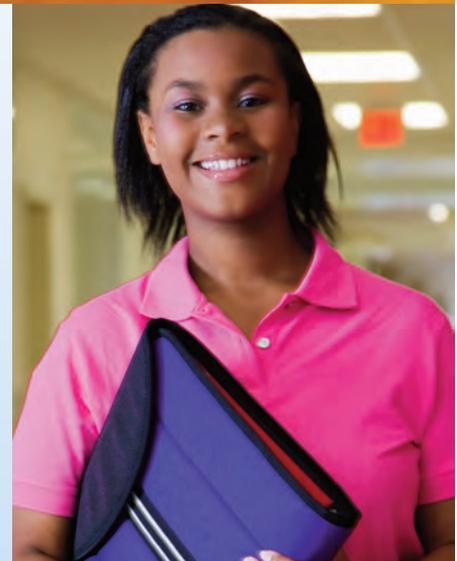


2008 – 2009  
Annual Report



Ohio Community Schools





Department  
of Education

Ted Strickland, Governor

Deborah S. Delisle, Superintendent of Public Instruction

December 31, 2009

The Honorable Ted Strickland  
Office of the Governor  
77 South High Street, 30th Floor  
Columbus, Ohio 43215

RE: 2008 – 2009 Annual Report on Ohio Community Schools

Dear Governor Strickland:

The Ohio Department of Education's Office of Community Schools is pleased to provide you with the seventh Annual Report on Community Schools operating in Ohio. In compliance with Ohio Revised Code §3314.015(A)(4), this report is submitted by Dec. 31 each year to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Chairpersons of the House and Senate committees principally responsible for education matters.

To meet the needs of the public, this report has been designed to be a compendium of new legislative requirements and other material to help Ohio citizens gain an understanding of the condition of community schools as a part of our system of public education. A number of tables and graphs accompany the narrative. Links to other information pages are provided and serve to make the report interactive.

Sincerely,

A handwritten signature in black ink that reads "Kimberly A. Murnieks". The signature is fluid and cursive.

Kimberly Murnieks, Executive Director  
Center for School Options and Finance  
Ohio Department of Education

# 2008 – 2009 Annual Report and Retrospective Ohio Community Schools

## Executive Summary

Each year, the Ohio Department of Education’s (ODE’s) Office of Community Schools submits an annual report on community schools operating in Ohio. The report, in compliance with Ohio Revised Code (ORC) §3314.015(A)(4), provides information on the “effectiveness of academic programs, operations, and legal compliance and of the financial condition of all community schools.”

During the 2008-2009 school year, the number of students enrolled in community schools grew from more than 82,000 to 89,000, an increase of almost 8 percent.

House Bill 1 (H.B. 1), enacted in the fall of 2009, strengthened criteria that trigger the closure of a community school based on academic performance indicators found in the Local Report Card. Additionally, H.B. 1 clarified ODE’s oversight authority for community school sponsors.

More details about new legislative requirements in H.B. 1 are detailed in the *Overview and Legislative History* sections of the report, and follow in the path of new school opening requirements contained in House Bills 119 and 562, enacted by the previous General Assembly. These new bills contained an additional component, the Operator Provision, which is a key requirement in opening a new community school. The newly enacted closure requirements, along with the Operator Provision, continue to influence both the development of new community schools in Ohio, and the scope of monitoring and oversight by the sponsor in its role as authorizer of the school.

## Overview of Community Schools for 2008 – 2009

In Ohio, public charter schools are called community schools. Since the first law establishing such schools was passed by the General Assembly in 1997, Ohio has seen the continuing development of community schools as vehicles that offer choice for families and programming that may be different from that of the local school district.

In 1998, the State Board served as an authorizer, or sponsor, of community schools while it also served as the regulatory agency overseeing their operation and legal compliance. That dual role ended in 2005, when legislation took effect that required schools previously sponsored by the State Board of Education to find a new sponsor that would authorize their continued existence. Currently, ODE's Office of Community Schools (OCS) approves and oversees organizations wishing to serve as new sponsors of Ohio community schools and provides oversight to all community school sponsors in Ohio.

The evolution of the state's role – from an authorizer of community schools to the monitor of community school sponsors and technical assistance provider – was an important step. Now, as operational experience and research have shown, sponsors are the key instruments in the performance and success of community schools, and OCS has directed its efforts in expanding sponsor capacity. As authorizers, the organizations serving as community school sponsors are the crucial vehicle for ensuring academic performance, financial reporting, quality control and technical assistance. OCS technical assistance efforts are directed at increasing the capacity of sponsors to support and monitor their community schools.

The work of sustaining high-quality and high-performing schools – whether public or private – is not an easy task. This annual report will demonstrate the progress made since the passage of the "pilot" community school legislation in June 1997.

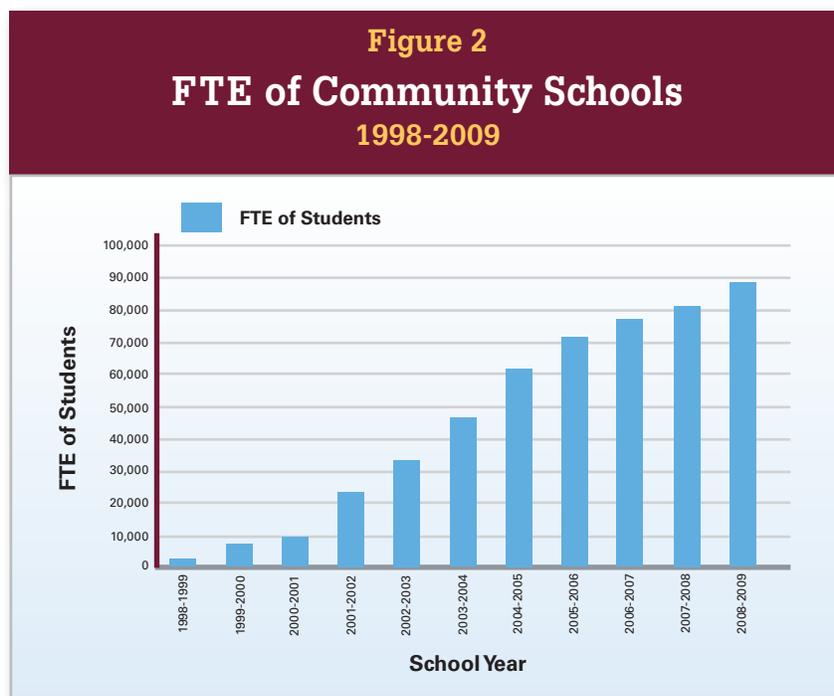


Community schools are public, nonprofit, nonsectarian schools that operate independently of any school district, but under a contract with a sponsoring entity that is established in statute or approved by ODE. Community schools are public schools of choice and are state and federally funded. These schools are designed by statute to trade higher levels of accountability for greater flexibility in programs, and often serve a limited number of grades or target a specific student population. This flexibility provides community school teachers multiple paths to design unique curriculum. However, in designing these new curriculum and instruction models, the schools must still meet all state requirements for testing and performance.

There are two types of community schools. Conversion community schools, those in which part or all of an existing traditional public school is transformed into a community school, may be sponsored by any public school district in the state. Two recent actions of the Ohio General Assembly, however, extended the types of authorizers for conversion community schools. With House Bill 1, the 128<sup>th</sup> General Assembly in 2009 allowed vocational school districts to become sponsors in the same manner as school districts. This legislation followed the action of the 127<sup>th</sup> General Assembly, which extended sponsor rights to Educational Service Centers under certain conditions.

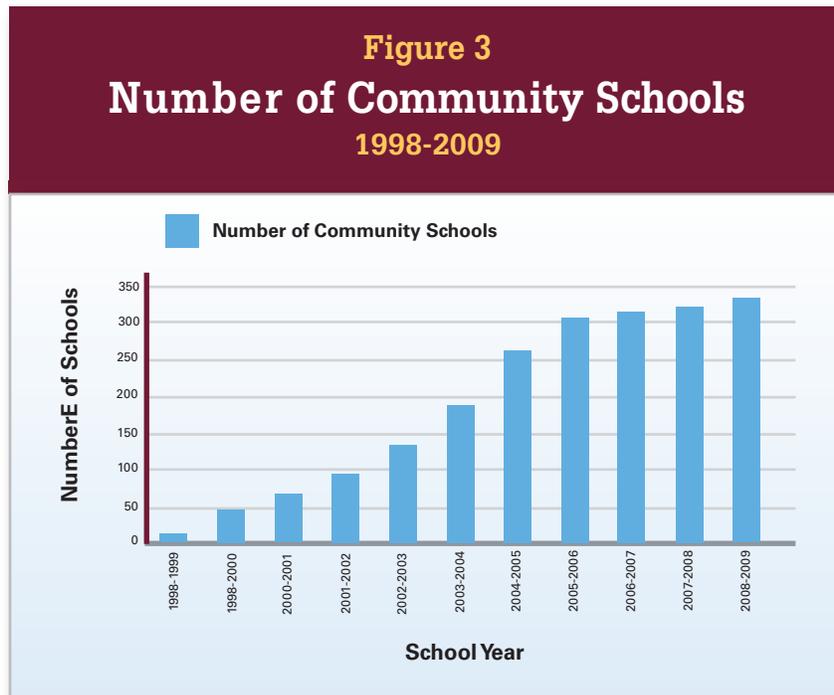
The second type, new start-up community schools, may be located only in “challenged school districts” currently defined as the “Ohio Eight” urban public school districts (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown), school districts located in the “pilot area” in Lucas County, and districts designated as being in Academic Emergency or Academic Watch. In addition to the Ohio Eight, these districts were designated as being “challenged” for the previous school year based on their Local Report Card data. See [www.education.ohio.gov](http://www.education.ohio.gov) <<http://www.education.ohio.gov>>, search keywords: *Challenged School Districts*.

In June 2009, more than 89,000 Ohio students were enrolled in 332 schools operating during the 2008-2009 school year.



The element of choice provides parents and families the option of enrollment in a public school that may have unique characteristics compared to the school in a prescribed attendance area. Autonomy is an element that allows educators to work in a structure and environment that is more responsive than that of larger, more traditional schools.

