2014 – 2015
Annual Report

Ohio | Department of Education

Ohio Community Schools

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Introduction

Each year, the Ohio Department of Education's Office of Quality School Choice develops an annual report on Ohio's community schools, known in other states as public charter schools. The 2014-2015 report, in compliance with Ohio Revised Code Section 3314.015(A)(4), describes the status of community schools with respect to elements essential to high-quality community school performance:

1. Effectiveness of academic programs, operations and legal compliance;

2. Financial condition of community schools; and

3. Performance of community school sponsors.

The report is organized in eight sections:

The Basics
Community School Terminology
and Demographics

Effectiveness of
Academic Performance

Community School
Operations

Legal Compliance

Financial Condition of
Community Schools

Performance
of Community
School Sponsors

Legislation

Tables of Additional Information
Regarding School Academics, Demographics
and Funding, Sponsor Reports, Sponsor
Performance and School Closure

The Office of Quality School Choice continues to focus on sponsor performance and improved practices through targeted technical assistance informed by a comprehensive evaluation system as tools to strengthen the quality of community schools.

The Basics

Community School Terminology and Demographics

Community Schools in 2014-2015

Since the Ohio General Assembly passed the first law establishing such schools in 1997, the continuing expansion of public community schools offers choices for families seeking a different educational environment for their children in Ohio. The Ohio Department of Education operates on the principle that all students are entitled to a free, high-quality education. To that end, the Office of Quality School Choice's top priority and mission is sustaining high-quality and high-performing community schools through exemplary sponsor practices.

Community Schools Are Public, Nonprofit, Nonsectarian Schools

Community schools are public, nonprofit, nonsectarian schools operating independently of any school district but under a contract with a sponsoring entity. Law or department approval establishes a sponsor's authority. Community schools receive state and federal funds. The law is purposefully designed to have greater operational autonomy than traditional public schools in order to facilitate greater flexibility in educational programs and instructional delivery. The law also holds community schools accountable for academic and operational targets. A school's contract is non-renewed and/or a school closes for failure to achieve the performance measures.

Community School Oversight

Community school sponsors directly monitor community schools for compliance with state and federal laws and the terms of their contracts. As part of their oversight, sponsors are legally required to conduct a preopening site visit of each school every year before school begins and to report the results to the department. Additionally, sponsors conduct comprehensive site visits twice a year, while school is in session, where they review school enrollment and finances monthly and report the results to the community school's governing board. Sponsors are legally required to evaluate their schools in four areas (academic performance, fiscal performance, legal compliance, and organization and operation) and report the evaluation results to the school and parents of enrolled children and to the department each year in November. In addition, every office at the department that conducts compliance reviews of traditional public school districts, conducts the same compliance reviews of community schools. Moreover, the Auditor of State audits every community school for each fiscal year, publishing the audits on the Auditor's **website**.

The Office of Quality School Choice provides technical assistance to developers and sponsors of community schools; approves organizations seeking to become sponsors of community schools; and oversees all sponsors, regardless of whether their authority is granted by the Ohio Department of Education or in law. As noted above, sponsors have a crucial role in monitoring the academic performance, financial operations and governance of their sponsored schools. Equally important is the sponsor's role in establishing new schools that have the highest likelihood of success and in making decisions regarding renewal or termination of operating schools. The Office of Quality School Choice has directed its efforts to support sponsor capacity to enable school success, benefitting not only community school sponsors and their schools but also, most importantly, the students and families who depend on them.

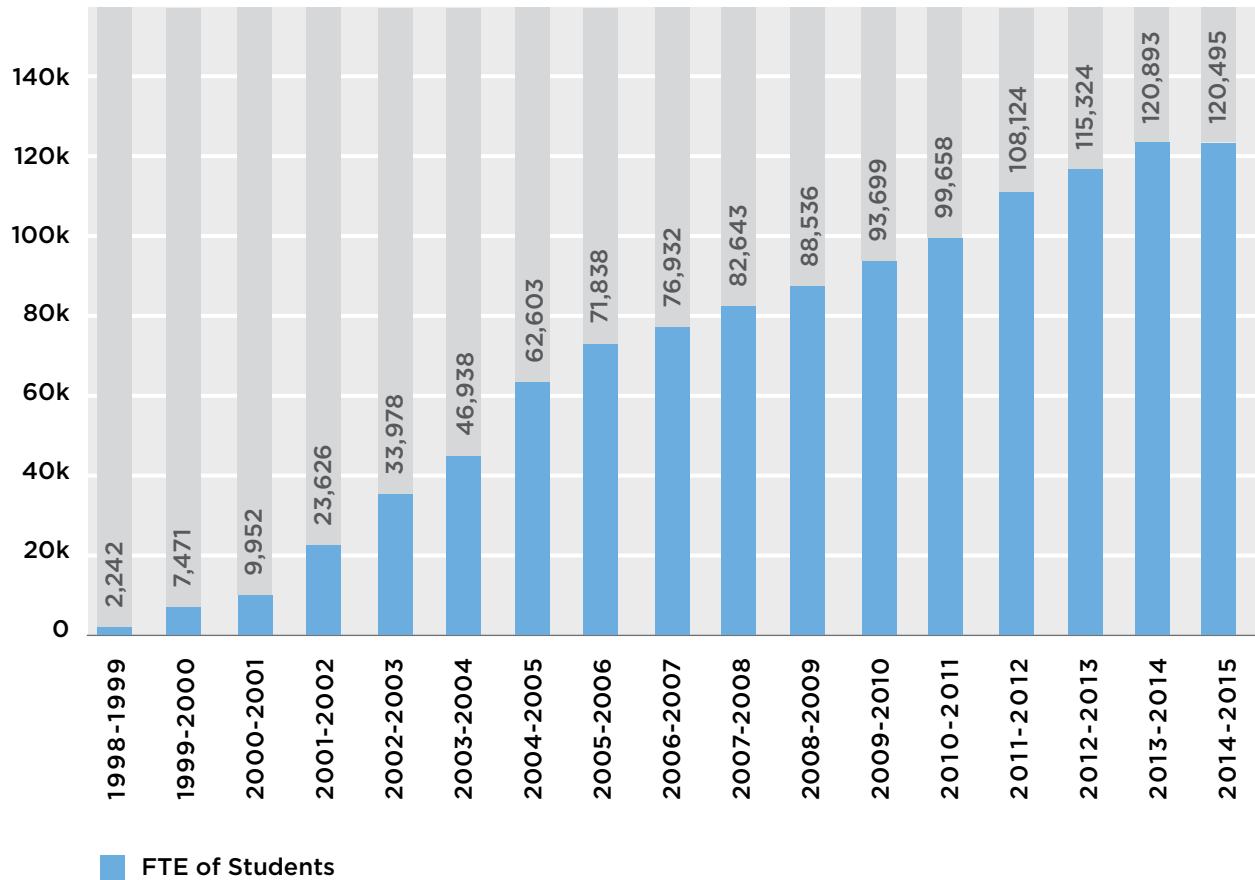## Map of Community Schools in Ohio: 2014-2015
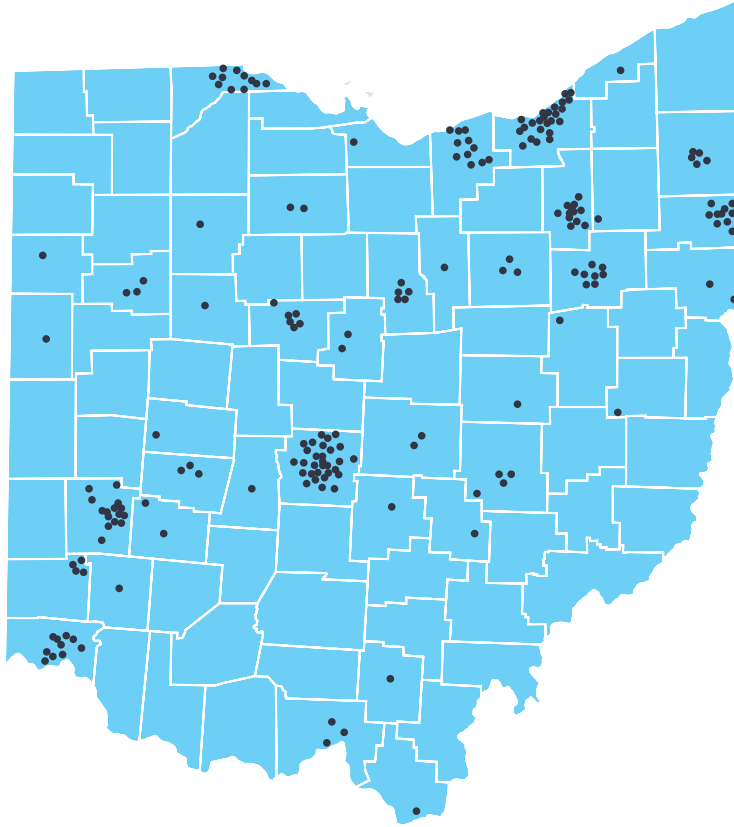
Number of Schools by County

