees are to be removed be certified as the 2974
exclusive representative of the new and separate bargaining unit 2975
for purposes of Chapter 4117. of the Revised Code; 2976

(c) That the governing authority of the community school 2977
be regarded as the "public employer" of these employees for 2978
purposes of Chapter 4117. of the Revised Code. 2979

(5) Notwithstanding sections 4117.03 to 4117.18 of the Revised Code and Section 4 of Amended Substitute Senate Bill No. 133 of the 115th general assembly, the employees of a conversion community school who are subject to a collective bargaining agreement pursuant to division (A)(3) of this section shall cease to be subject to that agreement and all subsequent agreements pursuant to that division, shall cease to be part of the collective bargaining unit that is subject to that and all subsequent agreements, and shall cease to be represented by any exclusive representative of that collective bargaining unit, if a majority of the employees of the community school who are subject to that collective bargaining agreement sign and submit to the state employment relations board a petition requesting all of the following:

(a) That all the employees of the community school who are subject to that agreement be removed from the bargaining unit that is subject to that agreement;

(b) That any employee organization certified as the exclusive representative of the employees of that bargaining unit be decertified as the exclusive representative of the employees of the community school who are subject to that agreement;

(c) That the governing authority of the community school be regarded as the "public employer" of these employees for purposes of Chapter 4117. of the Revised Code.

(6) Upon receipt of a petition under division (A)(4) or (5) of this section, the state employment relations board shall check the sufficiency of the signatures on the petition. If the signatures are found sufficient, the board shall certify the sufficiency of the petition and so notify the parties involved,

including the board of education, the governing authority of the 3010
community school, and any exclusive representative of the 3011
bargaining unit. The changes requested in a certified petition 3012
shall take effect on the first day of the month immediately 3013
following the date on which the sufficiency of the petition is 3014
certified under division (A)(6) of this section. 3015

(B)(1) The board of education of each city, local, and 3016
exempted village school district sponsoring a community school 3017
and the governing board of each educational service center in 3018
which a community school is located shall adopt a policy that 3019
provides a leave of absence of at least three years to each 3020
teacher or nonteaching employee of the district or service 3021
center who is employed by a conversion or new start-up community 3022
school sponsored by the district or located in the district or 3023
center for the period during which the teacher or employee is 3024
continuously employed by the community school. The policy shall 3025
also provide that any teacher or nonteaching employee may return 3026
to employment by the district or service center if the teacher 3027
or employee leaves or is discharged from employment with the 3028
community school for any reason, unless, in the case of a 3029
teacher, the board of the district or service center determines 3030
that the teacher was discharged for a reason for which the board 3031
would have sought to discharge the teacher under section 3311.82 3032
or 3319.16 of the Revised Code, in which case the board may 3033
proceed to discharge the teacher utilizing the procedures of 3034
that section. Upon termination of such a leave of absence, any 3035
seniority that is applicable to the person shall be calculated 3036
to include all of the following: all employment by the district 3037
or service center prior to the leave of absence; all employment 3038
by the community school during the leave of absence; and all 3039
employment by the district or service center after the leave of 3040

absence. The policy shall also provide that if any teacher 3041
holding valid certification returns to employment by the 3042
district or service center upon termination of such a leave of 3043
absence, the teacher shall be restored to the previous position 3044
and salary or to a position and salary similar thereto. If, as a 3045
result of teachers returning to employment upon termination of 3046
such leaves of absence, a school district or educational service 3047
center reduces the number of teachers it employs, it shall make 3048
such reductions in accordance with section 3319.171 of the 3049
Revised Code. 3050

Unless a collective bargaining agreement providing 3051
otherwise is in effect for an employee of a conversion community 3052
school pursuant to division (A)(3) of this section, an employee 3053
on a leave of absence pursuant to this division shall remain 3054
eligible for any benefits that are in addition to benefits under 3055
Chapter 3307. or 3309. of the Revised Code provided by the 3056
district or service center to its employees provided the 3057
employee pays the entire cost associated with such benefits, 3058
except that personal leave and vacation leave cannot be accrued 3059
for use as an employee of a school district or service center 3060
while in the employ of a community school unless the district or 3061
service center board adopts a policy expressly permitting this 3062
accrual. 3063

