

As Introduced

135th General Assembly

Regular Session

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H. B. No. 591

Representatives Brennan, Baker

Cosponsors: Representatives Grim, Mohamed, Robinson, Russo, Liston, McNally

A BILL

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

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

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

Sec. 3314.012. (A) The director of education and workforce 9
shall appoint representatives of the department of education and 10
workforce, including employees who work with the education 11
management information system, to a committee to develop report 12
card models for community schools. The committee shall design 13
model report cards appropriate for the various types of 14
community schools approved to operate in the state. Sufficient 15
models shall be developed to reflect the variety of grade levels 16
served and the missions of the state's community schools. All 17
models shall include both financial and academic data. 18

(B) Except as provided in section 3314.017 of the Revised Code, the department of education and workforce shall issue an annual report card for each community school, regardless of how long the school has been in operation. The report card shall report the academic and financial performance of the school utilizing one of the models developed under division (A) of this section. The report card shall include all information applicable to school buildings under section 3302.03 of the Revised Code. The ratings a community school receives under section 3302.03 of the Revised Code for its first two full school years shall not be considered toward automatic closure of the school under section 3314.35 of the Revised Code or any other matter that is based on report card ratings.

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

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

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

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

(2) (a) The name of the operator of the community school,

if the community school has one, and whether that operator is a 48
nonprofit or for-profit entity; 49

(b) A link to the web site of the community school's 50
operator and its operator report card issued under section 51
3314.031 of the Revised Code. 52

The information required under division (E) of this 53
section shall be included on the home page of the community 54
school report card, presented with other basic information on 55
the community school. 56

Sec. 3314.016. This section applies to any entity that 57
sponsors a community school, regardless of whether section 58
3314.021 or 3314.027 of the Revised Code exempts the entity from 59
the requirement to be approved for sponsorship under divisions 60
(A) (2) and (B) (1) of section 3314.015 of the Revised Code. The 61
office of Ohio school sponsorship established under section 62
3314.029 of the Revised Code shall be rated under division (B) 63
of this section, but divisions (A) and (C) of this section do 64
not apply to the office. 65

(A) An entity that sponsors a community school shall be 66
permitted to enter into contracts under section 3314.03 of the 67
Revised Code to sponsor additional community schools only if the 68
entity meets all of the following criteria: 69

(1) The entity is in compliance with all provisions of 70
this chapter requiring sponsors of community schools to report 71
data or information to the department of education and 72
workforce. 73

(2) The entity is not rated as "ineffective" under 74
division (B) (6) of this section. 75

(3) Except as set forth in sections 3314.021 and 3314.027 76

of the Revised Code, the entity has received approval from and 77
entered into an agreement with the department pursuant to 78
section 3314.015 of the Revised Code. 79

(B) (1) The department shall develop and implement an 80
evaluation system that annually rates and assigns an overall 81
rating to each entity that sponsors a community school. The 82
department, not later than the first day of February of each 83
year, shall post on the department's web site the framework for 84
the evaluation system, including technical documentation that 85
the department intends to use to rate sponsors for the next 86
school year. The department shall solicit public comment on the 87
evaluation system for thirty consecutive days. Not later than 88
the first day of April of each year, the department shall 89
compile and post on the department's web site all public 90
comments that were received during the public comment period. 91
The evaluation system shall be posted on the department's web 92
site by the fifteenth day of July of each school year. Any 93
changes to the evaluation system after that date shall take 94
effect the following year. The evaluation system shall be based 95
on the following components: 96

(a) Academic performance of students enrolled in community 97
schools sponsored by the same entity. The academic performance 98
component shall be derived from the performance measures 99
prescribed for the state report cards under section 3302.03 or 100
3314.017 of the Revised Code, and shall be based on the 101
performance of the schools for the school year for which the 102
evaluation is conducted. In addition to the academic performance 103
for a specific school year, the academic performance component 104
shall also include year-to-year changes in the overall sponsor 105
portfolio. For a community school for which no graded 106
performance measures are applicable or available, the department 107

shall use nonreport card performance measures specified in the 108
contract between the community school and the sponsor under 109
division (A) (4) of section 3314.03 of the Revised Code. 110