County		County		County		County	
Allen	3	Greene	2	Madison	1	Stark	8
Ashland	1	Hamilton	29	Mahoning	12	Summit	21
Butler	6	Hancock	1	Marion	6	Trumbull	5
Champaign	1	Hardin	1	Mercer	1	Tuscarawas	1
Clark	3	Harrison	1	Montgomery	31	Van Wert	1
Columbiana	2	Jackson	1	Morrow	2	Warren	1
Coshocton	1	Lake	1	Muskingum	4	Wayne	3
Cuyahoga	83	Lawrence	1	Portage	1		
Erie	1	Licking	4	Richland	5		
Fairfield	1	Lorain	11	Scioto	3		
Franklin	80	Lucas	39	Seneca	2	**Total: 381**	

Figure 1 displays the locations of the 381 community schools operating in Ohio during the 2014-2015 school year.

Community Schools and Enrollment

FIGURE 2

Full-Time Equivalent (FTE) of Charter School Students: 1998-1999 to 2014-2015

Figure 2, which reports the full-time equivalent enrollment of students in community schools, shows that enrollment in Ohio community schools decreased slightly during the 2014-2015 school year. Data source: 2014-2015 community school payment reports.

FIGURE 3
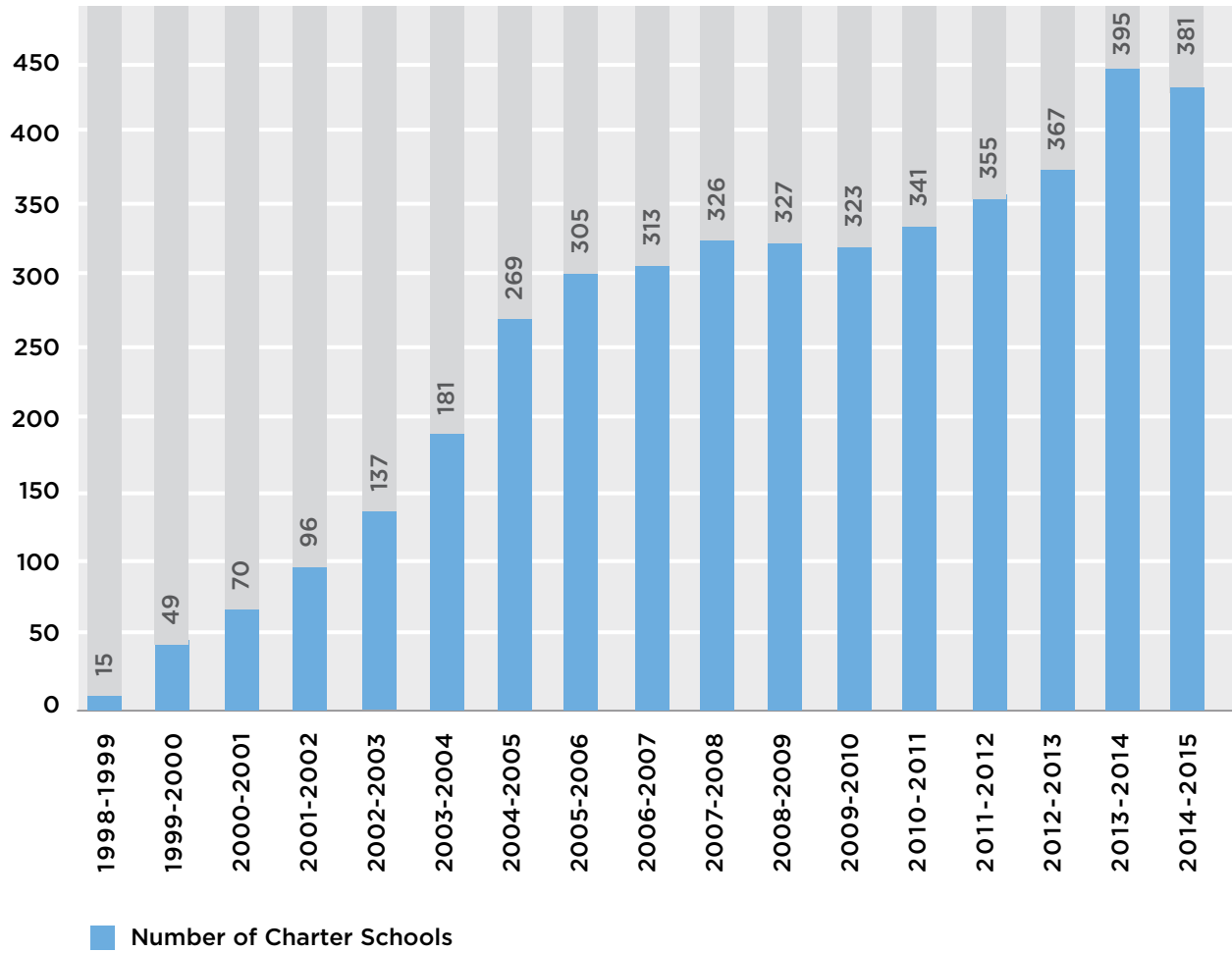
Number of Community Schools: 1998-1999 to 2014-2015

Year	Number of Charter Schools
1998-1999	15
1999-2000	49
2000-2001	70
2001-2002	96
2002-2003	137
2003-2004	181
2004-2005	269
2005-2006	305
2006-2007	313
2007-2008	326
2008-2009	327
2009-2010	323
2010-2011	341
2011-2012	355
2012-2013	367
2013-2014	395
2014-2015	381

■ Number of Charter Schools

Figure 3 shows a general upward trend in the number of community schools operating over time, with a slight decrease during the 2014-2015 school year.