(2) While on a leave of absence pursuant to division (B) 3064
(1) of this section, a conversion community school shall permit 3065
a teacher to use sick leave accrued while in the employ of the 3066
school district from which the leave of absence was taken and 3067
prior to commencing such leave. If a teacher who is on such a 3068
leave of absence uses sick leave so accrued, the cost of any 3069
salary paid by the community school to the teacher for that time 3070
shall be reported to the department of education. The cost of 3071

employing a substitute teacher for that time shall be paid by 3072
the community school. The department of education shall add 3073
amounts to the payments made to a community school under this 3074
chapter as necessary to cover the cost of salary reported by a 3075
community school as paid to a teacher using sick leave so 3076
accrued pursuant to this section. The department shall subtract 3077
the amounts of any payments made to community schools under this 3078
division from payments made to such sponsoring school district 3079
under Chapter 3317. of the Revised Code. 3080

A school district providing a leave of absence and 3081
employee benefits to a person pursuant to this division is not 3082
liable for any action of that person while the person is on such 3083
leave and employed by a community school. 3084

Sec. 3314.19. The sponsor of each community school 3085
annually shall provide the following assurances in writing to 3086
the department of education not later than ten business days 3087
prior to the opening of the school: 3088

(A) That a current copy of the contract between the 3089
sponsor and the governing authority of the school entered into 3090
under section 3314.03 of the Revised Code has been filed with 3091
the department and that any subsequent modifications to that 3092
contract will be filed with the department; 3093

(B) That the school has submitted to the sponsor a plan 3094
for providing special education and related services to students 3095
with disabilities and has demonstrated the capacity to provide 3096
those services in accordance with Chapter 3323. of the Revised 3097
Code and federal law; 3098

(C) That the school has a plan and procedures for 3099
administering the achievement and diagnostic assessments 3100

prescribed by sections 3301.0710, 3301.0712, and 3301.0715 of 3101
the Revised Code; 3102

(D) That school personnel have the necessary training, 3103
knowledge, and resources to properly use and submit information 3104
to all databases maintained by the department for the collection 3105
of education data, including the education management 3106
information system established under section 3301.0714 of the 3107
Revised Code in accordance with methods and timelines 3108
established under section 3314.17 of the Revised Code; 3109

(E) That all required information about the school has 3110
been submitted to the Ohio education directory system or any 3111
successor system; 3112

(F) That the school will enroll at least the minimum 3113
number of students required by division (A)(11)(a) of section 3114
3314.03 of the Revised Code in the school year for which the 3115
assurances are provided; 3116

(G) That all classroom teachers are licensed in accordance 3117
with sections 3319.22 to 3319.31 of the Revised Code, except for 3118
noncertificated persons engaged to teach up to twelve hours per 3119
week pursuant to section 3319.301 of the Revised Code; 3120

(H) That the school's fiscal officer is in compliance with 3121
section 3314.011 of the Revised Code; 3122

(I) That the school has complied with sections 3319.39 and 3123
3319.391 of the Revised Code with respect to all employees and 3124
that the school has conducted a criminal records check of each 3125
of its governing authority members; 3126

(J) That the school holds all of the following: 3127

(1) Proof of property ownership or a lease for the 3128

facilities used by the school;	3129
(2) A certificate of occupancy;	3130
(3) Liability insurance for the school, as required by division (A) (11) (b) of section 3314.03 of the Revised Code, that the sponsor considers sufficient to indemnify the school's facilities, staff, and governing authority against risk;	3131 3132 3133 3134
(4) A satisfactory health and safety inspection;	3135
(5) A satisfactory fire inspection;	3136
(6) A valid food permit, if applicable.	3137
(K) That the sponsor has conducted a pre-opening site visit to the school for the school year for which the assurances are provided;	3138 3139 3140
(L) That the school has designated a date it will open for the school year for which the assurances are provided that is in compliance with division (A) (25) of section 3314.03 of the Revised Code;	3141 3142 3143 3144
(M) That the school has met all of the sponsor's requirements for opening and any other requirements of the sponsor.	3145 3146 3147
<u>(N) That, for any school that operates using the blended learning model, as defined in section 3301.079 of the Revised Code, the sponsor has reviewed the following information, submitted by the school:</u>	3148 3149 3150 3151
<u>(1) An indication of what blended learning model or models will be used;</u>	3152 3153
<u>(2) A description of how student instructional needs will be determined and documented;</u>	3154 3155