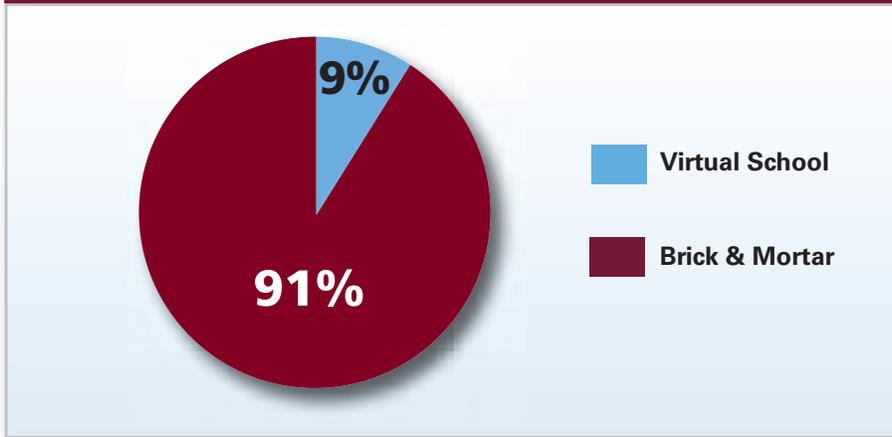
Among the elements that comprise the community school environment, the principle of accountability has been strengthened significantly in recent years. The Sponsor Performance Review is one of the newest accountability tools and is designed to view sponsors as the agent to ensure community school quality control. In the further development of sponsors as an instrument of school success, the Sponsor Performance Review process is the key to ensuring the accountability of sponsors for school quality and student achievement. The Sponsor Performance Review, coupled with the requirements of ORC §3314.35 for school closure as a consequence of poor performance, is detailed elsewhere in this report.



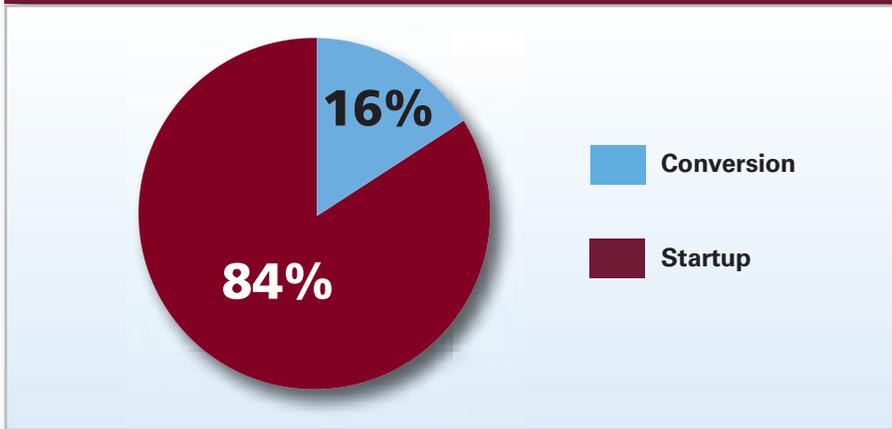
While Figure 2 demonstrates that the enrollment in Ohio community schools has grown from year to year, Figure 3, shows a slowdown in the increase of community schools operating during the last two years. This was caused, in part, by the requirements of the Operator Provision, which are discussed elsewhere in this report.

Community schools are designed to provide a variety of program emphases to appeal to a variety of audiences. Since the inception of community schools in Ohio, a number of schools have been developed to add to the mix of public education options. The following tables demonstrate the characteristics of these schools as they serve students and families in a variety of settings.

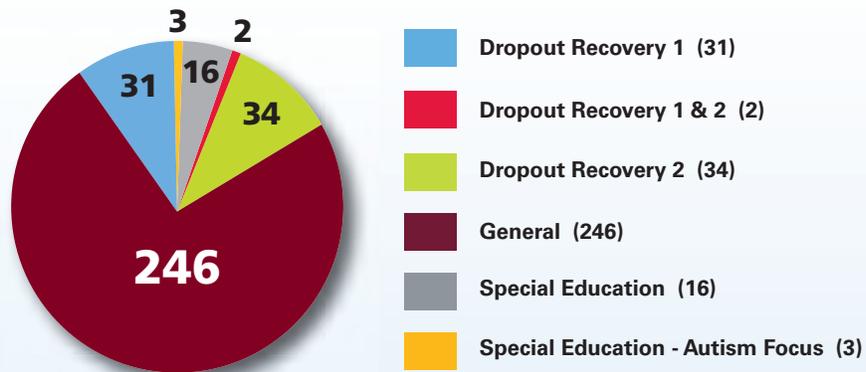
**Figure 4**  
**Percentage of Schools by**  
**Brick & Mortar and Virtual: 2008-2009**



**Figure 5**  
**Percentage of Schools by Conversion**  
**and Startup: 2008-2009**



**Figure 6**  
**Number of Schools by Student Population Focus: 2008-2009**



**Legend**

**Dropout Recovery 1** = Dropout recovery conversion school whose data are not computed in the sponsor district's Local Report Card

**Dropout Recovery 2** = Dropout recovery school that has a waiver under 3314.36 from permanent closure under the provisions of 3314.35

**Dropout Recovery 1 & 2** = Both of the above

## Accountability and Community School Academic Programs

Accountability for community schools 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 contract, employ highly qualified educators, and administer state proficiency and graduation tests.

While community schools are not held to the state’s operating standards, they still must participate in all state-required assessments, including the Ohio Achievement and Graduation Tests, and with the requirements of the federal *No Child Left Behind* Act, including adequate yearly progress (AYP) and the employment of highly qualified teachers. Moreover, community schools must close if they do not demonstrate increased academic performance under the new Value-Added metrics or their state performance rating.

There can be no stronger accountability instrument for community schools than school closure, and school administration, staff, governing boards, parents and sponsors are keenly aware of the importance of high performance and results under Ohio law. House Bill1, enacted in the fall of 2009, added more stringent criteria to trigger the closure of a community school based on academic performance. The following demonstrates the new legislative requirements for school closure.

Grade Levels Offered	Closure Criteria
A school that does not offer a grade higher than three	Has been in Academic Emergency for three of the four most recent school years
A school that offers any of grades four to eight, but no grade higher than nine	Has been in Academic Emergency for two of the three most recent school years and showed less than one standard year of academic growth in reading or math for at least two of the three most recent school years
A school that offers any of grade 10 to 12	Has been in Academic Emergency for three of the four most recent school years

The closure criteria provide schools clear guidelines based on expected performance. The law, however, contains several caveats and exemptions to school closure.

ORC §3314.35 exempts from closure any community school in which a majority of the students are children with disabilities receiving special education and related services in accordance with Chapter 3323 of the Code. Also exempt from closure are schools that primarily serve students in a dropout recovery program that is operated by the school and has been granted a waiver under §3314.36. As of October 2009, two schools have been permanently closed under §3314.35 and an additional 11 schools have been notified that they must close permanently under this statute on or before June 30, 2010. Beginning with the 2009-2010 school year, the ratings a community school receives under §3302.03 for its first two full school years shall not be considered toward automatic closure of the school under §3314.35.

The Local Report Card, AYP and Value-Added requirements, coupled with the attending consequence for school closure, have raised the accountability bar and the consequences for low-performing community schools. An additional accountability element is found in the new Ohio Core requirements that affect Ohio high school students graduating after 2010. New requirements in math, such as the inclusion of Algebra II, and a more thoroughly defined elective program, including the choice of a combination of foreign language, fine arts, business, career-technical and other courses, will require changes in school staffing, including the composition of community school teachers.

Newer types of student performance data models are changing how schools are measured and thus viewed in the public eye. For example, Value-Added analysis is a statistical method used to measure a school's impact on the rate of student progress from year to year. Value-Added analysis has the potential to be one of the most important school improvement resources. Using this growth metric, schools receive valuable diagnostic information that will help determine the impact of their curriculum and instructional practices on student achievement.

The following tables have been updated using 2009 data to show school performance by category and organizational structure.

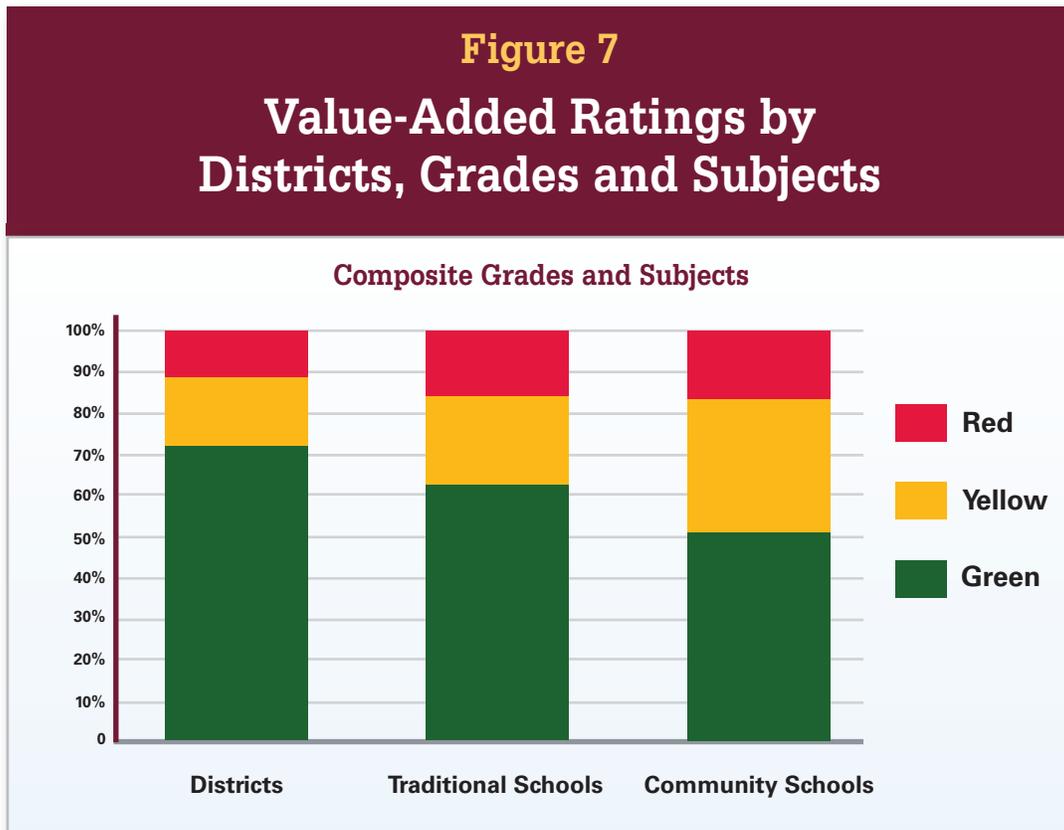
Figures 7 through 9 - Value-Added Ratings. The following three charts show the percentage of schools and districts that were rated in each of three Value-Added categories.