(b) Adherence by a sponsor to the quality practices 111
prescribed by the department under division (B) (3) of this 112
section. For a sponsor that was rated "effective" or "exemplary" 113
on its most recent rating, the department may evaluate that 114
sponsor's adherence to quality practices once over a period of 115
three years. If the department elects to evaluate a sponsor once 116
over a period of three years, the most recent rating for a 117
sponsor's adherence to quality practices shall be used when 118
determining an annual overall rating conducted under this 119
section. 120

(c) Compliance with all applicable laws and administrative 121
rules by an entity that sponsors a community school. 122

Under the evaluation system prescribed under division (B) 123
(1) of this section, the department shall not assign an overall 124
rating of "ineffective" or lower to an entity that sponsors a 125
community school solely because that entity received no points 126
on one of the components prescribed under that division. 127

(2) In calculating an academic performance component, the 128
department shall exclude all community schools that have been in 129
operation for not more than two full school years and all 130
community schools described in division (A) (4) (b) of section 131
3314.35 of the Revised Code. However, the academic performance 132
of the community schools described in division (A) (4) (b) of 133
section 3314.35 of the Revised Code shall be reported, but shall 134
not be used as a factor when determining a sponsoring entity's 135
rating under this section. 136

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

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

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

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

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

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

equally. A separate rating shall be given by the department for 166
each component of the evaluation system. 167

The department shall publish the ratings between the first 168
day of October and the fifteenth day of November. 169

Prior to the publication of the final ratings, the 170
department shall designate and provide notice of a period of at 171
least ten business days during which each sponsor may review the 172
information used by the department to determine the sponsor's 173
rating on the components prescribed by ~~division (B) (1)~~ divisions
(B) (1) (b) and (c) of this section. If the sponsor believes there 174
is an error in the department's evaluation, the sponsor may 175
request adjustments to the rating of ~~any either~~ of those 176
components based on documentation previously submitted as part 177
of an evaluation. The sponsor shall provide to the department 178
any necessary evidence or information to support the requested 179
adjustments. The department shall review the evidence and 180
information, determine whether an adjustment is valid, and 181
promptly notify the sponsor of its determination and reasons. If 182
any adjustments to the data could result in a change to the 183
rating on the applicable component or to the overall rating, the 184
department shall recalculate the ratings prior to publication. 185
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The department shall provide training on an annual basis 187
regarding the evaluation system prescribed under this section. 188
The training shall, at a minimum, describe methodology, 189
timelines, and data required for the evaluation system. The 190
first training session shall occur not later than March 2, 2016. 191
Beginning in 2018, the training shall be made available to each 192
entity that sponsors a community school by the fifteenth day of 193
July of each year and shall include guidance on any changes made 194
to the evaluation system. 195

(7) (a) Entities with an overall rating of "exemplary" for the two most recent years in which the entity was evaluated may take advantage of the following incentives:	196 197 198
(i) Renewal of the written agreement with the department, not to exceed ten years, provided that the entity consents to continued evaluation of adherence to quality practices as described in division (B) (1) (b) of this section;	199 200 201 202
(ii) The ability to extend the term of the contract between the sponsoring entity and the community school beyond the term described in the written agreement with the department;	203 204 205
(iii) An exemption from the preliminary agreement and contract adoption and execution deadline requirements prescribed in division (D) of section 3314.02 of the Revised Code;	206 207 208
(iv) An exemption from the automatic contract expiration requirement, should a new community school fail to open by the thirtieth day of September of the calendar year in which the community school contract is executed;	209 210 211 212
(v) No limit on the number of community schools the entity may sponsor;	213 214
(vi) No territorial restrictions on sponsorship.	215
An entity may continue to sponsor any community schools with which it entered into agreements under division (B) (7) (a) (v) or (vi) of this section while rated "exemplary," notwithstanding the fact that the entity later receives a lower overall rating.	216 217 218 219 220
(b) Entities with an overall rating of "exemplary" or "effective" for the three most recent years in which the entity was evaluated shall be evaluated by the department once every	221 222 223