<u>(3) The method to be used for determining competency,</u>	3156
<u>granting credit, and promoting students to a higher grade level;</u>	3157
<u>(4) The school's attendance requirements, including how</u>	3158
<u>the school will document participation in learning</u>	3159
<u>opportunities;</u>	3160
<u>(5) A statement describing how student progress will be</u>	3161
<u>monitored;</u>	3162
<u>(6) A statement describing how private student data will</u>	3163
<u>be protected;</u>	3164
<u>(7) A description of the professional development</u>	3165
<u>activities that will be offered to teachers.</u>	3166
Sec. 3314.23. (A) Subject to division (B) of this section,	3167
each internet- or computer-based community school shall do the	3168
applicable one of the following:	3169
(1) If the general assembly has enacted standards for the	3170
operation of internet- or computer-based community schools by	3171
January 1, 2013, comply with the standards so enacted;	3172
(2) If the general assembly has not enacted such standards	3173
by that date, comply with the standards developed by the	3174
international association for K-12 online learning.	3175
(B) Each internet- or computer-based community school that	3176
initially opens for operation on or after January 1, 2013, shall	3177
comply with the standards required by division (A) of this	3178
section at the time it opens. Each internet- or computer-based	3179
community school that initially opened for operation prior to	3180
January 1, 2013, shall comply with the standards required by	3181
division (A) of this section not later than July 1, 2013.	3182
<u>(C) The sponsor of each internet- or computer-based</u>	3183

community school shall be responsible for monitoring, ensuring, 3184
and reporting compliance with the online learning standards 3185
described in divisions (A) and (B) of this section. 3186

Sec. 3314.251. Notwithstanding any provision of law to the 3187
contrary, each internet- or computer-based community school may 3188
provide its students with a location within a fifty-mile radius 3189
of the student's residence at which the student may receive 3190
counseling, instructional coaching, and testing assistance. 3191

Sec. 3314.27. No student enrolled in an internet- or 3192
computer-based community school may participate in more than ten 3193
hours of learning opportunities in any period of twenty-four 3194
consecutive hours. Any time such a student participates in 3195
learning opportunities beyond the limit prescribed in this 3196
section shall not count toward the annual minimum number of 3197
hours required to be provided to that student as prescribed in 3198
division (A) (11) (a) of section 3314.03 of the Revised Code. If 3199
any internet- or computer-based community school requires its 3200
students to participate in learning opportunities on the basis 3201
of days rather than hours, one day shall consist of a minimum of 3202
five hours of such participation. 3203

Each internet- or computer-based community school shall 3204
keep an accurate record of each individual student's 3205
participation in learning opportunities each day. The record 3206
shall be kept in such a manner that the information contained 3207
within it easily can be submitted to the department of 3208
education, upon request by the department or the auditor of 3209
state. 3210

Sec. 3314.271. (A) Each internet- or computer-based 3211
community school shall offer a student orientation course and 3212
shall notify each student who enrolls in that school of that 3213

student's opportunity to participate in the student orientation 3214
course. 3215

(B) The department of education shall provide guidance to 3216
internet- or computer-based community schools for developing and 3217
delivering the orientation course. 3218

(C) Each internet- or computer-based community school may, 3219
at the time of a particular student's enrollment in that school, 3220
ask the student's parent or guardian to estimate the length of 3221
time the student will attend the school. Any information 3222
collected pursuant to this division shall be included in an 3223
aggregated format in the school's annual report required by 3224
division (A) (11) (g) of section 3314.03 of the Revised Code. 3225

(D) Each internet- or computer-based community school, on 3226
a periodic basis throughout each school year, shall communicate 3227
with each student's parent, guardian, or custodian regarding the 3228
performance and progress of that student. Each internet- or 3229
computer-based community school also shall provide opportunities 3230
for parent-teacher conferences, shall document the school's 3231
requests for such conferences, and may permit students to 3232
participate in the conferences. Parent-teacher conferences may 3233
be conducted through electronic means. 3234

Sec. 3314.35. (A) (1) Except as provided in division (A) (4) 3235
of this section, this section applies to any community school 3236
that meets one of the following criteria after July 1, 2009, but 3237
before July 1, 2011: 3238