Green denotes the proportion of schools or districts that had Value-Added results which were statistically better than the standard of “one year’s growth in one year’s time” (LRC “Plus” rating).

Yellow denotes the proportion of schools or districts that met the growth standard (LRC “Check” rating).

Red denotes the proportion of schools or districts that did not meet the standard (LRC “Minus” rating).

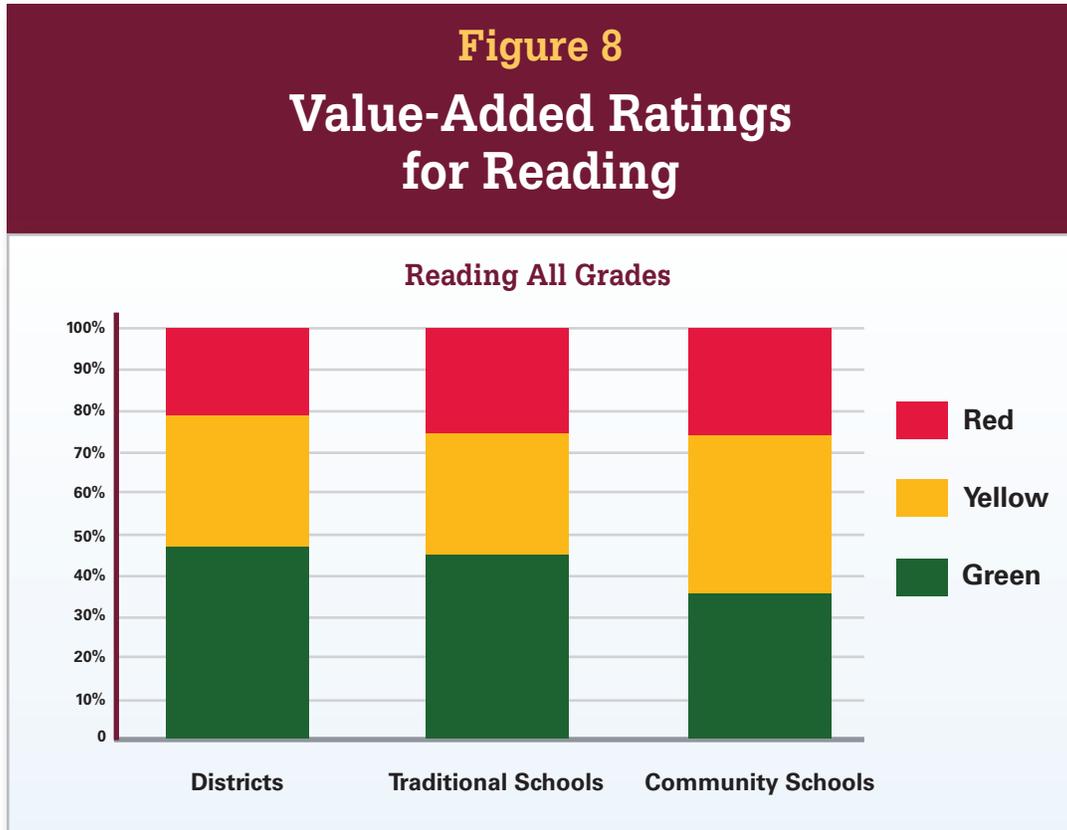
Figure 7 shows the results for schools and districts as they pertain to the combination of all grades and subjects.



**Composite Grades and Subjects**

All Grades and Subjects	Districts	Traditional	Community Schools
<b>Green</b>	443	1552	85
<b>Yellow</b>	96	525	53
<b>Red</b>	71	424	31
<b>Total</b>	610	2501	169
<b>Percents</b>			
<b>Green</b>	72.6%	62.1%	50.3%
<b>Yellow</b>	15.7%	21.0%	31.4%
<b>Red</b>	11.6%	17.0%	18.3%

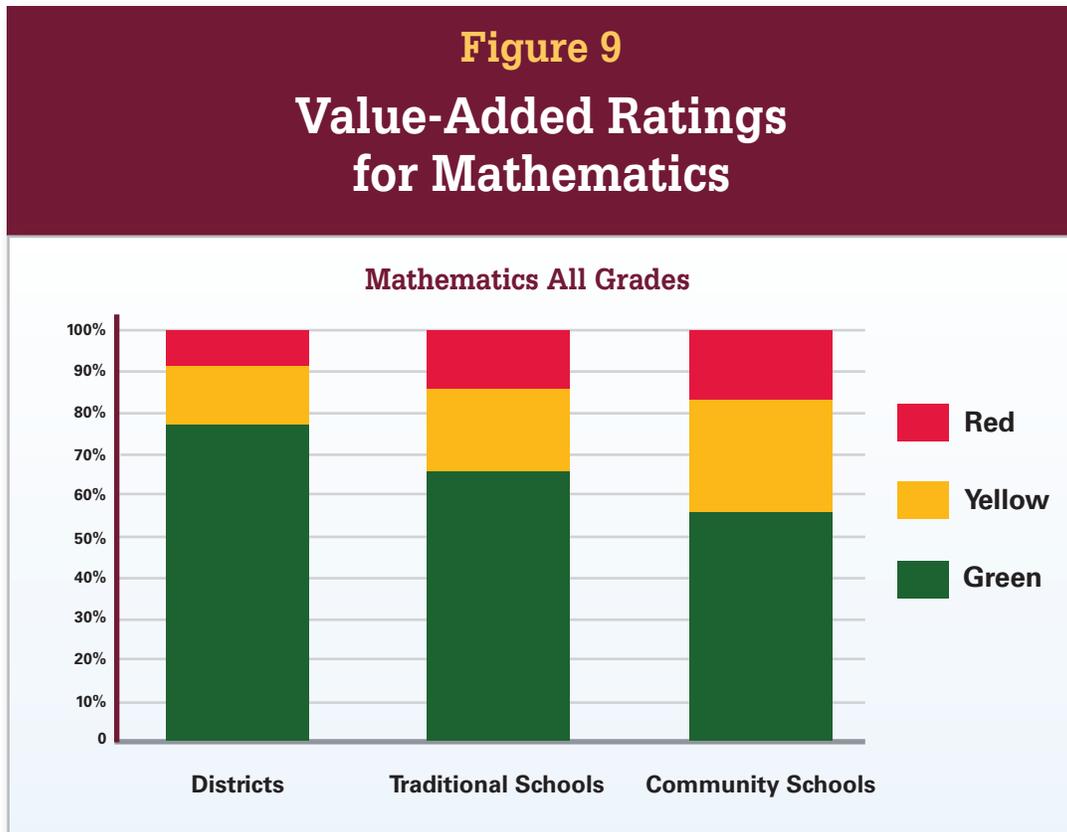
Figure 8 provides the Value-Added results for all grade levels combined, but only for progress in reading.



**Reading All Grades**

All Grades and Subjects	Districts	Traditional	Community Schools
<b>Green</b>	287	1149	63
<b>Yellow</b>	181	692	61
<b>Red</b>	132	660	45
<b>Total</b>	610	2501	169
<b>Percents</b>			
<b>Green</b>	48.7%	45.9%	37.3%
<b>Yellow</b>	29.7%	27.7%	36.1%
<b>Red</b>	21.6%	26.4%	26.6%

Figure 9 shows the same information as 8 but for Value-Added results in math.



### Mathematics All Grades

All Grades and Subjects	Districts	Traditional	Community Schools	
<b>Green</b>	482	11718	95	
<b>Yellow</b>	69	441	41	
<b>Red</b>	59	342	31	
<b>Total</b>	610	2501	167	
<hr/>				
<b>Percents</b>	<b>Green</b>	79.0%	68.7%	56.9%
	<b>Yellow</b>	11.3%	17.6%	24.6%
	<b>Red</b>	9.7%	13.7%	18.6%

Value-Added is a measure of the performance of schools and districts in providing their students a year of growth in a year of time. As seen in Figure 7, in 2009 nearly nine out of 10 districts (88 percent) met or exceeded the standard of one year of growth. This is an improvement over the previous year when about two-thirds of all districts met or exceeded the standard.

If a school or district exceeds the growth standard two years in a row, its report card designation can be adjusted “up” one step, including a level of Excellent with Distinction.

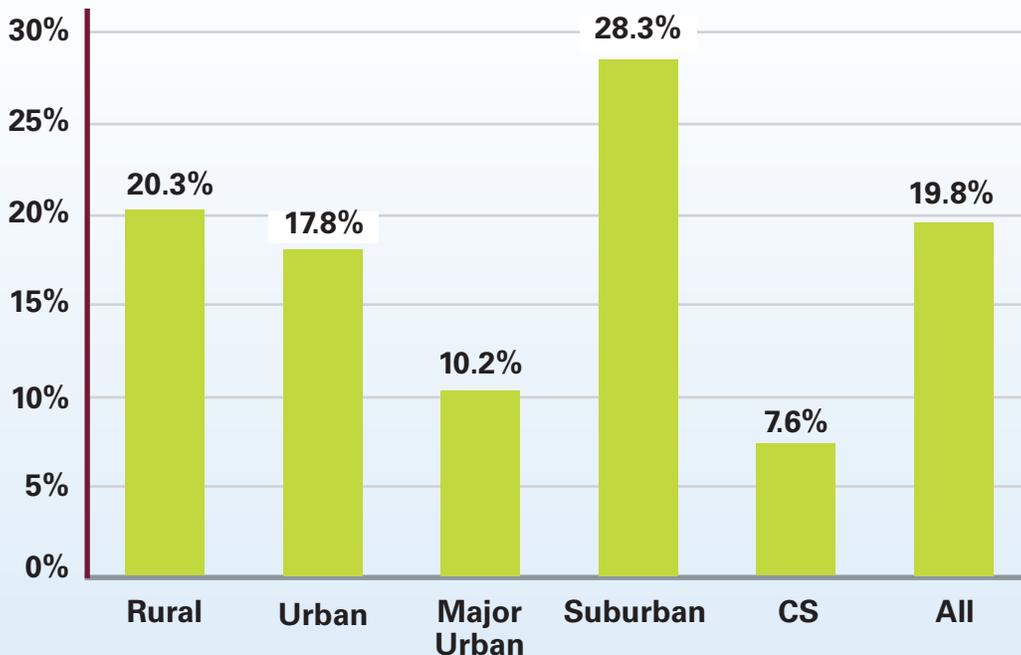
If a school or district does not meet the growth standard for three years in a row, its report card designation can be adjusted “down” one step (but no worse than Academic Emergency).