three years.	224
(e) (i) <u>(b) (i)</u> Entities that receive an overall rating of	225
"ineffective" shall be prohibited from sponsoring any new or	226
additional community schools during the time in which the	227
sponsor is rated as "ineffective" and shall be subject to a	228
quality improvement plan based on correcting the deficiencies	229
that led to the "ineffective" rating, with timelines and	230
benchmarks that have been established by the department.	231
(ii) Entities that receive an overall rating of	232
"ineffective" on their three most recent ratings shall have all	233
sponsorship authority revoked. Within thirty days after	234
receiving its third rating of "ineffective," the entity may	235
appeal the revocation of its sponsorship authority to the	236
director, who shall appoint an independent hearing officer to	237
conduct a hearing in accordance with Chapter 119. of the Revised	238
Code. The hearing shall be conducted within thirty days after	239
receipt of the notice of appeal. Within forty-five days after	240
the hearing is completed, the director shall determine whether	241
the revocation is appropriate based on the hearing conducted by	242
the independent hearing officer, and if determined appropriate,	243
the revocation shall be confirmed.	244
(d) <u>(c)</u> Entities that receive an overall rating of "poor"	245
shall have all sponsorship authority revoked. Within thirty days	246
after receiving a rating of "poor," the entity may appeal the	247
revocation of its sponsorship authority to the director, who	248
shall appoint an independent hearing officer to conduct a	249
hearing in accordance with Chapter 119. of the Revised Code. The	250
hearing shall be conducted within thirty days after receipt of	251
the notice of appeal. Within forty-five days after the hearing	252
is completed, the director shall determine whether the	253

revocation is appropriate based on the hearing conducted by the 254
independent hearing officer, and if determined appropriate, the 255
revocation shall be confirmed. 256

(8) For the 2014-2015 school year and each school year 257
thereafter, student academic performance prescribed under 258
division (B) (1) (a) of this section shall include student 259
academic performance data from community schools that primarily 260
serve students enrolled in a dropout prevention and recovery 261
program. 262

(C) If the governing authority of a community school 263
enters into a contract with a sponsor prior to the date on which 264
the sponsor is prohibited from sponsoring additional schools 265
under division (A) of this section and the school has not opened 266
for operation as of that date, that contract shall be void and 267
the school shall not open until the governing authority secures 268
a new sponsor by entering into a contract with the new sponsor 269
under section 3314.03 of the Revised Code. However, the 270
department's office of Ohio school sponsorship, established 271
under section 3314.029 of the Revised Code, may assume the 272
sponsorship of the school until the earlier of the expiration of 273
two school years or until a new sponsor is secured by the 274
school's governing authority. A community school sponsored by 275
the department under this division shall not be included when 276
calculating the maximum number of directly authorized community 277
schools permitted under division (A) (3) of section 3314.029 of 278
the Revised Code. 279

(D) When an entity's authority to sponsor schools is 280
revoked pursuant to division ~~(B) (7) (e)~~ (B) (7) (b) or ~~(d)~~ (c) of 281
this section, the office of Ohio school sponsorship shall assume 282
sponsorship of any schools with which the original sponsor has 283

contracted for the remainder of that school year. The office may 284
continue sponsoring those schools until the earlier of: 285

(1) The expiration of two school years from the time that 286
sponsorship is revoked; 287

(2) When a new sponsor is secured by the governing 288
authority pursuant to division (C) (1) of section 3314.02 of the 289
Revised Code. 290

Any community school sponsored under this division shall 291
not be counted for purposes of directly authorized community 292
schools under division (A) (3) of section 3314.029 of the Revised 293
Code. 294