(a) The school does not offer a grade level higher than 3239
three and has been declared to be in a state of academic 3240
emergency under section 3302.03 of the Revised Code for three of 3241
the four most recent school years. 3242

(b) The school satisfies all of the following conditions:	3243
(i) The school offers any of grade levels four to eight	3244
but does not offer a grade level higher than nine.	3245
(ii) The school has been declared to be in a state of	3246
academic emergency under section 3302.03 of the Revised Code for	3247
two of the three most recent school years.	3248
(iii) In at least two of the three most recent school	3249
years, the school showed less than one standard year of academic	3250
growth in either reading or mathematics, as determined by the	3251
department of education in accordance with rules adopted under	3252
division (A) of section 3302.021 of the Revised Code.	3253
(c) The school offers any of grade levels ten to twelve	3254
and has been declared to be in a state of academic emergency	3255
under section 3302.03 of the Revised Code for three of the four	3256
most recent school years.	3257
(2) Except as provided in division (A) (4) of this section,	3258
this section applies to any community school that meets one of	3259
the following criteria after July 1, 2011, but before July 1,	3260
2013:	3261
(a) The school does not offer a grade level higher than	3262
three and has been declared to be in a state of academic	3263
emergency under section 3302.03 of the Revised Code for two of	3264
the three most recent school years.	3265
(b) The school satisfies all of the following conditions:	3266
(i) The school offers any of grade levels four to eight	3267
but does not offer a grade level higher than nine.	3268
(ii) The school has been declared to be in a state of	3269
academic emergency under section 3302.03 of the Revised Code for	3270

two of the three most recent school years. 3271

(iii) In at least two of the three most recent school 3272
years, the school showed less than one standard year of academic 3273
growth in either reading or mathematics, as determined by the 3274
department in accordance with rules adopted under division (A) 3275
of section 3302.021 of the Revised Code. 3276

(c) The school offers any of grade levels ten to twelve 3277
and has been declared to be in a state of academic emergency 3278
under section 3302.03 of the Revised Code for two of the three 3279
most recent school years. 3280

(3) Except as provided in division (A) (4) of this section, 3281
this section applies to any community school that meets one of 3282
the following criteria on or after July 1, 2013: 3283

(a) The school does not offer a grade level higher than 3284
three and, for two of the three most recent school years, 3285
satisfies any of the following criteria: 3286

(i) The school has been declared to be in a state of 3287
academic emergency under section 3302.03 of the Revised Code, as 3288
it existed prior to March 22, 2013; 3289

(ii) The school has received a grade of "F" in improving 3290
literacy in grades kindergarten through three under division (B) 3291
(1) (g) or (C) (1) (g) of section 3302.03 of the Revised Code; 3292

(iii) The school has received an overall grade of "F" 3293
under division (C) of section 3302.03 of the Revised Code. 3294

(b) The school offers any of grade levels four to eight 3295
but does not offer a grade level higher than nine and, for two 3296
of the three most recent school years, satisfies any of the 3297
following criteria: 3298

(i) The school has been declared to be in a state of 3299
academic emergency under section 3302.03 of the Revised Code, as 3300
it existed prior to March 22, 2013, and the school showed less 3301
than one standard year of academic growth in either reading or 3302
mathematics, as determined by the department in accordance with 3303
rules adopted under division (A) of section 3302.021 of the 3304
Revised Code; 3305

(ii) The school has received a grade of "F" for the 3306
performance index score under division (A) (1) (b), (B) (1) (b), or 3307
(C) (1) (b) and a grade of "F" for the value-added progress 3308
dimension under division (A) (1) (e), (B) (1) (e), or (C) (1) (e) of 3309
section 3302.03 of the Revised Code; 3310

(iii) The school has received an overall grade of "F" 3311
under division (C) and a grade of "F" for the value-added 3312
progress dimension under division (C) (1) (e) of section 3302.03 3313
of the Revised Code. 3314

(c) The school offers any of grade levels ten to twelve 3315
and, for two of the three most recent school years, satisfies 3316
any of the following criteria: 3317

(i) The school has been declared to be in a state of 3318
academic emergency under section 3302.03 of the Revised Code, as 3319
it existed prior to March 22, 2013; 3320