Types of Community Schools

New start-ups vs. conversion schools. Conversion community schools are those in which part or all of an existing traditional public school building or a building operated by a joint vocational school district or educational service center is transformed into a community school. Conversion community schools can open in any public school district in the state. The second type, referred to as new start-up community schools, may only be located in a district that meets the definition of a "challenged" school district at the time that the community school developer enters into a preliminary agreement with a sponsor to establish a new start-up community school.

Law defines challenged districts as:

- The "Ohio Eight" urban public school districts, including Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown;

- School districts located in the "pilot area" of Lucas County;

- School districts designated in Academic Emergency or Academic Watch on the 2011-2012 Local Report Card (until June, 2014);

- School districts graded D or F on the Performance Index and F on Value-Added for two of school years 2012-2013, 2013-2014, 2014-2015, and 2015-2016 (Note: Safe Harbor prevents applying the criteria for the 2014-2015 and 2015-2016 school years);

- School districts with an overall grade of D or F in the 2016-2017 school year or later (Note: Safe Harbor prevents applying the criteria for the 2016-2017 school year);

- School districts with a grade of F on the value-added measure for at least two of the three most recent school years, including school years 2016-2017 and later (Note: Safe Harbor prevents applying the criteria for the 2016-2017 school year); and

- The lowest 5 percent of districts as ranked by the Performance Index scores (Note: Safe Harbor prevents the department from creating a ranking based on Performance Index scores for 2014-2015, 2015-2016, and 2016-2017.)

Additional categories of community schools:

Site-Based vs. eSchools: Site-based community schools (sometimes called brick and mortar schools) are those in which students receive instruction in a classroom, led by a teacher. eSchools are online community schools in which students work primarily from their homes. A recent change in law allows eSchool students to receive career-technical education in physical classrooms. Students graduating from either a site-based community school or an eSchool receive a high school diploma like all other Ohio public school students.

General, Special Education, and/or Dropout Prevention and Recovery Schools: Ohio law designates two special community school categories based on characteristics of the enrolled students – special education schools and dropout prevention and recovery schools. All other community schools are referred to as general education schools. Special education schools are those community schools reporting more than half of their students as having Individual Education Programs (IEPs) during the school year. Special education schools are exempt from closure for poor academic performance by law under Ohio Revised Code Section 3314.35. Like general education community schools, special education community schools receive a graded Ohio School Report Card, as do all traditional public schools in Ohio.

Dropout prevention and recovery schools are those community schools defined by meeting either definition below:

1. A community school that operates a drug recovery program in cooperation with a court; or

2. A community school in which the majority of students are enrolled in a dropout prevention and recovery program operated by the school.

Dropout prevention and recovery schools receive the Dropout Recovery Report Card in lieu of the graded Ohio School Report Card.

Each community school must be classified: 1) as either a new start-up or a conversion school; 2) as either a site-based school or an eSchool; and 3) as a general education school, a special education school, or a dropout prevention and recovery school. A few schools have been classified as both a special education school and a dropout prevention and recovery school in recent years.
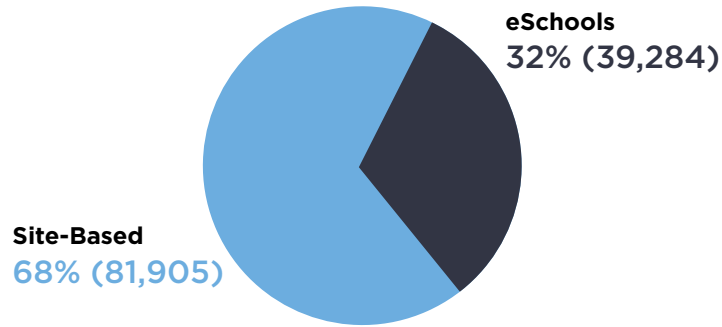
FIGURE 4

Count and Percentage of Community Schools by Site-Based and eSchool: 2014-2015

eSchools
6% (24)
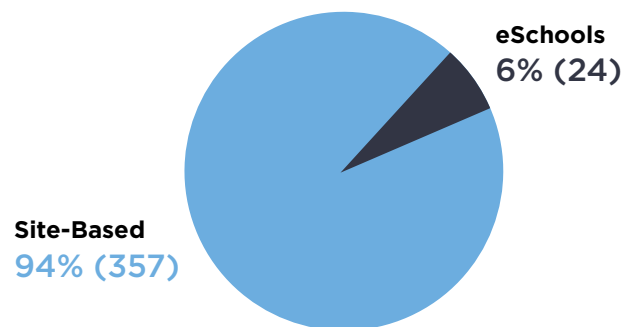
Site-Based
94% (357)

Figure 4 shows that the ratio of site-based to eSchools increased slightly from 2013-2014 to 2014-2015. Overall, the number of community schools declined slightly, as more schools closed than opened. No new eSchools opened during 2014-2015 and one eSchool closed.
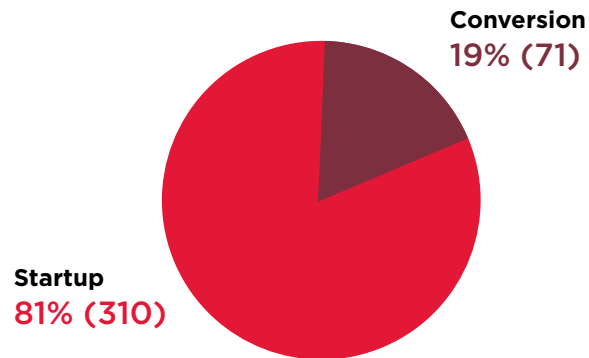
FIGURE 5

Community School Enrollment by Site-Based and eSchool: 2014-2015

eSchools
32% (39,284)

Site-Based
68% (81,905)

Figure 5 shows that more than two-thirds of community school students were enrolled in site-based schools for 2014-2015. Data source: 2014-2015 Ohio School Report Card data.
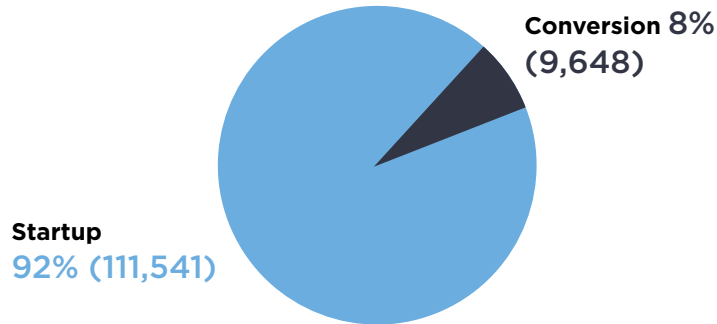
FIGURE 6