There were just under 2,700 schools that received a Value-Added rating in 2009. Of that total, nearly 20 percent received a rating of “plus” for the second year in a row and thus attained a boost in their overall report card rating. While this result varied somewhat among schools in different types of districts, the advancement in rating due to Value-Added was seen in all types of districts.

Figure 10 shows the pattern of schools attaining a “plus” rating in Value-Added two years in a row for schools in different types of districts. CS means community schools.

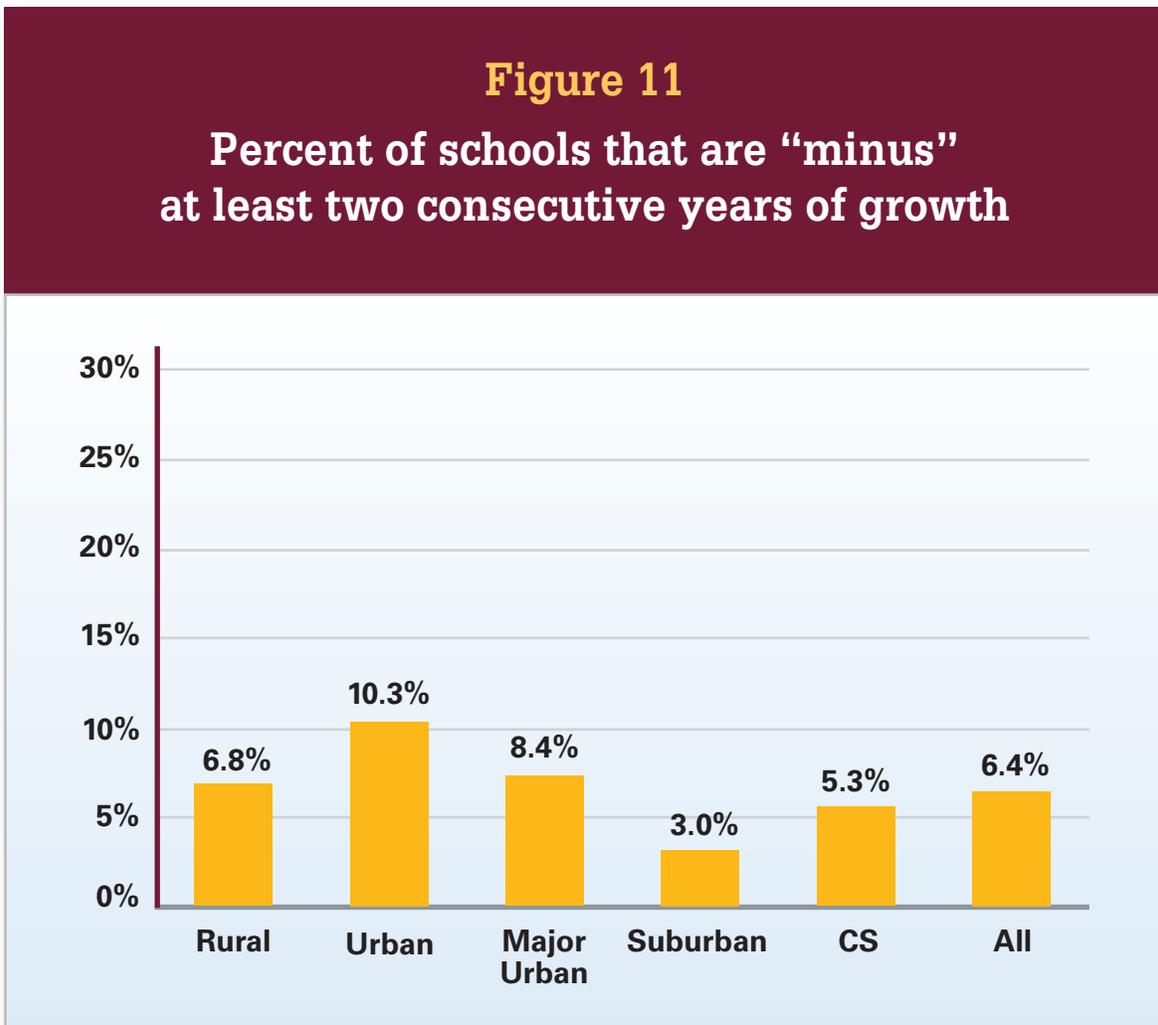
**Figure 10**

**Schools that were “boosted” in their Local Report Card rating because of Value-Added Plus for two consecutive years.**

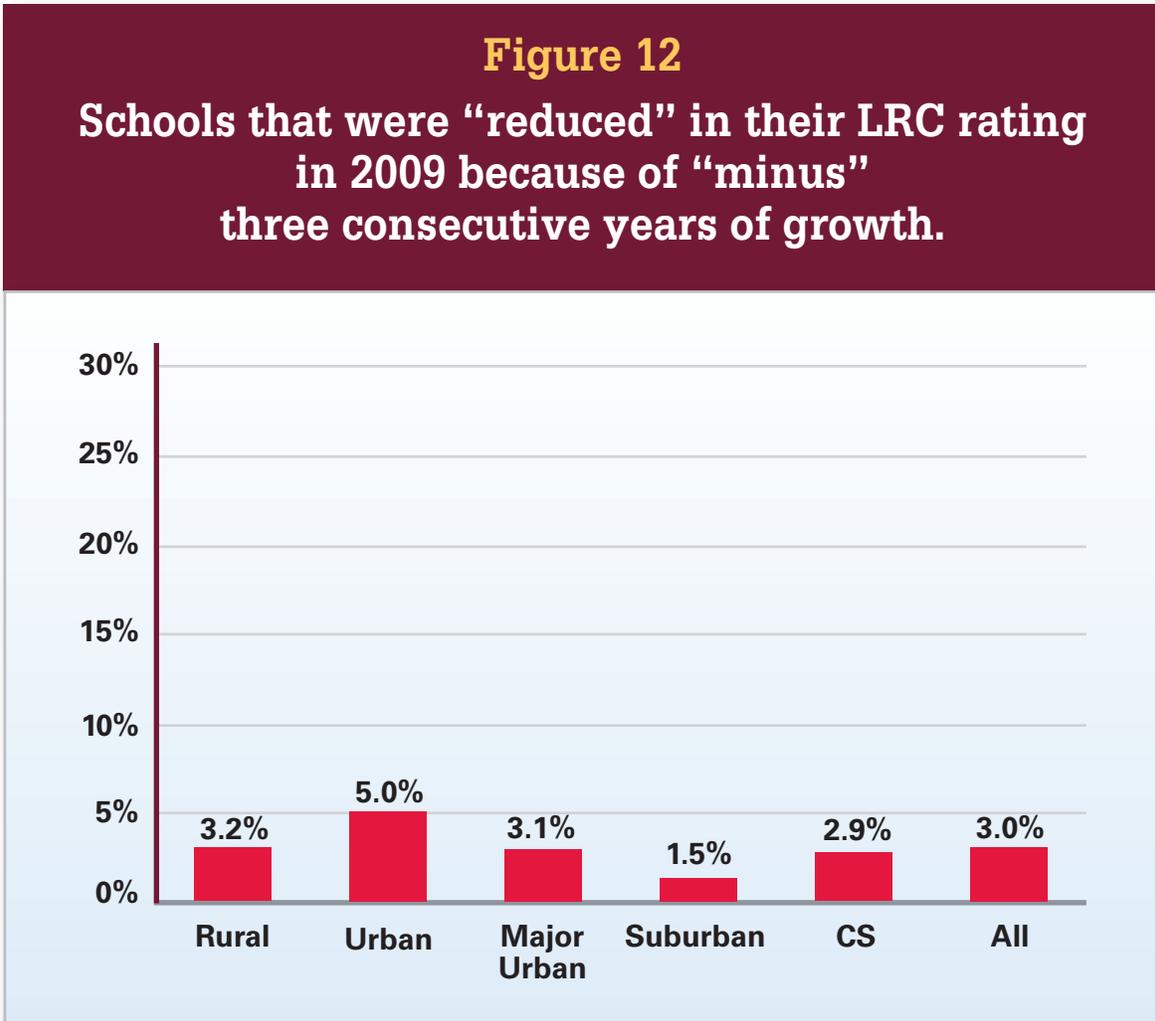


Starting with the 2009 report card, schools and districts that did not meet the Value-Added standard for a third year in a row were negatively affected in their overall LRC rating by one level. About 80 schools (3 percent of schools that received a Value-Added score in 2009) did not meet the standard for a third year in a row and received a lower rating on their report card. Note that schools that were rated as “Academic Emergency” prior to the application of the Value-Added measure could not receive a lower LRC rating since there is no LRC designation below “Academic Emergency”.

Figure 11 shows the percentage of schools that were “reduced” in their LRC rating in 2009.



In addition to the districts and schools negatively affected by Value-Added in 2009 ratings, others who have two years of below-standard growth are potentially affected in 2010. Figure 12 shows the percentages of schools (by district type) that have had at least two years of Value-Added “minus”:



## Accountability and Community School Sponsors

In Ohio, the sponsor is the agent or authorizer for the establishment of community schools. Community schools are created when individuals seeking to open a new community school enter into a contract with a community school sponsor. The sponsor, in its role of authorizing a community school, serves as a quality-control agent in the development of this system of public charter schools.

Upon signing a community school contract, these individuals (the founding coalition) become the governing authority of the school. The community school contract specifies the academic, fiscal, governance and accountability plans the school's governing authority is responsible for carrying out. The sponsor and the governing authority are the only two parties to the contract. OCS reviews each contract to ensure that all required elements are included in the agreement. If a contract does not contain all of the legally required elements, it is returned to the sponsor for modification or amendment.

In an accountability environment, the sponsor's role is a critical one in ensuring that the community school implements its educational mission and operates in full legal compliance. ODE's role is to monitor the sponsor's compliance with rule and law. OCS's Sponsor Performance Review process is designed to measure sponsor capacity and compliance with the obligation to provide oversight, monitoring and technical assistance to schools, along with intervention and corrective action when necessary. The Sponsor Performance Review establishes a high-quality set of professional standards and a system of evaluation that lead to improved authorizer practices which support quality school outcomes.