(ii) The school has received a grade of "F" for the 3321
performance index score under division (A) (1) (b), (B) (1) (b), or 3322
(C) (1) (b) and has not met annual measurable objectives under 3323
division (A) (1) (a), (B) (1) (a), or (C) (1) (a) of section 3302.03 3324
of the Revised Code; 3325

(iii) The school has received an overall grade of "F" 3326
under division (C) and a grade of "F" for the value-added 3327

progress dimension under division (C) (1) (e) of section 3302.03 3328
of the Revised Code. 3329

For purposes of division (A) (3) of this section only, the 3330
department of education shall calculate the value-added progress 3331
dimension for a community school using assessment scores for 3332
only those students to whom the school has administered the 3333
achievement assessments prescribed by section 3301.0710 of the 3334
Revised Code for at least the two most recent school years but 3335
using value-added data from only the most recent school year. 3336

(4) This section does not apply to either of the 3337
following: 3338

(a) Any community school in which a majority of the 3339
students are enrolled in a dropout prevention and recovery 3340
program that is operated by the school. Rather, such schools 3341
shall be subject to closure only as provided in section 3314.351 3342
of the Revised Code. However, prior to July 1, 2014, a community 3343
school in which a majority of the students are enrolled in a 3344
dropout prevention and recovery program shall be exempt from 3345
this section only if it has been granted a waiver under section 3346
3314.36 of the Revised Code. 3347

(b) Any community school in which a majority of the 3348
enrolled students are children with disabilities receiving 3349
special education and related services in accordance with 3350
Chapter 3323. of the Revised Code. 3351

(B) Any community school to which this section applies 3352
shall permanently close at the conclusion of the school year in 3353
which the school first becomes subject to this section. The 3354
sponsor and governing authority of the school shall comply with 3355
all procedures for closing a community school adopted by the 3356

department under division (E) of section 3314.015 of the Revised Code. The governing authority of the school shall not enter into a contract with any other sponsor under section 3314.03 of the Revised Code after the school closes.

(C) In accordance with division (B) of section 3314.012 of the Revised Code, the department shall not consider the performance ratings assigned to a community school for its first two years of operation when determining whether the school meets the criteria prescribed by division (A) (1) or (2) of this section.

(D) Nothing in this section or in any other provision of the Revised Code prohibits the sponsor of a community school from exercising its option not to renew a contract for any reason or from terminating a contract prior to its expiration for any of the reasons set forth in section 3314.07 of the Revised Code.

Sec. 3314.351. (A) This section applies to any community school in which a majority of the students are enrolled in a dropout prevention and recovery program. Beginning on or after July 1, 2014, any such community school that has received a designation of "does not meet standards," as described in division (D) (1) of section 3314.017 of the Revised Code on the report card issued under that section, for at least two of the three most recent school years shall be subject to closure in accordance with this section.

(B) Not later than the first day of September in each school year, the department of education shall notify each school subject to closure under this section that the school must close not later than the thirtieth day of the following June.

A school so notified shall close as required. 3387

(C) A school that opens on or after July 1, 2014, shall 3388
not be subject to closure under this section for its first two 3389
years of operation. A school that is in operation prior to July 3390
1, 2014, shall not be subject to closure under this section 3391
until after August 31, 2016. 3392

(D) The sponsor and governing authority of the school 3393
shall comply with all procedures for closing a community school 3394
adopted by the department under division (E) of section 3314.015 3395
of the Revised Code. The governing authority of the school shall 3396
not enter into a contract with any other sponsor under section 3397
3314.03 of the Revised Code after the school closes. 3398

(E) Nothing in this section or in any other provision of 3399
the Revised Code prohibits the sponsor of a community school 3400
from exercising its option not to renew a contract for any 3401
reason or from terminating a contract prior to its expiration 3402
for any of the reasons set forth in section 3314.07 of the 3403
Revised Code. 3404

Sec. 3314.46. As used in this section, "sponsor" includes 3405
any officer, director, employee of the sponsor of a community 3406
school, and any person with decision-making authority regarding 3407
the operations of a sponsor of a community school. 3408

(A) Except as provided in division (B) of this section, no 3409
sponsor of a community school shall sell any goods or services 3410
to any community school it sponsors. 3411

(B) (1) If the sponsor of a community school entered into a 3412
contract prior to the effective date of this section that 3413
involves the sale of goods or services to a community school it 3414
sponsors, the sponsor shall not be required to comply with 3415

division (A) of this section with respect to that school until 3416
the expiration of the contract. 3417