Count and Percentage of Community Schools by Start-up and Conversion: 2014-2015

Conversion
19% (71)

Startup
81% (310)

Figure 6 shows that the percentage of start-up community schools operating in Ohio increased slightly from 80 percent to 81 percent in 2014-2015.
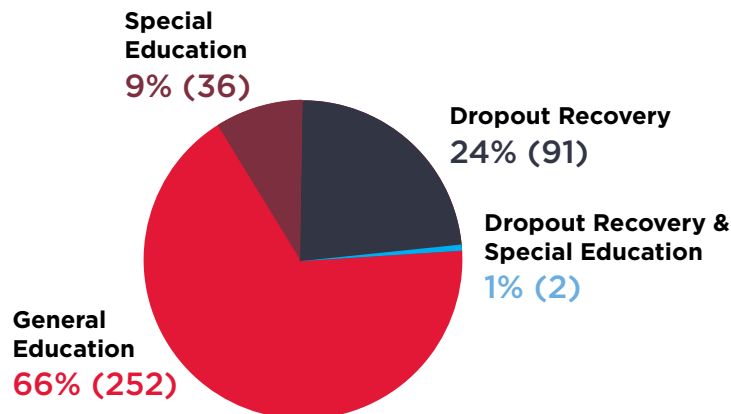
FIGURE 7

Community School Enrollment by Start-Up and Conversion: 2014-2015

Conversion 8% (9,648)

Startup 92% (111,541)

Figure 7 shows that the overwhelming majority of community school students were enrolled in start-up schools for the 2014-2015 school year. Data source: 2014-2015 Ohio School Report Card data.
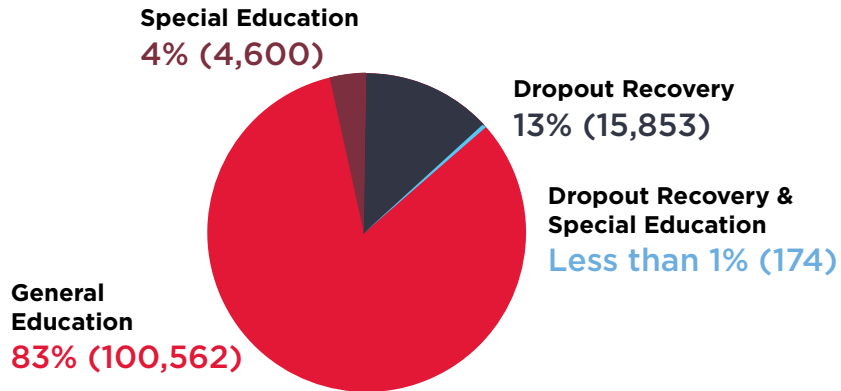
FIGURE 8

Count and Percentage of Community Schools by Student Population Focus: 2014-2015

Special Education 9% (36)

Dropout Recovery 24% (91)

Dropout Recovery & Special Education 1% (2)

General Education 66% (252)

Figure 8 shows that the majority of community schools in Ohio offer a general education program while about a quarter are dropout recovery schools. Community schools with special education programs make up slightly less than 10 percent of community schools. Only two community schools combine both dropout recovery and special education programs.

Number of Community School Students by Student Population Focus: 2014-2015

Special Education
4% (4,600)

Dropout Recovery
13% (15,853)

Dropout Recovery & Special Education
Less than 1% (174)

General Education
83% (100,562)

Figure 9 shows that for 2014-2015, more than three-fourths of community school students were enrolled in a general education program. Data source: 2014-2015 Ohio School Report Card data.

Effectiveness of Academic Performance

All community schools are part of the state's accountability system and receive Ohio School Report Cards each year. The school's sponsor uses information from the school's report card, along with other measures of academic performance agreed upon by the sponsor and the school, to measure a school's effectiveness.

2014-2015 Ohio School Report Cards

As of the 2012-2013 school year, Ohio's accountability system was significantly enhanced by the development and publication of many new accountability measures. The Ohio Department of Education phased in these new accountability measures over three school years for the traditional report card and the release of a report card solely for dropout prevention and recovery community schools. The Ohio School Report Cards hold traditional public districts and schools, as well as general and special education-focused community schools, accountable for the performance of their students. The Dropout Recovery Report Card holds schools primarily serving students who have dropped out, or are at risk of dropping out, accountable for student performance. Detailed information about the measures, grades, ratings and rollout timeline for both new report cards is available on the Ohio Department of Education website at reportcard.education.ohio.gov.

Included in the system of statewide assessments for the 2014-2015 school year were:

- The Ohio Achievement Assessment in reading for grade 3;

- Partnership for Assessment of Readiness for College and Careers (PARCC) assessments in mathematics for grades 3 through 8, in reading for grades 4 through 8, in science for grades 5 and 8, and in social studies for grades 4 and 6;

- End-of-course exams in English language arts 1 and 2, Algebra 2, Geometry, Math 1 and 2, Physical science, American government, and American history for students in grade 9;

- Measures of Academic Performance (MAP) Tests for high school students in dropout prevention and recovery schools only; and

- The Ohio Graduation Tests in reading, writing, mathematics, science and social studies for students in grades 10 through 12 who have not already passed all five sections.

Ohio School Report Card

Ohio School Report Cards, which the department is phasing in over multiple years, include six components, each comprised of one or more measures. Components on this report card include Achievement, Progress, Gap Closing, Graduation Rate, K-3 Literacy, and Prepared for Success. With the exception of Prepared for Success, which will not receive a grade for 2014-2015, the measures on the Ohio School Report Card have been graded since the 2013-2014 school year. The 2015-2016 Ohio School Report Cards will include the component grades and the 2017-2018 Ohio School Report Cards will include overall grades.

Dropout Recovery Report Card

The Dropout Recovery Report Card evaluates schools based on measures that are relevant to schools serving students who are returning to high school after having dropped out of school, as well as those students who are likely to drop out of school due to a history of poor attendance, disciplinary problems or suspensions. The rated measures on the 2014-2015 Dropout Recovery Report Card include:

- A high school assessment passage rate for grade 12 students and students close to aging out of the public education system;

- Annual measureable objectives;

- Four-year and extended-year (five-year, six-year, seven-year and eight-year) graduation rates; and,

- A growth measure similar to the value-added measure (new for the 2014-2015 school year).

An overall graduation rating and an overall rating that takes into account performance on all rated measures on the Dropout Recovery Report Card are new for 2014-2015. When fully phased in, a number of reported student outcomes, including postsecondary credit earned, nationally recognized career or technical certification, military enlistment, job placement and attendance rates also will be included.