The first phase of the Sponsor Performance Review began in September 2006, with a Pilot Cohort of 10 ODE-approved sponsors and one volunteer participant, Lucas County Educational Service Center, sponsor of the largest number of community schools. OCS collected baseline data on school and sponsor performance and 92 schools were visited as part of the performance review. In 2006, Ohio's requirement to evaluate sponsor organizations was recognized as unique at the national charter school authorizer conference. None of the other 41 states and localities that make provisions for public charter schools require an evaluation of sponsor organizations.

Sponsor evaluation is enabled through ORC §3314.05 (B)(1), which, since April 2003, requires first-time sponsors of new start-up community schools to be approved by ODE and to have entered into a written agreement with ODE regarding how they will conduct their sponsor activities. On this basis, the Sponsor Performance Review process has been built as a means to assure compliance with the written agreement between the sponsor and ODE.

The following chart details the 19 sponsors that have been approved to operate under an agreement with ODE, since the above-referenced legislation went into effect. The chart also lists the other sponsors who already were sponsoring new start-up community schools before April 2003 and those that sponsor conversion community schools. This chart reflects the number of schools each operated as of Nov. 19, 2009.

**Figure 13**  
**Entities Approved by ODE**  
 Under Agreement with ODE Since April 2003

**Sponsors Not Required to be approved by ODE**  
 (Served as Authorizers Prior to April 2003)

<b>Nonprofit Sponsor</b>	<b># Start-Up Schools</b>	<b>ESCs/ Districts</b>	<b># Start-Up</b>	<b># Start-Up</b>	<b>Sponsors</b>	<b># Start-Up Schools</b>
			<b>Schools</b>	<b>Schools</b>		
1. Ashe Culture Center	11	1. Auglaize ESC	1	0	1. Akron City School District	1
2. Buckeye Community Hope	29	2. Columbus City School District	1	0	2. Cincinnati City School District	1
3. Ed. Resource Consultants	22	3. ESC of Central Ohio	6	0	3. Cleveland Municipal School District	3
4. Kids Count of Dayton	10	4. Lima City School District	1	0	4. Dayton Public School District	2
5. Richland Academy	3	5. Mahoning ESC	3	0	5. Lucas County ESC	70
6. St. Aloysius	40	6. Mid-Ohio ESC	1	0	6. Ohio Council of Community Schools	47
7. Thomas B. Fordham	6	7. Montgomery ESC	5	0	7. Reynoldsburg City School District	2
		8. Portage County ESC	0	0	8. Toledo City School District	3
		9. Tri-County ESC	0	1	9. Tri-Rivers Joint Vocational Center	1
<b>State University</b>	<b># Start-Up Schools</b>	10. Summit County ESC	0	1		
1. Bowling Green University	1	11. Youngstown City School District	1	0	<b>Non-ODE Approved Sponsored Start-Up Schools</b>	130
<b>Nonprofit Sponsored Start-Up Schools</b>	122	<b>ESC/District Sponsored Start-Ups/ Conversion</b>	19	2	<b>Non-ODE Approved Sponsored Conversion Schools</b>	50

**77 Active Sponsors**

(323) total operating community schools as of Nov. 19, 2009

## Quality Assurance through Increased Sponsor Capacity

During the last several years, ODE has responded to a series of legislative initiatives (see the Legislative History section of this report) that address sponsor accountability while also improving the quality and capacity of sponsor organizations. These initiatives, some of which were contained in H.B. 119, included the Sponsor Performance Review. Under new limits to the opening of new schools, sponsors may authorize and open new start-up schools under the Operator Provision if the operator manages schools in Ohio or another state that perform at a level rated equivalent to Continuous Improvement or better. As a result, quality is addressed by linking new school openings to successful performance by existing community school models.

ODE also recognizes that various forms of technical assistance can support sponsors and increase their capacity to monitor and bring school improvement. Both the National Association of Charter School Authorizers (NACSA) and its state affiliate, the Ohio Association of Charter School Authorizers (OACSA), have built sponsor capacity and addressed ODE's charge to improve the quality of existing schools through sponsor performance enhancements.

For its part, OACSA determined that student achievement can be raised through improvements in sponsor practices. At the time it was established, OACSA approved these foundational statements to guide its work:

- Focus on academic, operational and fiscal quality;
- Ensure that only qualified individuals and organizations operate Ohio community schools;
- Establish and communicate clear performance standards and articulate expectations of schools in the school contract or charter;
- Provide clear, concise and timely feedback to governing authorities and administrators regarding attainment of academic, organizational, regulatory and fiscal performance standards;
- Deliver swift intervention in a school's operation when it fails to meet contracted performance standards; and
- Add value to Ohio's public education system.

## Conversion Community Schools: Quality and Compliance Considerations

In addition to its work with OACSA, the Office of Community Schools spent a portion of the 2008-2009 school year examining the performance of conversion schools and the practices of school districts in ensuring that these schools demonstrate a separate and unique identity apart from the district sponsor. In the spring, staff from OCS visited 36 conversion community schools throughout the state to collect data in five major categories and 48 subcategories pertaining to school independence from the sponsor; educational programs; admissions processes; governance, administration; school staff; and contract sufficiency.

Findings from these visits suggest:

1. Independent governance of the community school and integrity of the sponsor's fiscal monitoring functions could not be assured for 34 schools because the treasurer for the conversion school also was the treasurer for the sponsoring district.
2. Independent, sufficient administration could not be assured for 19 schools because the conversion school's chief administrator performed similar administrative functions at one or more of the sponsoring district's buildings or programs.
3. Independent governance of 18 schools could not be assured because an employee of the sponsoring district was a member of the conversion school's governing authority board.
4. Independent operation of the community school could not be assured for 14 schools because the conversion school made payments to the sponsoring district, in addition to the sponsorship fee, but without a contract for services.
5. Independent operation could not be assured for nine schools because community school students did not receive instruction for core subjects in classrooms dedicated to community school students.
6. Independent, sufficient faculty could not be assured for eight schools because the conversion school's teachers performed similar teaching functions at one or more of the sponsoring district's buildings or programs.
7. Facilities enabling independent operation could not be assured for the conversion school because adequate, separate, dedicated classroom space sufficient to accommodate the community school students was not evident.

As a result of these findings, the Office of Community Schools will be further engaged during the next year with conversion community school sponsor districts in ensuring that such schools are operated consistent with law and regulation, and that each school shall be a separate and unique entity consistent with federal and state requirements.

## Quality Assurance through New School Planning and Design

Just as OACSA emerged to improve sponsor practices, schools themselves have responded to a perceived need to improve their own performance by enhancing the knowledge and skills of those who are based at the building level. In addition to OACSA, two other organizations currently provide technical assistance and support for community schools.

The Ohio Alliance of Public Charter Schools, a professional organization that serves community school personnel, assists in developing a focus on quality practices. During the past year, the Ohio Alliance offered its members a series of workshops focusing on the many facets of school improvement. The Alliance is expected to expand its work in building school capacity during the next several years.

The Ohio Coalition for Quality Education has identified itself as an advocate for schools of choice and has developed a working relationship with legislators, ODE and members of the State Board of Education on behalf of Ohio community schools. Through engagement with legislative leaders and other community members, the Coalition serves as a forum for improving public awareness and works to elevate the level of understanding about the purpose and function of community schools.

The Office of Community Schools will continue to work with both organizations, as it has with OACSA, to improve student achievement and school quality, as well as continuing conversations about the essential elements that constitute effective community school practices and engender student achievement, parent satisfaction and engagement with schools of choice.

In addition, OCS has been instrumental in providing for quality school design through its receipt of competitive grants from the U. S. Department of Education. The Public Charter School Program (PCSP) is a federal grant awarded for three years that ODE, in turn, makes available to community schools on a competitive basis. Awarding a PCSP planning grant has allowed school designers the opportunity for careful planning of the new school and PCSP implementation grants provide new schools access to resources needed to open them. A new school may receive up to \$500,000 from the PCSP over three years.

The PCSP grant money has allowed OCS to both increase sponsor capacity and influence the design of high-quality schools. Ohio has been the recipient of three PCPS grants, covering a nine-year period. Ohio's most recent PCSP award was the second highest in the nation, with \$48,817,500 allocated to Ohio for the August 2007 to July 2010 performance period. OCS regards the PCSP as a resource to positively influence the planning and development of public charter school programs.

Project objectives for Ohio's PCSP grants include the following:

1. Fund up to 35 new community schools in each of the three years to promote public school choice;
2. Increase the number of high-quality dropout recovery schools to allow access to those most at-risk of dropping out;
3. Provide funding for the dissemination of validated educational best practices;
4. Address Ohio Education Management System (EMIS) reporting requirements that support data-driven decisions to promote academic achievement; and
5. Build sponsor (authorizer) capacity to provide valid, reliable, data-driven technical assistance to enable high-quality schools.

## Financial Stability of Community Schools

If a community school operates in a fragile financial condition, its academic program, engagement with stakeholders and viability are in question. As a response to public concern, H.B. 79 addressed community school financial issues, including sponsor accountability for schools that are unauditible. Moreover, OCS has been proactive in its approach to financial reporting and the issues raised with substandard practices in such reporting. Due to such concerns, OCS took the initiative to withhold PCSP funds until deficiencies in financial reporting were corrected and before such administrative practices were required by legislation.

Under the provisions of Section 269.60 of the Biennial Budget Bill, community schools declared unauditible now have their federal start-up funds withheld until they can be audited. New requirements for financial monitoring include the obligation of the Auditor of State to provide written notification that a community school is unauditible to the school, its sponsor and ODE, and to post the notification on the Auditor's Web site. Beginning June 30, 2007, community schools declared unauditible have 90 days to bring records into an auditible condition or face withdrawal of all state and federal funding.

During the period from 2005 to 2009, the following community schools were listed as unauditible by the Auditor of State.