(2) If the sponsor of a community school is also the 3418
school district in which that community school is located, the 3419
sponsor may sell goods or services to that community school at 3420
no profit to the sponsor. 3421

(3) If the sponsor of a community school is a state 3422
university, as defined in section 3345.011 of the Revised Code, 3423
the sponsor may sell services to that community school at no 3424
profit to the sponsor. 3425

Sec. 3314.50. No community school shall initiate 3426
operation, on or after the effective date of this ~~section~~ 3427
~~amendment, open for operation in any school year~~ unless the 3428
governing authority of the school has posted a ~~surety~~ bond in 3429
the amount of fifty thousand dollars with the auditor of state. 3430
~~In lieu of a surety bond, a community school governing authority~~ 3431
~~may deposit with the auditor of state cash in the amount of~~ 3432
~~fifty thousand dollars as a guarantee of payment.~~ The bond ~~or~~ 3433
~~cash guarantee~~ shall be used, in the event the school closes, to 3434
pay the auditor of state any moneys owed or that become owed by 3435
the school for the costs of audits conducted by the auditor of 3436
state or a public accountant under Chapter 117. of the Revised 3437
Code. 3438

~~Immediately upon~~ The department of education shall notify 3439
the auditor of state of the proposed initiation of operations of 3440
any community school and shall provide the auditor of state with 3441
the certification of the sponsor of the community school of the 3442
compliance by the community school with all legal preconditions 3443
to the initiation of its operations, including compliance with 3444
this section. 3445

In lieu of the bond, the governing authority of the 3446
school, the school's sponsor, or an operator that has a contract 3447
with the school may deposit with the auditor of state cash in 3448
the amount of fifty thousand dollars as guarantee of payment 3449
under the provisions of this section. In lieu of a bond or a 3450
cash deposit, the school's sponsor or an operator that has a 3451
contract with the school may provide a written guarantee of 3452
payment, which shall obligate the school's sponsor or the 3453
operator that provides the written guarantee to pay the cost of 3454
audits of the school under this section up to the amount of 3455
fifty thousand dollars. Any such written guarantee shall be 3456
binding upon any successor entity that enters into a contract to 3457
sponsor or to operate the school, and any such entity, as a 3458
condition of its undertaking shall acknowledge and accept such 3459
obligation. 3460

In the event that a sponsor or operator has provided a 3461
written guarantee under this section, and, subsequent to the 3462
provision of the guarantee, the governing authority of the 3463
school posts a bond under this section, or the governing 3464
authority of the school, a sponsor, or an operator provides a 3465
cash deposit of fifty thousand dollars as required, the written 3466
guarantee shall cease to be of further effect. 3467

As soon as it is practicable to do so after the filing of 3468
a ~~surety~~ bond or the deposit of cash, the auditor of state shall 3469
deliver the bond or cash to the treasurer of state, who shall 3470
hold it in trust for the purposes prescribed in this section. 3471
The treasurer of state shall be responsible for the safekeeping 3472
of all ~~surety~~ bonds filed or cash deposited under this section. 3473
The auditor of state shall notify the department of education 3474
when the school's governing authority has filed the bond ~~or,~~ 3475
deposited the cash guarantee, or submitted a written guarantee 3476

of payment. 3477

When the auditor of state ~~finds that a community school~~ 3478
~~has closed and cannot pay for the costs of audits,~~ conducts an 3479
audit of a community school that has closed and is subject to 3480
the requirements of this section, the auditor of state ~~shall~~ 3481
~~declare the surety bond or cash deposit forfeited.~~ The auditor 3482
~~of state~~ shall certify the amount of forfeiture to the treasurer 3483
of state, who shall assess the bond for the costs of the audit 3484
or shall pay money from the named ~~surety insurer~~ or from the 3485
school's cash deposit ~~as needed~~ for the costs of the audit to 3486
reimburse the auditor of state or public accountant for costs 3487
incurred in conducting audits of the school. 3488