Schools were identified for receipt of the Dropout Recovery Report Cards through two application processes. Community schools received Dropout Recovery Report Cards in lieu of traditional report cards if they followed one of two paths: (1) a waiver from closure for continued poor academic performance, granted prior to July 1, 2014, as outlined in Ohio Revised Code Section 3314.36; or (2) if the district applied for approval to exclude the data from the district's data for purposes of the report card, as specified in Ohio Revised Code Section 3302.03(I) . A total of 90 community schools received Dropout Recovery Report Cards at the end of the 2014-2015 school year. The schools' accountability data and pathways approving their receipt of the dropout report cards are detailed in Table 1B. Ratings of Exceeds Standards, Meets Standards and Does Not Meet Standards were applied to measures at the end of the 2013-2014 school year, and an overall rating was applied at the end of the 2014-2015 school year.
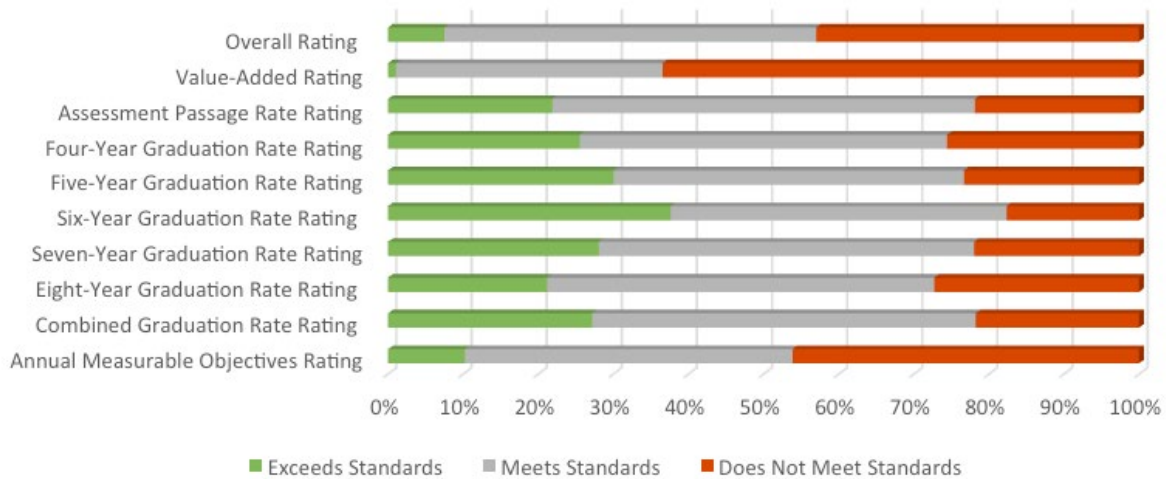
FIGURE 10

Percentage of General and Special Education Community Schools by Ohio School Report Card Grades: 2014-2015
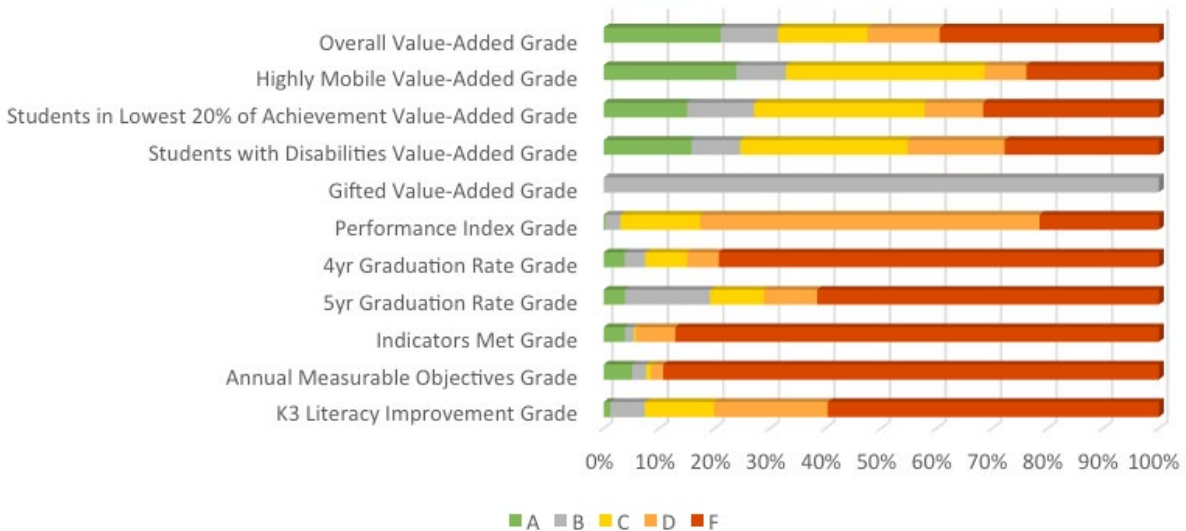
Figure 10 shows the grades achieved for each individual measure. In contrast to last year, community school performance declined in overall value-added (from 64% graded C or higher in 2013-2014 to about 48% in 2014-2015) as well as in performance index (from 35% graded C or higher in 2013-2014 to 17% in 2014-2015).

FIGURE 11

Percentage of Dropout Prevention and Recovery Schools by Report Card Ratings: 2014-2015

Figure 11 shows that the majority of dropout prevention and recovery schools achieved a rating of Meets or Exceeds Standards in every measure except value-added. Note: the value-added rating applies to the school's performance only; it has no bearing on a student's graduation requirements.

Community School Recognitions

The Ohio Department of Education has three ways of recognizing schools — including community schools — that are making progress in closing achievement gaps:

- **Schools of Promise** identify, recognize and highlight schools making substantial progress in ensuring high achievement for all students;

- **High Performing Schools of Honor** are schools that have sustained high achievement while serving a significant number of economically disadvantaged students; and

- **High Progress Schools of Honor** are schools that have sustained substantial progress while serving a significant number of economically disadvantaged students.

Data for these three types of school recognition are not yet available. A link to the table that includes this information will be provided once the data are available.

Accountability and Community School Academic Performance

Accountability for community schools that were rated is set forth in state and federal law, as well as in each community school's contract with its sponsor. Community schools must define their curriculum and performance goals in their contracts and administer all state required achievement assessments and graduation tests. Community schools with high school grade levels have the same graduation requirements as traditional public high schools. In addition to participating in all state-required assessments, community schools must comply with the requirements of the Elementary and Secondary Education Act (ESEA) Waiver approved by the U.S. Department of Education, which includes Annual Measurable Objectives.

In the sponsors' annual evaluations of their schools compliance across four areas (academic performance, fiscal performance, legal compliance, and organization and operation), 50 percent of community schools that were rated by their sponsors received a rating of Compliant in academic performance, which is the same as meeting their contractual performance targets. The sponsor evaluation places importance on the rigor and specificity of the performance framework section of community school contracts. As sponsors revise performance frameworks in their schools' contracts, the percentage of schools found to be compliant in academic performance may decrease.

Impact of Safe Harbor on Closure

Passed into law by the Ohio General Assembly in 2015, Safe Harbor gives schools, teachers and students time to adjust to the new state tests and suspends many of the consequences of the tests for the 2014-2015, 2015-2016 and 2016-2017 school years. Required closure of community schools for continued poor performance under Ohio Revised Code Sections 3314.35 and 3314.351, for both general education and dropout prevention and recovery community schools, respectively, is on hold during Safe Harbor.