**Figure 14** **Unauditible Schools**  
**2005-2009**

Project Name	Audit Year	Status	Date Unauditible
The Arts Academy	2007	Unauditible	8/19/08
Arts Academy West	2007	Unauditible	8/19/08
Arts Academy West	2008	Unauditible	4/22/09
Eagle Heights Academy	2007	Unauditible	8/15/08
Greater Achievement CS	2004	Unauditible	10/9/08
Greater Achievement CS	2005	Unauditible	10/9/08
Greater Achievement CS	2006	Unauditible	10/9/08
Greater Achievement CS	2007	Unauditible	10/9/08
Montessori Renaissance Experience	2006-2007	Completed	3/6/08
Phoenix Village Academy Primary 1	2007	Completed	4/23/08
Phoenix Village Academy Primary 2	2006	Completed	11/18/08
Phoenix Village Academy Primary 2	2007	Unauditible	11/18/08
Phoenix Village Academy Secondary 1	2007	Unauditible	11/18/08

There is a consequence for sponsors having unauditible schools. A sponsor of an unauditible community school is prohibited from entering into contracts with additional community school governing boards until the Auditor completes a successful financial audit of the school declared unauditible. In response to these new financial accountability requirements, OCS is engaged with the Auditor of State to ensure that school financial reporting is improved so that schools will not find themselves with financial reporting performance issues. School financial reporting improvements are being addressed through regional meetings across the state sponsored by the Auditor of State. School fiscal officers and sponsors are the intended audience for these meetings. Staff from OCS also attended some of these regional trainings.

## Schools of Promise

In October 2009, Superintendent Deborah Delisle announced that 134 Ohio schools have been designated *Schools of Promise*. Of that number, 10 are community schools. This program identifies schools across the state that have more than 40 percent of their students from low-income backgrounds and where those enrolled met or exceeded the state standard of 75 percent passage in reading or mathematics for the 2007-2008 school year. Additionally, to be designated a *School of Promise*, all student groups must meet the federal requirement of Adequate Yearly Progress.

**Figure 15**      **Community Schools**  
**2008-2009**  
**Schools of Promise Designees**

County	School	Percent of Economically Disadvantaged Students	Subject(2) Recognized	Years as School of Promise
Cuyahoga	Citizens Academy	83%	Reading	2
Cuyahoga	Cleveland Entrepreneurship Preparatory School	74%	Reading	2
Cuyahoga	Horizon Science Academy Cleveland	55%	Reading	2
Cuyahoga	The Intergenerational School	64%	Reading	2
Cuyahoga	Old Brooklyn Community Elementary	49%	Math	2
Cuyahoga	Puritas Community Elementary	54%	Reading	1
Cuyahoga	Old Brooklyn Middle School	42%	Reading	1
Franklin	Horizon Science Academy Columbus	71%	Reading & Math	1
Hamilton	T.C.P. World Academy	71%	Math	3
Lucas	Horizon Science Academy Toledo	75%	Reading	1

## **U. S. Department of Education Blue Ribbon Schools of Excellence**

In September 2009, Horizon Science Academy of Cleveland, an Ohio *School of Promise*, also was recognized as a Blue Ribbon School of Excellence by the U. S. Department of Education. The federal Blue Ribbon program requires schools to meet certain assessment criteria, have a high percentage of low-income students and score in the top 10 percent on state assessments.

## Additional Components of the Community School Annual Report

The remainder of this report presents the work as it has been defined in more than 10 years of legislation, as well as data that describe school academic and demographic characteristics, enrollment, finance and community school legal compliance. For a fuller understanding of the state's system of public charter schools, as well as additional data from state reports and a concise legislative history, please refer to the following sections:

*Sources:*

1. *Supporting Charter School Excellence Through Quality Authorizing*. U. S. Department of Education, Office of Innovation and Improvement, 2007.  
[http://www.ed.gov/nclb/choice/charter/authorizing/pub\\_pg13.html](http://www.ed.gov/nclb/choice/charter/authorizing/pub_pg13.html).
2. *Principles & Standards for Quality School Authorizing*. National Association of Charter School Authorizers, 2007.  
<http://www.qualitycharters.org/i4a/pages/Index.cfm?pageID=3393>
3. *Guiding Principles*. Ohio Association of Charter School Authorizers, 2007.

## Community School Legislative History

### Early Legislation

#### 122<sup>nd</sup> General Assembly 1997-1998

With the enactment of House Bill (H.B.) 215 in June 1997, a pilot community school program was established in Lucas County. The Lucas County Educational Service Center and the University of Toledo were authorized as community school sponsors. (The terms 'sponsors' and 'authorizers' are used interchangeably among those familiar with community schools, or charter schools, as they also are called). The bill allowed for the creation of new start-up and conversion community schools. New start-up community schools were allowed only in the Lucas County pilot study area. As a result of this legislation, conversion community schools sponsored by traditional public school districts were allowed statewide.

Senate Bill (S.B.) 55, enacted in August 1997, expanded the community school program beyond the Lucas County pilot study area, added the State Board of Education as a sponsor and provided for the creation of new start-up community schools within the Ohio 'urban eight' public school districts. In the fall of 1998, H.B. 770 allowed the University of Toledo Board of Trustees to designate an entity for sponsoring schools in the Lucas County pilot project area.

#### 123<sup>rd</sup> General Assembly 1999-2000

H.B. 282, enacted in the fall of 1999, allowed for the expansion of start-up community schools to the 21 largest urban public school districts (all Ohio 'urban eight' districts plus Cleveland Heights, East Cleveland, Elyria, Euclid, Hamilton, Lima, Lorain, Mansfield, Middletown, Parma, South-Western, Springfield and Warren) and, beginning in 2000, to any school district determined to be in "academic emergency." Lucas County Educational Service Center, the University of Toledo (through its designee the Ohio Council of Community Schools), and the State Board of Education were allowed to sponsor start-up community schools in any eligible district. These expansions also permitted superintendents of traditional public school districts to sponsor start-ups in their own or another eligible district within their county.

Attendance areas for community schools were further defined by this legislation. The governing authority of each community school was required to adopt a policy that specified whether admission to the school was limited to students living in the district where the school is located, or is open to students living in adjacent districts or from anywhere in the state. This legislation also required a school district to transport its students enrolled in a community school on the same basis that it provides transportation to students enrolled in district schools.

## 124<sup>th</sup> General Assembly 2001-2002

In the fall of 2001, H.B. 94 addressed the need for facilities for start-up community schools. This legislation required school districts that are selling real property to first offer such property to the governing authority of a start-up community school that is located within the district. In addition, this legislation created a program to provide loan guarantees to community schools for the acquisition of classroom facilities.

Sponsor oversight of community schools also was addressed in this legislation. H.B. 94 granted a sponsor the authority to suspend the operation of a community school immediately for health and safety issues and to suspend a school for other reasons provided the sponsor informed the governing authority of its intent to suspend and also provided an opportunity for a remedy to be offered by the school. Sponsors also were allowed to terminate or not renew a community school contract with 90 days' notice, reduced from the previous 180-day requirement, and to terminate a contract before the completion of the academic year.

H.B. 364, effective April 8, 2003, changed the role of the State Board of Education from a sponsor of community schools to the authorizer of community school sponsors. This legislation enabled the State Board to focus its energy on providing oversight for the development of these schools and thus further defined its policy and operational role. The bill permitted the State Board of Education to continue as a sponsor for those community schools it had previously approved for up to two school years, until June 30, 2005, to allow the schools time to seek new sponsors. After June 2005, the State Board of Education could sponsor community schools only in specified exigent circumstances (e.g., if a sponsor's authority to authorize community schools is revoked).

Under the provisions of H.B. 364, sponsorship eligibility for start-up community schools was redefined to include any of the following public entities:

1. Public school districts;
2. Educational Service Centers;
3. The 13 state universities offering four-year programs; and
4. Qualified federal tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code. These federal tax-exempt entities may serve as community school sponsors provided they have been in operation for at least five years prior to their community school sponsor status, hold assets of at least \$500,000, and been determined by ODE to be an education-oriented entity under ORC §Division (B)(3) of 3314.015. Any eligible entity meeting these criteria may seek approval from ODE to become a sponsor of start-up community schools.

The effect of this part of the legislation was to place more focus on the role of the sponsors and their capacity to authorize community schools. Effective with this legislation, sponsors are required to apply for approval as community school authorizers, who then are offered a contract to serve as a community school sponsor or authorizer for a fixed period of time.

Any entity already serving as a sponsor on or before April 8, 2003, however, was “grandfathered” as an approved sponsor of start-up community schools.

H.B. 364 expanded the location of new start-up community schools with the inclusion of “Academic Watch” districts to the definition of “challenged school districts.” Under H.B. 364, challenged school districts include any:

1. School district that is part of the Lucas County pilot study area;
2. School district that is in either Academic Emergency or Academic Watch under ORC §3302.03;
3. Ohio ‘urban eight’ school district (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown); and/or
4. ‘Urban 21’ school district (all Ohio ‘urban eight’ districts, plus Cleveland Heights, East Cleveland, Elyria, Euclid, Hamilton, Lima, Lorain, Mansfield, Middletown, Parma, South-Western, Springfield and Warren).

H.B. 364 limited the total number of new non-district sponsored start-up community schools to 225 until July 1, 2005.

This legislation also was noteworthy because of its importance in further defining Internet community schools. These entities, also known as e-schools, were required to establish a central base of operation at a physical location and provide computers to students for instructional use. These computers must be provided with a filtering device or software that blocks Internet access to materials that are obscene or harmful to juveniles. Moreover, human connectivity was ensured for all students through a requirement that all Internet community schools have plans that ensure face-to-face visits by teachers with students enrolled in the e-school.

### **125<sup>th</sup> General Assembly 2003-2004**

H.B. 95, which became effective on June 26, 2003, allowed Educational Service Centers to sponsor community schools in any challenged school district, including those challenged school districts that are not located within the ESC’s territory. This legislation also prohibited a community school whose contract was terminated from entering into a new contract with another sponsor, while allowing the school to provide a notice of 180 days to the sponsor of its intent not to renew an expiring contract.

The mechanisms for providing state aid also were detailed in this legislation. The per-pupil amount of state parity aid that would otherwise flow to a student’s resident school district is paid to the community school and ODE deducts the corresponding amount from the resident district’s state allocation. The amount of state aid paid to community schools cannot exceed the amount of payments sent to the home district in the form of total state payments and property tax rollback reimbursement.

Other provisions of H.B. 95 included the requirement for automatic withdrawal from a community school of any student who has missed 105 consecutive hours of learning opportunities without a legitimate excused absence.

H.B. 3, which became effective Aug. 15, 2003, redefined “challenged school districts” to include only:

1. School districts that are part of the Lucas County Pilot Study Area;
2. School districts that are in either a state of Academic Emergency or a state of Academic Watch; and
3. Ohio ‘urban eight’ school districts (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown).