To the extent that the amount of the bond or the cash 3489
deposit is not needed to cover audit costs, the bond shall be of 3490
no further effect, and any cash balance shall be refunded by the 3491
treasurer of state to the entity which provided the bond. When 3492
the auditor of state conducts an audit of a community school 3493
that has closed and is subject to the requirements of this 3494
section, and, as to which, a written guarantee has been given 3495
under this section, the entity that provided the guarantee shall 3496
be solely and fully liable for any such audit costs, and shall 3497
promptly pay the costs of the audit up to fifty thousand 3498
dollars. 3499

No community school that is subject to the provisions of 3500
this section shall maintain or continue its operations absent 3501
the ongoing provision of a bond, a cash deposit, or a written 3502
guarantee as required by this section. 3503

Sec. 3317.034. For purposes of section 3317.03 of the 3504
Revised Code: 3505

(A) A student shall be considered to be enrolled in the 3506
district for any portion of the school year the student is 3507
participating at a college under Chapter 3365. of the Revised 3508
Code. 3509

(B) A student shall be considered to be enrolled in the 3510
district for the period of time beginning on the date on which 3511
the school has both received the documentation of the student's 3512
enrollment from a parent and the student has commenced 3513
participation in learning opportunities offered by the district. 3514
For purposes of applying divisions (B) and (C) of this section, 3515
"learning opportunities" means both classroom-based and 3516
nonclassroom-based learning opportunities overseen by licensed 3517
educational employees of the district that is in compliance with 3518
criteria and documentation requirements for student 3519
participation, which shall be established by the department. Any 3520
student's instruction time in nonclassroom-based learning 3521
opportunities shall be certified by an employee of the district. 3522

(C) A student's enrollment shall be considered to cease on 3523
the date on which any of the following occur: 3524

(1) The district receives documentation from a parent 3525
terminating enrollment of the student. 3526

(2) The district is provided documentation of a student's 3527
enrollment in another public or nonpublic school. 3528

(3) The student ceases to participate in learning 3529
opportunities provided by the school. 3530

(D) No public school may enroll or withdraw a student from 3531
the education management information system established under 3532
section 3310.0714 of the Revised Code later than thirty days 3533
after the student's actual enrollment or withdrawal from the 3534

school. 3535

(E) A student in any of grades nine through twelve ~~shall~~ 3536
may be considered a full-time equivalent student if the student 3537
is enrolled in at least five units of instruction, as defined in 3538
section 3313.603 of the Revised Code, per school year. 3539

Section 2. That existing sections 3302.03, 3307.01, 3540
3309.011, 3313.12, 3314.011, 3314.015, 3314.016, 3314.02, 3541
3314.021, 3314.023, 3314.024, 3314.027, 3314.029, 3314.03, 3542
3314.07, 3314.074, 3314.10, 3314.19, 3314.23, 3314.27, 3314.35, 3543
3314.351, 3314.50, and 3317.034 and section 3314.026 of the 3544
Revised Code are hereby repealed. 3545

Section 3. That Section 263.660 of Am. Sub. H.B. 64 of the 3546
131st General Assembly is hereby repealed. 3547

Section 4. Not later than June 30, 2016, the State Board 3548
of Education shall make recommendations to the General Assembly, 3549
in accordance with section 101.68 of the Revised Code, and the 3550
Governor regarding the following: 3551

(A) Performance standards for community schools in which a 3552
majority of the enrolled students are children with disabilities 3553
receiving special education and related services in accordance 3554
with Chapter 3323. of the Revised Code; 3555

(B) The feasibility of removal of the exemption from 3556
permanent closure, prescribed by division (A) (4) (b) of section 3557
3314.35 of the Revised Code, for schools described in division 3558
(A) of this section. 3559

Section 5. (A) There is hereby created a committee to make 3560
recommendations to the General Assembly regarding the definition 3561
of "quality" for community schools that primarily enroll 3562
students between sixteen and twenty-two years of age who dropped 3563

out of high school or are at risk of dropping out of high school 3564
due to poor attendance, disciplinary problems, or suspensions. 3565
The committee shall also study the efficacy of a completion or 3566
competency-based funding structure for these schools. The 3567
committee shall consist of the following members: 3568

(1) A business leader appointed by the Governor or the 3569
Governor's designee; 3570

(2) The president of a community college or the 3571
president's designee, appointed by the Governor or the 3572
Governor's designee; 3573