When Safe Harbor ends, general education community schools will continue to be evaluated for performance and dropout prevention and recovery community schools will begin to be evaluated for performance. As of the publication of the 2017-2018 Ohio School Report Cards, general population community schools will be evaluated for performance based on their data from school years 2012-2013, 2013-2014 and 2017-2018. Dropout prevention and recovery schools will begin to be evaluated for performance when data are available for both of school years 2017-2018 and 2018-2019.

Sponsors are neither precluded from nor discouraged against closing poor-performing community schools with which they contract during the period of extended Safe Harbor. Sponsors can base such closures on a school's performance compared to the requirements of its contract.

Closure Criteria for General Population Community Schools

The closure law for general population community schools was implemented at the end of the 2007-2008 school year, with the first community schools required to close at the end of the 2008-2009 school year. To date, the closure law has required the closure of 24 community schools. During the 2014-2015 school year, no schools closed based on the statutory closure criteria.

Community School Operations
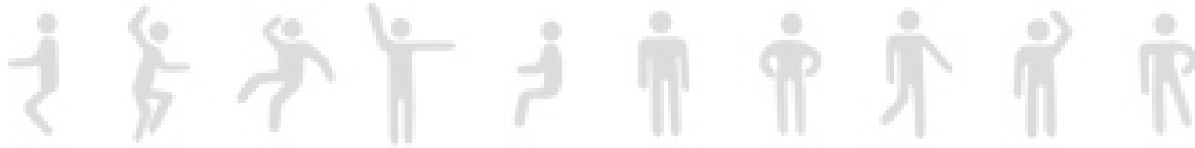
Community School Operations

The 2014-2015 school year marked the 17th year of operations of community schools in Ohio. Beginning in 1998 with 15 community schools between two sponsors, this public option has evolved into a system of 373 community schools operating today under the sponsorship of 65 organizations.

As of June 2015, more than 120,000 Ohio students were enrolled in the 381 community schools that operated during the 2014-2015 school year. As shown earlier in Figure 2, which reports the full-time equivalent enrollment of students, while enrollment in Ohio community schools has generally grown each year, it decreased slightly during the 2014-2015 school year. In addition, while there has been a general upward trend in the number of community schools operating over time, the increase seems to be slowing (see Figure 3). The percentage of start-up schools in Ohio increased slightly from 80 percent in 2013-2014 to 81 percent in 2014-2015.

Over the course of the 2014-2015 school year, 11 new community schools opened, which is down from the 40 new schools that opened during the prior school year. Of these 11, all are operating and two serve new districts. Community schools add to the array of public educational options available in Ohio. The number of schools focusing on special needs students increased by one school (from 35 to 36), and the number of dropout prevention and recovery schools has increased slightly (from 89 to 91). A moratorium on eSchools was in place from 2003 until June of 2013, when legislative changes ended the moratorium and allowed up to five new virtual schools to open each year starting with the 2013-2014 school year. While three new eSchools opened in 2013-2014, none opened in 2014-2015, keeping the ratio of site-based schools to eSchools about the same over the last three years.

The number of community schools declaring themselves as offering blended instructional delivery systems increased. Blended learning refers to the delivery of instruction in a combination of time in a supervised physical location away from home and online delivery whereby the student has some element of control over time, place or pace of learning. During the 2013-2014 school year, 32 community schools declared themselves as blended; the number rose during the 2014-2015 to 39 community schools.

Also during the 2014-2015 school year, 28 community schools closed, 16 by December 2014 and 12 by June 2015. Most of the 16 schools closed because they failed to recover from a prior year's suspension or were new schools that were too financially weak to sustain operations. Of the 12 schools that closed at the end of the 2014-2015 school year, eight closed voluntarily and four were ordered to close by their sponsors for non-compliance issues. The prior year, 27 community schools closed during or at the end of the school year. These two years are markedly different from previous years in which fewer schools closed.

A number of factors contributed to the increase in closures related to sponsor practice — weak vetting of new schools and more rigorous renewal criteria. To reduce, if not prevent, the weak vetting of new schools by their sponsors, the Office of Quality School Choice took two steps. First, it called for sponsors to submit evidence of their approval processes for newly proposed schools to the department for its review. Second, it changed the initiation of foundation payments to new community schools based upon actual enrollment and receipt of the sponsor's opening assurances for each school. Both actions had the desired effect of eliminating a failure-to-launch scenario.

Legal Compliance

Supporting Community School Sponsor Accountability and Oversight

In Ohio, a community school is created when individuals (called developers) who are seeking to open a new community school enter into a contract with a community school sponsor. When the sponsor and those individuals representing the community school enter into a contract, the school representatives, known as the governing authority, operate similar to a local board of education. The community school contract specifies the academic, fiscal, governance and accountability plans that the school's governing authority is responsible for carrying out. The sponsor and the governing authority are the sole parties to the contract.

Sponsor Review of School Compliance

As noted earlier, sponsors evaluate their schools' compliance annually in four areas (academic performance, fiscal performance, legal compliance, and organization and operation), with each area reflecting various aspects of legal compliance. Community schools receive ratings of Compliant, Partial Compliant or Non-Compliant in each of the four areas.

The department received ratings for 316 community schools for the 2014-2015 school year; 315 had ratings for academic performance, legal compliance, and organization and operation. The findings for each area are as follows:

- **Academic performance:** 159 schools (50 percent) received Compliant ratings, 98 (31 percent) received Partial Compliant ratings, 58 (18 percent) received Non-Compliant ratings and one community school was not rated.

- **Fiscal performance:** 261 schools (83 percent) received Compliant ratings; 47 (15 percent) received Partial Compliant ratings and 8 (3 percent) received Non-Compliant ratings;

- **Legal compliance:** 279 (89 percent) received Compliant ratings, 33 (10 percent) received Partial Compliant ratings, 3 (1 percent) received Non-Compliant ratings and one community school was not rated.

- **Organization and operation:** 274 (87 percent) received Compliant ratings, 36 (11 percent) received Partial Compliant ratings, 5 (2 percent) received Non-Compliant ratings and one community school was not rated.

Of the 316 community schools for which sponsors provided ratings, 135 (43 percent) of community schools were rated Compliant in all four areas and 113 (36 percent) were rated Partial Compliant or Compliant in all areas. While no community schools received ratings of Non-Compliant in all four areas, three schools (1 percent) received ratings of Non-Compliant in three of the four areas.

A table of all sponsors' compliance information is attached to the annual report and will be updated as additional compliance information is provided.

Financial Condition of Community Schools

The financial condition of community schools can be measured in a number of ways. One is by the number and percentage of schools that close due to financial viability in a given year. Of the 12 schools that operated the entirety of the 2014-2015 school year and closed at the end of that year, four (or 33 percent) closed due to issues of financial viability. Sixteen schools closed at the beginning of the 2014-2015 school year; all but one of them had been suspended in the prior school year. Twelve of them (or 75 percent) closed due to their inability to sustain themselves financially. Clearly, lack of sound financial operations is a major contributor to the closure of community schools. On the other hand, 381 community schools operated during the 2014-2015 and the vast majority of them continued stable programs into the next school year.