(E) The department shall recalculate the rating for the 295
2017-2018 school year for each sponsor of a community school 296
that receives recalculated ratings pursuant to division (I) of 297
section 3314.017 of the Revised Code. 298

Sec. 3314.0111. (A) Annually, not later than the fifteenth 299
day of November or the preceding Friday when that day falls on a 300
Saturday or Sunday, the department of education and workforce 301
shall issue a report card reflecting the performance of 302
community school sponsors in the prior school year. The report 303
card shall present information about each sponsor, and be posted 304
on the department's web site, in a manner similar to a state 305
report card issued under section 3302.03 of the Revised Code. 306
The report card for a sponsor shall include detailed information 307
about the sponsor and the sponsor's evaluation under section 308
3314.016 of the Revised Code, including its overall rating under 309
that section. 310

(B) The department shall present a sponsor's overall 311
rating on an evaluation under section 3314.016 of the Revised 312

Code on the report card, as follows: 313

(1) For an overall rating of "exemplary" and any of ten 314
through twelve total points on the evaluation, the department 315
shall assign the sponsor a performance rating of four stars and 316
include a descriptor of "exemplary." 317

(2) For an overall rating of "effective" and any of seven 318
through nine total points on the evaluation, the department 319
shall assign the sponsor a performance rating of three stars and 320
include a descriptor of "effective." 321

(3) For an overall rating of "ineffective" and any of 322
three through six total points on the evaluation, the department 323
shall assign the sponsor a performance rating of two stars and 324
include a descriptor of "ineffective." 325

(4) For an overall rating of "poor" and either one or two 326
total points on the evaluation, the department shall assign the 327
sponsor a performance rating of one star and include a 328
descriptor of "poor." 329

(5) For an overall rating of "poor" and zero total points 330
on the evaluation, the department shall assign the sponsor a 331
performance rating of zero stars and include a descriptor of 332
"failed." 333

(C) The department shall establish a method to assign 334
performance ratings for each sponsor evaluation component 335
prescribed under divisions (B) (1) (a) to (c) of section 3314.016 336
of the Revised Code. The department's method shall assign one of 337
the following performance ratings and descriptors to a component 338
based on the component's points used in the evaluation: 339

(1) A performance rating of four stars and a descriptor of 340
"exceeds standards"; 341

(2) A performance rating of three stars and a descriptor 342
of "meets standards"; 343

(3) A performance rating of two stars and a descriptor of 344
"progressing towards standards"; 345

(4) A performance rating of one star and a descriptor of 346
"below standards"; 347

(5) A performance rating of zero stars and a descriptor of 348
"significantly below standards." 349

(D) Nothing in this section shall be construed to conflict 350
with, or override, a sponsor's evaluation under section 3314.016 351
of the Revised Code. A sponsor's evaluation under section 352
3314.016 of the Revised Code shall be used to determine any 353
sanctions or incentives that are based on such evaluations. 354

Sec. 3314.021. (A) This section applies to any entity that 355
is exempt from taxation under section 501(c)(3) of the Internal 356
Revenue Code and that satisfies the conditions specified in 357
divisions (C)(1)(f)(ii) and (iii) of section 3314.02 of the 358
Revised Code but does not satisfy the condition specified in 359
division (C)(1)(f)(i) of that section. 360

(B) Notwithstanding division (C)(1)(f)(i) of section 361
3314.02 of the Revised Code, and subject to division (D)(2) of 362
this section, an entity described in division (A) of this 363
section may do both of the following without obtaining the 364
department of education and workforce's initial approval of its 365
sponsorship under divisions (A)(2) and (B)(1) of section 366
3314.015 of the Revised Code: 367