This bill eliminated the ‘urban 21’ school districts that are not also Ohio ‘urban eight’ school districts or in Academic Emergency or Academic Watch from the definition of challenged school districts. The bill, however, permitted existing start-up community schools established in ‘urban 21’ school districts that did not otherwise meet the definition of a challenged school district, to continue operation. H.B. 3 also required the State Board of Education to recommend standards governing the operation of Internet-based community schools to the General Assembly no later than Sept. 30, 2003. ODE developed these recommendations, which were approved by the State Board of Education and submitted to the General Assembly in September 2003.

### **126<sup>th</sup> General Assembly 2005-2006**

H.B. 66, the biennial budget bill, was passed in June 2005. This legislation provided requirements for community schools in several areas, which are highlighted under the subheadings in this section. Other legislative measures, including H.B. 530 and H.B. 79, also are detailed because of their far-reaching importance in further defining the scope of community schools in Ohio.

#### ***Accountability for Community Schools***

The biennial budget bill H.B. 66 expanded accountability for community schools and required them to report on their special education and related services, as well as their expenditures for those services. Pursuant to ORC §3314.28 (A), Internet-based schools also were required to submit a separate report detailing their plan for delivering special education and related services.

Beginning with the 2006-2007 school year, additional assessments for certain community schools were required. The legislation also required the establishment of reasonable standards for expected gains in achievement for community schools administering the additional assessments, along with standards for community school graduation rates [ORC §3314.35 and §3314.36].

The legislation required Internet-based schools to provide testing locations within 50 miles of the residence of each enrolled student [ORC §3314.25]. Internet-based schools were required to withdraw students who fail to participate in state-mandated assessments for two consecutive years [ORC §3314.26 (A)]. H.B. 66 also said that Internet-based schools may not receive state funding for students who have failed to participate in state-mandated testing for two consecutive years [ORC §3314.26 (B)]. A student may be enrolled in an Internet-based school, however, if the parent paid tuition equal to the amount of state funds the school would have received for the student.

### ***Community School Growth***

H.B. 66 [ORC §3314.013] placed two caps on the growth of community schools. Only 30 new start-up community schools sponsored by non-Local Education Agencies (LEAs) and 30 new start-up community schools sponsored by LEAs, over and above the number of such community schools open as of May 1, 2005, could open until July 1, 2007. The bill required that a lottery be held to determine the order in which schools would be able to open. Schools eligible for the lottery were those that intended to open in the 2005-2006 school year. A moratorium on Internet-based community schools also was introduced [ORC §3314.013(A)(6)] and remains in effect until the enactment of Internet-based school standards by the general assembly. Community school contracts for Internet-based community schools that were not open for instruction as of May 1, 2005, became void by operation of law as a result of H.B. 66.

### ***Operator Provision***

H.B. 66 [ORC §3314.014] introduced an operator provision that applies to district and non-district sponsored brick-and-mortar start-up community schools and will apply to Internet-based start-up community schools when the moratorium on Internet-based schools ends. Under this legislation, an operator is defined as an organization that manages the daily operations of a community school pursuant to a contract with a governing authority. The operator provision allows a governing authority, in partnership with an operator that has managed an academically successful community school (based on the most recent Local Report Card rating), to open a new start-up community school above the community school cap. The number of such schools that an operator may open under this provision may not exceed the number of community schools, excluding site-based conversions, managed by the operator, which are rated as Excellent, Effective, or Continuous Improvement. [Note: subsequent legislation modified the operator provision. See the summary for the 127th General Assembly].

### ***Sponsorship Limits***

Until the passage of H.B. 66 [ORC §3314.015], Ohio law did not limit sponsors as to the number of new start-up community schools that could be sponsored. H.B. 66 allowed sponsors of 50 or fewer schools open as of May 1, 2005, to continue sponsoring up to 50 new start-up community schools. Sponsors who were authorizers of more than 50 new

start-up community schools, but less than 75 schools, open as of May 1, 2005, were permitted to continue sponsoring those schools. Those sponsors, however, were not eligible to authorize any additional schools and their approved number of new start-up community schools would decrease by one for every school that permanently closed until the number of schools sponsored was 50. Sponsors that had more than 75 schools open as of May 1, 2005, were permitted to continue sponsoring those schools until June 30, 2006. After that date, the sponsor was capped at 75 schools. Moreover, the approved number of schools was decreased by one for every school that closed permanently until the number of schools sponsored was 50. No cap is imposed for sponsors of conversion community schools.

### ***Sponsor Requirements***

H.B. 66 removed the provision in law that referenced the limitation on newly approved federal nonprofit organizations regarding initial sponsorship of those schools formerly sponsored by the State Board of Education. Such organizations are free to engage in sponsorship agreements with community schools and are limited only by sponsor caps and geographical assignment within Ohio.

### ***Community School Contracts***

Several changes to community school contracts were made as a result of H.B. 66. New community school contracts for both new start-up and conversion community schools shall be adopted no later than the March 15th [ORC §3314.02(D)] prior to the school year in which the community school intends to open. Beginning in the 2006-2007 school year, community schools must open for operations no later than Sept. 30, unless the school's sole mission is to serve a high school dropout population. Community schools must open within one year of the contract's execution or its contract expires [ORC §3314.03(a)(25)].

### ***Withdrawal of E-School Students for Failure to Take Achievement Tests***

H.B. 66 required Internet-based schools to withdraw from enrollment any student who was enrolled at the time of, and required to take the spring administration of their grade-level Achievement or Graduation Tests, but who failed to take one or more of those grade-level tests for two consecutive years [ORC §3314.26 (A)]. H.B. 530 added that the withdrawal requirement applies regardless of whether the Superintendent of Public Instruction granted the student a waiver from the missed test(s).

### ***Exclusion of Certain Students from Community School Enrollment Count***

According to H.B. 530, students who have already graduated from a nonpublic high school must be excluded from enrollment for funding purposes in a community school [ORC §3314.08(P)].

### ***Early Graduation***

H.B. 530 permitted a student who has completed all curriculum requirements, including the Ohio Graduation Tests, to leave school when the graduation requirements are completed. Students who graduate early will be counted in the school's enrollment calculations for funding purposes for the portion of year the student attended [ORC §3313.61].

### ***Federal School Food Programs and Community Schools***

H.B. 530 required all community schools, with the exception of e-schools, to establish both breakfast and lunch programs, pursuant to the National School Lunch Program, if at least one-fifth of the students are eligible under federal requirements for free school food programs. The bill also required community schools to offer federal food-service programs during summer intervention services and any other summer intervention program required by law. If the governing authority of a community school determines that it cannot comply with the school-food program requirements for financial reasons, it must communicate its decision for noncompliance to the parents. If the community school does provide school lunch programs, the school must apply for state and federal funds under division (B) of ORC §3313.813 and comply with any associated State Board standards [ORC §3314.02(C)(1)(f)].

### ***Conflict of Interest***

H.B. 530 determined that a community school's governing authority members cannot be employed by the community school, nor have an interest in any contract awarded by the governing authority, except under specified circumstances [ORC §3314.03(A)(11)(e)].

### ***Deadline for Signing a Community School Contract***

Before the passage of H.B. 530, community school contracts were required to be adopted by March 15 of the year in which the school planned to open. H.B. 530 clarified time differences between adopting and executing contracts and added a new responsibility for notification of a contract's signing. With H.B. 530, beginning Sept. 29, 2005, adoption of the contract shall occur not later than the March 15 and signing of the contract shall occur not later than May 15, before the school year in which the school will open. The governing authority shall notify ODE within 24 hours of the signing of a community school contract [ORC §3314.02(D)].

### ***Qualifications of Sponsors, Including a Prohibition on a Community School Sponsoring Another Community School***

All traditional public school districts, Educational Service Centers, the 13 state universities and certain federal nonprofit entities are eligible to sponsor start-up community schools. Any such eligible entity seeking the authority to sponsor start-up community schools after April 8, 2003, must apply to and be approved by ODE. Before passage of H.B. 530, a federal

nonprofit entity was required to have assets of at least \$500,000 and be education-oriented in its mission. H.B. 530 required federal nonprofit entities to: have a demonstrated record of financial responsibility; have a demonstrated record of successful implementation of education programs; and not be a community school [ORC §3314.02(C)(1)(f)].

### ***Disposal of Real Property***

A school district's board of education must offer to the governing authorities of start-up community schools located within the school district's territory, any real property that is suitable for classroom space for academic instruction, administration, storage, or any other educational purpose, if the property has not been used for one full school year and the board has not adopted a resolution outlining a plan for using the property for any of those purposes within the next three school years. The property must be offered at a price not higher than the appraised fair market value of that property, and it must be sold to the first bidder. The same is true if the local board of education decides to dispose of such real property that has been used within one year [ORC §3313.41 and §3314.051].

### ***Reduction in Number of Schools for Approved Sponsors***

Approved community school sponsors have sponsor caps established in their sponsorship agreements and other sponsors of new start-up community schools have caps established in law, all with an ultimate maximum of 50 schools under their authorization [ORC §3314.015(B)(1)(c)]. Under H.B. 79, enacted in March 2007, sponsors will have those caps reduced by one for every school that closes permanently.

### ***Restrictions on Start-Up Community School Governing Authorities***

An individual may be on no more than two start-up community school governing authorities at the same time [ORC §3314.02(E)(2)]. Governing authority members are limited to a maximum payment of \$125 per meeting attended and cannot receive more than \$125 month regardless of the number of meetings attended [ORC §3314.025]. If an individual is a member of more than one governing authority, and the governing authorities meet at the same place and time, the combined compensation for attending both schools' governing authority meetings may be no greater than \$125. If the school is operated by a management company, the stipend is to be paid by the management company out of funds paid to the management company by the school. Otherwise, the stipend is to be paid by the fiscal officer from the operating funds of the school's treasury.

Neither governing authority members of start-up community schools nor their immediate relatives may not become owners, employees or consultants of any community school operator (profit or nonprofit) until they have been removed from membership on the governing authority for at least one year [ORC §3314.02(E)(3)].

### ***Operator Provision***

H.B. 79 included language permitting a one-time, narrowly focused opportunity for a governing authority to replicate a currently operating, successfully rated community school. Specifically, a governing authority was eligible to use the Operator Provision if it had been in charge of a successful community school for four years and had not used a management company to oversee the daily operations of that community school. A further and more general refinement of the Operator Provision is found in H.B. 276, which expanded on the H.B. 79 definition to include an individual who, acting under a contract with the governing authority, was responsible for the success of the school.