Another measure of the financial condition of community schools is shown in results from their annual audits by the Auditor of State. Of all the regular and single audits of community schools released by the Auditor of State, seven had findings for recovery ranging from $196 to $4,350 (five at or below $1,000). Of these seven schools with findings for recovery, all but one were quickly resolved. The school with the unresolved finding for recovery is currently going through the collection and litigation process with the Ohio Attorney General.

Strengthened Community School Financial Accountability

The Ohio Auditor of State performs community school audits every year. The financial audits review accounts, financial reports, records and files to determine if the community school has complied with state and federal laws, regulations and accounting principles. If an audit demonstrates misuse, improper accounting for collection of public funds or misappropriation of public property, the Attorney General, in concert with the department, will take legal action to resolve issues. The Auditor of State shares regular audits with the schools' sponsors for their reviews and follows up if needed. Audits are posted on the Auditor of State **website**, which is open to the public. Any community school declared unauditable has 90 days to bring its records into an auditable condition or faces withdrawal of all state and federal funding.

Community schools are expected to define sources of financial data, in concert with their sponsors, that will form the evidence base for ongoing and renewal evaluation focusing on standards for sound financial operations and sustainability. Schools provide reports that allow auditors and sponsors to monitor the schools' short-term performances, as well as long-term financial performance.

Additionally, a representative of the sponsor meets with the governing authority or fiscal officer of the school at least once every month. The school provides the sponsor with copies of enrollment and financial records.

Management companies, referred to as operators, that provide services to community schools that amount to more than 20 percent of annual gross revenues of the school are required to provide detailed accounting, including the nature and costs of the services it provides to the community school. During the 2014-2015 school year, this information was included in the footnotes of the school's financial statements. However, House Bill 2, enacted in 2015, requires the information to be fully described in the financial statements and subjected to verification through examination of the school's records during its regular audit.

Community schools receive an Opportunity Grant, the core per-pupil funding of a community school, for $5,900. The Targeted Assistance fund is the additional per-pupil funding community schools receive based on the per-pupil amount of Targeted Assistance calculated for the community school student's resident school district. Additional state aid is provided for special education and related services; K-3 literacy; limited English proficiency funding; career technical education funding and transportation funding. In addition, HB 59 provided $100 per community school student to help with the cost of providing facilities.

Supporting Community School Sponsor Accountability and Oversight

Ohio has taken numerous steps to improve community school accountability in their financial operations. As part of recent legislation, community school sponsors must communicate with the Auditor of State regarding audits of the school or the condition of the school's financial and enrollment records and be present at meetings with auditors. Additionally, they must verify annually that no findings for recovery were issued by the state auditor against a person who proposes to create a community school, serves on the governing authority, operates the school or is employed by the school. Furthermore, there must be a detailed accounting of operator expenditure reporting that is subject to verification through examination of the school's records during its regular audit.

Sponsors are required to monitor all aspects of a school's fiscal, academic and operational performance including, but not limited to, compliance with applicable laws, rules and all terms detailed in the community school's contract. The sponsor provides technical assistance to help the school comply with state and federal laws and terms of the contract.

Sponsors annually report their evaluations of the school's academic and fiscal performance, as well as the organization and operation of the school to the department of education and the public.

Regarding the vetting of new community schools applying for sponsorship, the department reviews the applications and supporting documents of all sponsors' newly proposed community schools with the submission of preliminary agreements. Factors such as historical performance of developers, market research and financial viability are considered. The department also reviews the school's business plan, including its five-year forecast. The department takes these steps to reduce the risk of opening a school that cannot sustain its operations.

Regarding enrollment in community schools, the department uses actual data reported by community schools for the calculation of full time equivalent (FTE) students and monthly payments. No difference exists between brick and mortar schools, eSchools or schools utilizing blended learning models. The 2015 FTE Review Manual was updated to provide clear guidance and requirements for all community schools to document non-computer-, non-classroom-based learning opportunities. The updates also ensure that eSchools and schools using blended models of instruction calculated from enrollment data match FTEs calculated based on actual learning opportunities. This includes reviews of computer logs and documentation detailing non-classroom-based learning opportunities.

Community School Financial Accountability

As noted above, there have been a number of changes in legislation made to ensure the sound financial operations and performance accountability of community schools. Should the Auditor of State find a community school unauditable for financial monitoring, the Auditor of State is required to provide written notification to the school, its sponsor and the Ohio Department of Education and to post the notification on the state auditor's **website**. Any community school declared unauditable has 90 days to bring its records into an auditable condition or face withdrawal of all state and federal funding.

The sponsor of an unauditable community school cannot enter into contracts with additional community school governing boards until the auditor completes a successful financial audit of the school (as indicated by the "Dates Released"). The Office of Quality School Choice continues to work collaboratively with the Auditor of State on community school financial matters to promote sound financial practices in community schools.

Performance
of Community
School Sponsors

Sponsor Evaluation System

The sponsor performance evaluation system was originally developed to assure the compliance of the relatively small number of sponsors approved by the Ohio Department of Education that operate under a sponsor agreement with the department defining the parameters of their sponsoring activities. In October 2009, the Ohio legislature provided additional clarity regarding the department's authority to evaluate all sponsors, regardless of how they acquired sponsoring authority. On Jan. 1, 2015, the department implemented a comprehensive evaluation of sponsors' monitoring of school compliance, adherence to quality sponsoring practices and academic performance of each sponsors' cohort of community schools. During the spring and summer of 2015, the department released results for five sponsor evaluations.

During the summer of 2015, issues were raised regarding the academic component of the sponsor evaluation system. In light of these issues, the department rescinded the five evaluations previously released and initiated a review of all three components and internal processes related to data. Former Superintendent of Public Instruction Dr. Richard A. Ross appointed an impartial panel of experts to draft recommendations to the department to improve Ohio's system of evaluating community school sponsors. The review covered each of the three equally weighted components: academic, compliance and quality practices.

In October 2015, the Ohio General Assembly overwhelmingly passed HB 2, a landmark revision to the state's system of community school oversight. Key to the new legislation was the sponsor evaluation system. Incorporating both stakeholder feedback and the requirements of HB 2 into its findings, the advisory panel presented its recommendations regarding the sponsor evaluation process to Dr. Ross in December of 2015. Dr. Ross then provided final recommendations to the State Board in December and the sponsor evaluation resumed. The department will post sponsor evaluation ratings for both 2014-2015 and 2015-2016 by Oct. 15, 2016.

Pivotal to the panel's recommendations was the need for the sponsor evaluation framework to be transparent. In addition, all related information (such as report cards, compliance reports, etc.) must be easily accessible from a central site on the department's website. Additional information on the advisory panel and its recommendations is available **here**.