(1) Succeed the board of trustees of a state university 368
located in the pilot project area or that board's designee as 369
the sponsor of a community school established under this 370

chapter;	371
(2) Continue to sponsor that school in conformance with	372
the terms of the contract between the board of trustees or its	373
designee and the governing authority of the community school and	374
renew that contract as provided in division (E) of section	375
3314.03 of the Revised Code.	376
(C) The entity that succeeds the board of trustees or the	377
board's designee as sponsor of a community school under division	378
(B) of this section also may enter into contracts to sponsor	379
other community schools regardless of the proposed school's	380
location, without obtaining the department's initial approval of	381
its sponsorship of those schools under divisions (A) (2) and (B)	382
(1) of section 3314.015 of the Revised Code as long as the	383
contracts conform with and the entity complies with all other	384
requirements of this chapter.	385
(D) (1) Regardless of the entity's authority to sponsor	386
community schools without the initial approval of the	387
department, the entity is under the continuing oversight of the	388
department in accordance with rules adopted under section	389
3314.015 of the Revised Code.	390
(2) If an entity described in division (A) of this section	391
receives a rating below "effective" under division (B) of	392
section 3314.016 of the Revised Code for two or more consecutive	393
years, that entity shall receive approval from the department to	394
sponsor community schools and enter into a written agreement	395
with the department in accordance with division (B) (1) of	396
section 3314.015 of the Revised Code prior to entering into any	397
further preliminary agreements under division (C) (2) of section	398
3314.02 of the Revised Code or renewing any existing contract to	399
sponsor a community school.	400

~~(E) (1) As used in division (E) of this section:—~~ 401

~~(a) "Board of trustees" means a board of trustees of a state university located in the pilot project area.—~~ 402
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~~(b) "Rating" means a sponsor rating under section 3314.016 of the Revised Code.—~~ 404
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~~(2) Notwithstanding anything to the contrary in division (B) (7) (b) of section 3314.016 of the Revised Code, for the purposes of that division, the department shall consider an entity that succeeded a board of trustees as the sponsor of a community school in accordance with division (B) (1) of this section to have received the same rating for the 2016-2017 school year as the board of trustees, provided all of the following apply:—~~ 406
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~~(a) The department assigned the board of trustees a rating of either "effective" or "exemplary" for the 2016-2017 school year.—~~ 414
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~~(b) The department did not assign the entity its own rating for the 2016-2017 school year.—~~ 417
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~~(c) The department assigned the entity its own rating for the 2017-2018 school year.—~~ 419
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Sec. 3314.031. (A) Beginning March 31, 2016, the department shall do the following: 421
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(1) Maintain and annually publish an accurate record of the names and identifying information of all entities that have entered into a contract with the governing authority of a community school to manage or operate that school; 423
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(2) Receive from the governing authority of each community school a copy of the contract between a governing authority and 427
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its operator. A copy of each contract shall be made available on 429
the department's web site. 430

(B) ~~Not later than November 15, 2016~~Annually, and not 431
later than the fifteenth day of November ~~for each year~~ 432
~~thereafter~~or the preceding Friday when that day falls on a 433
Saturday or Sunday, the department shall ~~develop and publish an~~ 434
~~annual performance~~issue a report for card reflecting the 435
performance of all operators of community schools in the state 436
~~based on their performance~~ for the previous school year. The 437
report card shall present information about each operator, and 438
be posted on the department's web site, in a manner similar to a 439
state report card issued under section 3302.03 of the Revised 440
Code. The department shall establish an overall operator rating 441
system in a manner similar to the sponsor evaluation system 442
under section 3314.016 of the Revised Code that includes both 443
overall ratings and individual category ratings. The report card 444
for each operator shall be made available in an easily 445
accessible format on the department's web site. 446

(C) The department shall include the ~~performance report~~ 447
~~obtained card issued~~ pursuant to division (B) of this section in 448
the department's annual report required by division (A)(4) of 449
section 3314.015 of the Revised Code. 450

(D) For purposes of this section, "operator" has the same 451
meaning as in division (A)(8) of section 3314.02 of the Revised 452
Code. 453

Section 2. That existing sections 3314.012, 3314.016, 454
3314.021, and 3314.031 of the Revised Code are hereby repealed. 455

Section 3. This act shall be known as the Charter School 456
Sponsor and Operator Rating Act. 457