(3) The superintendent of a community school that received 3574
a rating of "meets standards" or "exceeds standards" on its most 3575
recent report card issued under section 3314.017 of the Revised 3576
Code and primarily enrolls students between sixteen and twenty- 3577
two years of age who dropped out of high school or are at risk 3578
of dropping out of high school due to poor attendance, 3579
disciplinary problems, or suspensions, appointed by the Governor 3580
or the Governor's designee; 3581

(4) The superintendent of a career-technical school, 3582
appointed by the Speaker of the House of Representatives; 3583

(5) An individual representing the House of 3584
Representatives, appointed by the Speaker of the House of 3585
Representatives; 3586

(6) An individual representing the Senate, appointed by 3587
the President of the Senate; 3588

(7) The president of a four-year university, or the 3589
president's designee, appointed by the President of the Senate; 3590

(8) A representative of the Ohio Board of Regents, 3591

appointed by the Chancellor of the Board of Regents; 3592

(9) A representative of the Department of Education, 3593
appointed by the Superintendent of Public Instruction; 3594

(10) The superintendent of a big eight school district, as 3595
defined in section 3314.02 of the Revised Code, as selected by 3596
the Ohio 8 Coalition. 3597

(B) The committee shall serve under the guidance of the 3598
Department of Education. 3599

(C) Not later than six months after the effective date of 3600
this section, the committee shall prepare a report of its 3601
recommendations and submit the report to the chairpersons of the 3602
standing committees of the House of Representatives and the 3603
Senate that are principally responsible for education policy. 3604

Section 6. Notwithstanding any provision of law, rule, or 3605
guideline to the contrary, for the 2014-2015 school year only: 3606

(A) The Department of Education's report, pursuant to 3607
division (A)(4) of section 3314.015 of the Revised Code, 3608
regarding the effectiveness of academic programs, operations, 3609
and legal compliance and the financial condition of all 3610
community schools and on the performance of community school 3611
sponsors shall be submitted not later than March 31, 2016. 3612

(B) Each community school sponsor's report, pursuant to 3613
divisions (D)(2) and (3) of section 3314.03 of the Revised Code, 3614
submitting the results of the evaluation of the academic and 3615
fiscal performance and the organization and operation of each 3616
community school it sponsors to the Department and to the 3617
parents of students enrolled in that community school shall be 3618
submitted not later than March 1, 2016. 3619

(C) Each community school governing authority's report, 3620
pursuant to division (A) (11) (g) of section 3314.03 of the 3621
Revised Code, describing its activities and progress in meeting 3622
the academic goals and performance standards and its financial 3623
status to the sponsor and the parents of all students enrolled 3624
in the school shall be submitted not later than January 31, 3625
2016. 3626

Section 7. (A) Notwithstanding anything in the Revised 3627
Code to the contrary, for ratings based on the 2015-2016 school 3628
year only, the Department of Education may choose not to assign 3629
an overall rating under section 3314.016 of the Revised Code to 3630
an entity that sponsors community schools, if the entity meets 3631
all of the following conditions: 3632

(1) The entity is a school district. 3633

(2) At least one of the community schools sponsored by the 3634
entity is a conversion community school that primarily serves 3635
students enrolled in a dropout prevention and recovery program 3636
as described in division (A) (4) (a) of section 3314.35 of the 3637
Revised Code. 3638

(3) At least one of the community schools sponsored by the 3639
entity, for the 2013-2014 school year, received on its report 3640
card issued under section 3314.017 of the Revised Code a rating 3641
of either "meets standards" or "exceeds standards" for the four- 3642
and five-year cohort graduation rate. 3643

(B) If the Department chooses not to assign an overall 3644
rating to a sponsor under division (A) of this section, the 3645
Department shall instead evaluate the sponsor using only the 3646
components specified under divisions (B) (1) (a) and (c) of 3647
section 3314.016 of the Revised Code, but it shall not assign an 3648

overall rating based on those components. 3649

Section 8. Notwithstanding any provision of law to the 3650
contrary, the Department of Education may renew or extend an 3651
agreement between a sponsor and the Department pursuant to 3652
division (B) of section 3314.015 of the Revised Code that 3653
expires in June of 2016, one time only, for a period of up to 3654
two years, in the event that the Department has not yet issued a 3655
rating for the sponsor under section 3314.016 of the Revised 3656
Code, as that section exists on and after January 1, 2015. 3657