A Comprehensive System

In 2011-2012, the Ohio Department of Education, with the assistance of several community school stakeholder groups, developed a comprehensive system to evaluate the compliance and quality practices of sponsors. Led by the Office of Quality School Choice, in collaboration with staff members from the Offices of Policy and Research and Data Quality and Governance, key external stakeholders contributed significantly to the system's development. The participants included Ohio Department of Education leadership and representatives from the following organizations:

- National Association of Charter School Authorizers;

- Ohio Association of Charter School Authorizers;

- Buckeye Community Hope Foundation;

- St. Aloysius Orphanage;

- Ohio Authorizer Collaborative;

- Reynoldsburg City School District;

- Thomas B. Fordham Foundation;

- Ohio Coalition of Quality Education; and

- Ohio Association of Public Charter Schools.

During the 2012-2013 school year, the sponsor evaluation system was written into state law.

The sponsor evaluation system is built upon the National Association of Charter School Authorizers' *Standards and Principles.* It emphasizes the sponsor's commitment and capacity to both open new community schools with the highest likelihood of providing an academically successful option and sustain contracts with community schools demonstrating academic and operational success. The focus on sponsor performance ultimately improves community school performance. The Ohio Department of Education evaluates sponsors based upon three components:

- Academic performance of schools;

- Effective monitoring of community school's compliance with law and its community school contract; and

- Adherence to and evidence of quality sponsor practices.

Review of the Three Components Comprising the Sponsor Evaluation

Academic performance review. Prior to the 2014-2015 school year, the Ohio Department of Education's review of school academic performance used a Sponsor Composite Performance Index score based on the same underlying Performance Index data used in the Ohio School Report Cards. However, beginning with the 2014-2015 school year, the academic performance component will be aligned with all applicable measures on the Ohio School Report Cards. The measures will be aggregated to comprise a report card grade or equivalent on an A – F scale for each community school. Dropout recovery schools will receive a report card rating of "Exceeds," "Meets" or "Does Not Meet." Each community school's report card will be weighted based on its average daily membership (ADM) of students to determine the sponsor's overall score and rating for academic performance.

Compliance monitoring review. The compliance monitoring review refers to the sponsors' adherence to all applicable laws and rules, including the extent to which they monitor their schools' compliance with laws, rules and contract terms. The underlying assumption is that if a sponsor is effectively monitoring its community school, then the school should be operating legally and implementing the terms of its contract.

In January 2015, an administrative rule describing the process and scoring of compliance went into effect. However, as HB 2 implemented new compliance requirements, the administrative rule for compliance is currently being rewritten. Compliance monitoring for the 2014-2015 school year will be composed of desk reviews of documents and other data based on a specific percentage sample of a sponsor's community schools. The department will use the compliance monitoring tool developed during the 2013-2014 school year to carry out those reviews. Each sponsor will receive a compliance rating based on the percentage of items for which it is found to be in compliance.

Quality practice review. The Ohio Department of Education's review of sponsor adherence to quality practices is built upon quality principles and standards of sponsoring endorsed by the National Association of Charter School Authorizers. Also built into the review, and unique to Ohio, is adherence to the specific legal requirement that sponsors provide technical assistance to their sponsored schools. Six resulting areas of practice are the focus of the review:

1. Organizational commitment and capacity;

2. Community school application process and decision making;

3. Performance contracting;

4. Oversight and evaluation of community schools;

5. Contract termination and renewal decision making; and

6. Technical assistance and sponsor requirements in rule and law.

The quality practice review for the 2014-2015 school year will consist of an extensive desk review of supporting documents, review of the sponsor's community school contracts, academic performance of its schools and school surveys. Following the desk review, the review team will conduct interviews with the sponsor's board, leadership and staff. Sponsors will be scored using on a rubric developed by the department of education in partnership with stakeholders, based upon the National Association of Charter School Authorizers' principles and standards of quality sponsoring.

Overall Sponsor Ratings and Outcomes

Once a sponsor's component ratings and scores for academic performance, compliance with laws and rules, and adherence to quality practices have been determined, they are then combined to calculate the sponsor's overall rating. For 2014-2015, each sponsor will receive an overall rating of Exemplary, Effective or Ineffective.

The overall sponsor ratings will be used for a number of different purposes. First, they will help determine whether or not a sponsor is eligible to take on sponsoring responsibilities for any new or additional community schools. The ratings also impact the department's decisions regarding the renewal of sponsorship agreements, sponsorship application and approval, and the revocation of sponsorship. Sponsors receiving high ratings will have various incentives available to them; those receiving low ratings will be subject to developing improvement plans and possibly sponsorship revocation. Overall sponsor ratings for the 2014-2015 school year will be available on or before Oct. 15, 2016.

Legislation

Legislation

Community schools have been operating in Ohio for 17 years. During each session of the General Assembly, legislative changes have been made to the program. Most recently, the 131st General Assembly passed HB 2, often referred to as the community school reform bill. The purpose of HB 2 is to increase the transparency, accountability and responsibility of community schools, sponsors, management companies and the Ohio Department of Education as they pertain to community school operations, academic performance, fiscal stability and legal compliance. Highlights of the many provisions of HB 2 include the following:

- Changes were made to two of the three components of the sponsor evaluation: the breadth of compliance monitoring expands to include all laws and rules applicable to sponsors; the academic component is now based upon all applicable measures reported on the state's Report Card. Overall, the rating labels changed, adding a fourth label of "poor." Beginning with the overall ratings assigned for the 2015-2016 school year, consequences and incentives based on the overall rating take effect.

- The Ohio Department of Education must annually rate all sponsors on each component and assign an overall rating, beginning with the 2015-2016 school year;

- All existing sponsors must be approved by the department of education by July 1, 2017;

- Sponsors that are rated "exemplary" for at least two consecutive years are exempt from any territorial restrictions or limits on the number of schools they may sponsor, for as long as they maintain an "exemplary" rating;

- A sponsor rated "ineffective" for three consecutive years or rated "poor" will have its sponsorship authority revoked;

- Sponsors are required to provide monitoring, oversight and technical assistance to each of their schools;

- Operators have additional requirements: if an operator buys furniture, computers, software, equipment or other personal property for use in a community school with state funds paid by the school for services rendered, that property belongs to the school. If the school closes, the operator must distribute that property in the same manner as if the school had bought the property;

- A person is prohibited from simultaneously serving on a community school governing authority and a district board of education; and

- A district or educational service center employee is prohibited from serving on the governing authority of a school sponsored by the district or educational service center.

Additional HB 2 provisions, as well as a complete list of community school legislation enacted over the last 17 years, are available **here.**

Tables of Additional

Information

Regarding School Academics, Demographics and Funding, Sponsor Reports,

Sponsor Performance and School Closure

Additional Components of the Community School Annual Report

The remainder of this report presents tables describing school academic and demographic data, enrollment and finance. It also presents the sponsors' assessments of community school legal compliance, along with the Ohio Department of Education's assessment of sponsor performance. Many of the tables include historic information for previous school years, as well as data for the 2014-2015 school year. To view the tables and the accompanying narration, go to **education.ohio.gov** and enter search keywords: community schools annual report.