### ***Rights of a Community School Operator***

Typically, an operator is an individual or organization responsible for a community school's daily operations. If a community school's governing authority intends to terminate its contract with a school's operator, the governing authority must notify the operator of that intent. As a result of H.B. 79, the operator has a right to appeal the governing authority's decision to terminate its contract with the community school. The appeal is made to the sponsor if it has sponsored the school for at least 12 months. If the school's sponsor has sponsored the school for less than 12 months, the terminated operator appeals to the State Board of Education. Consideration of the appeal is based on the operator's compliance with certain requirements and the school's satisfactory academic progress, as outlined in the community school's contract with its sponsor. If the sponsor or the State Board of Education finds in favor of the operator, the sponsor shall remove the existing governing authority and the operator shall appoint a new governing authority [ORC §3314.026].

### ***Computers for E-Community School Students***

H.B. 79 introduced several changes to the elements required in a community school contract. Each student enrolled in an e-community school is entitled to a computer provided by that e-community school. The parent of the student may, however, waive the entitlement. E-community schools must provide written notice of the computer entitlement and waiver conditions to a parent upon his or her request to enroll the child [ORC §3314.22].

### ***Value-Added and School Closures Due to Poor Academic Performance***

H.B. 79 replaced 'expected gains,' an earlier provision that would have required the State Board to adopt a system for determining academic growth of students within a specified time period, with the Value-Added system. Value-Added performance measures and Local Report Card designations will be used to determine which community schools will be required to close permanently. This applies to any community school that meets one of several sets of criteria after July 1, 2008. A school will be required to permanently close at the end of the school year during which the school first meets the established criteria.

For schools with grade levels subject to Value-Added, both Value-Added performance and performance on state designations will be used to determine whether the school must close. For schools without grade levels subject to Value-Added, only performance on state designations will be used in the determination.

The governing authority of a school closed for poor performance under the Value-Added system will not be allowed to enter into a contract with any other sponsor. Community schools that serve a majority of students who meet a strict definition of dropout recovery will be able to apply for exemption from the requirement to close, provided they meet a series of qualifying criteria. ODE will not grant a waiver to any community school that did not qualify for such a waiver when it initially began operations, without the approval of the State Board of Education [ORC §3314.35 and §3314.36].

### ***Changes to Terms of Community School Contracts***

H.B. 79 added new requirements for community schools regarding the disposition of employee and student records; adoption of school safety plans; professional conduct and reporting conduct unbecoming to the teaching profession; and display of the United States and Ohio motto [ORC §3314.03(A)(11)(d)].

### **127<sup>th</sup> General Assembly 2007-2008**

H.B. 119, enacted in the fall of 2007, contributed to the further development of Ohio community schools as a result of a number of key features incorporated into this legislation. The following are some of the sections that relate to community schools.

### ***Operator Provision and the Opening of New Community Schools***

The moratorium on the opening of new schools, in place since 2005, was lifted by this legislation. New start-up schools may open, however, if the school's governing authority contracts with an operator of other schools in the United States that perform at a level higher than what Ohio has defined as Academic Watch [ORC §3314.016(A)]. New start-up schools may open under the Operator Provision if the operator manages schools in Ohio or another state that perform at a level rated equivalent to Continuous Improvement or better.

### ***Penalties for Reporting Inaccurate EMIS Data***

Under ORC §3301.0714, ODE is permitted to act against any school or district that fails to report EMIS data properly. ODE may withhold up to 10 percent of state payments for the fiscal year and require a corrective action plan. Additional steps in the progression include withholding up to 30 percent of state payments or issuing a revised report card.

### ***Community School Sponsor Approval***

Any entity that wishes to become a sponsor in Ohio and that sponsors or operates schools outside of Ohio must sponsor or operate at least one school in another state that is rated equivalent to continuous improvement or better. Previously, the out-of-state school had to be rated comparable to academic watch or better [ORC §3314.015(B) (1)].

### ***Community School Sponsor Territory***

Educational Service Centers may sponsor schools within their service area and contiguous counties. ORC §3314.02 allows ESCs to renew contracts with community schools that are already under sponsorship and which are outside their territory.

### ***Community School Payments***

The ORC §3314.08 allows ODE to more fairly allocate an FTE for a community school student attending multiple education providers during a school year to ensure that all educational entities receive their share of funding for time spent educating the student. Currently, community school students may enroll in career-technical programs and the community school retains a percentage of the state aid for administrative purposes.

### ***Transportation***

According to ORC §3314.091, community schools may provide their own transportation services for students and subsequently receive funding directly from the state, under prescribed circumstances. This includes the responsibility of the community school governing authority to provide written notification to the public school district of residence by a specified date that it is accepting the responsibility for providing such pupil transportation services.

### ***Community School Sponsor Assurances***

ORC §3314.19 establishes a number of pre-opening requirements for all community schools. The sponsor's confirmation of these requirements must be submitted to OCS before the beginning of each school year. These additional requirements, which strengthen those already in rule, include the sponsor's receipt of detailed plans from the school for providing special education and related services to students with disabilities and the demonstrated capacity to provide those services. In addition, school personnel must have the necessary training, knowledge and resources to properly use and submit information to all databases maintained by ODE for the collection of education data.

### ***Unauditable Community Schools***

The Auditor of State must provide written notification of a finding that a community school is unauditable to the school, its sponsor and ODE. The Auditor also must post the notification on its Web site. A sponsor of an unauditable community school is prohibited from entering into contracts with additional community schools until the Auditor completes a financial audit of the school. The sponsor also must respond to the Auditor by describing the actions it will take as a result of the finding. ODE must stop all state payments to a community school that fails to make progress in bringing its records into auditable condition within 90 days of being declared unauditable. ODE shall release withheld funds when the Auditor is able to complete an audit of the school [ORC §117.41 Unauditable Section 269.60 of the Biennial Budget Bill].

### ***Distribution of Assets of a Closed Community School***

ORC §3314.074 specifies that upon the closure of a community school, there is guidance regarding the order of debt payment. Should any funds remain, they are returned to the state's General Revenue Fund. Funds remaining after debts are paid are returned on a proportional basis to the districts of residence of students attending the closed community school.

### ***Community School Operation from Residential Facilities***

Any community school that was not open for operation as of May 1, 2005, is prohibited from operating as a community school located within certain residential facilities that receive and care for children [Temporary Law Section 269.60.10].

### ***District and Building Performance Ratings***

Like their traditional district counterparts, restrictions are placed upon the maximum Local Report Card rating a school may receive, depending upon the percentage of students not tested. These restrictions do not apply to dropout recovery community schools [ORC §3314.03(A) (11) (d), referencing §3302.03].

### ***Miscellaneous Changes***

In the final portion of the 2007-2008 biennium session, HB 562 addressed several issues that related to sponsorship, location of community schools, joint purchase agreements and a demonstration project for dropout recovery data analysis [ORC §3314.37].

### ***ESC Eligibility to Sponsor Conversion Schools***

Under the provisions of H.B. 562, Educational Service Centers are permitted to sponsor conversion community schools, provided such schools are housed in an

existing facility used by the ESC. Previously, only school districts could sponsor conversion community schools ORC §3314.02 and ORC §3314.03].

#### ***Location in Two School Districts***

This legislation allowed a start-up community school to be established in two school districts under the same contract if: at least one of the districts is designated as challenged; no more than one facility is operated in each district; grades are not duplicated in the facilities; and transportation does not exceed 30 minutes in direct travel time between the facilities [ORC §3314.02(F) and §3314.05(A), (B)(2) and B(3)].

#### ***Community School Pooling Agreements***

The governing authorities of two or more community schools are authorized to enter into “pooling agreements” where the schools may purchase health insurance, secure liability insurance, purchase goods and services or provide transportation for students enrolled in the respective schools [ORC §3314.018].

#### ***Demonstration Project – Dropout Recovery***

As an acknowledgement that more research is necessary to examine the efficacy of dropout recovery programs, H.B. 562 established a five-year demonstration project [ORC §3314.37] involving the three ISUS Institutes community schools in Dayton. These schools, the ISUS Institutes of Construction Technology, Manufacturing and Health Care, will be the subjects of data collection and analysis from 2008-2013 to assist in improving dropout-recovery programs, examine methods used in each program, provide tools to evaluate other community school dropout recovery programs, initiate accountability measures for like schools, and inform future curriculum and programming decisions in the area of dropout recovery.

### **128<sup>th</sup> General Assembly, First Session - 2009**

H.B. 1, the budget bill enacted in the fall of 2009, contained many education provisions. The following summary outlines those provisions that pertain to community schools.

#### ***Closure of Poorly Performing Community Schools***

H.B. 1 added new, more stringent criteria to trigger the closure of a community school based on academic performance. Under this legislation, the school’s particular organizational pattern determines the closure criteria that guide such action of law. For example, those schools that do not offer a grade higher than three as well as schools that offer any grade between 10 and 12 may be closed if they have been in Academic Emergency for three of the four most recent school years. Schools that offer any of

grades four through eight are subject to closure if they have been in Academic Emergency for two of the three most recent school years and showed less than one standard year of academic growth in reading or math for at least two of the three most recent school years.

Dropout prevention and recovery programs are exempt from the closure requirements. H.B. 1 also grants an exemption to community schools with a majority of students who are disabled or who receive special education.

### ***Handling of Student Records after a School Closes***

Ohio Revised Code §3314.44 requires a school's chief administrative officer to transmit all educational records of past and current students to each student's school district of residence within seven business days of the school's closing. Failure of the chief administrative officer to collect, assemble or transmit these records is a third-degree misdemeanor.

### ***Oversight of Sponsors and Annual Report***

H.B. 1 specifically states that "any and all sponsors" are under the oversight of the Ohio Department of Education, regardless of whether they must initially be approved for sponsorship. The legislation also requires that the annual report on community schools address the performance of community school sponsors.

### ***New Start-up Community Schools***

Ohio Revised Code section 3314.016 stipulates that for a new start-up community school to contract with an operator that already manages other community schools in Ohio, at least one of the operator's Ohio schools must have a report card rating higher than Academic Watch.

### ***Report Cards***

Prior law prohibited ODE from issuing a community school's first report card until the school had been open for two full school years. H.B. 1 repealed this prohibition, and instead requires the Department to begin issuing report cards for a community school after its first year of operation. The law excludes consideration of a school's performance ratings on its first two report cards in any matter in which those ratings are a factor, including whether the school meets the automatic closure criteria.

***Conversion Community Schools***

H.B. 1 permits joint vocational school districts to open a conversion school in the same manner as a city, local or exempted village school district or an Educational Service Center.

***E-school Expenditures for Instruction***

Ohio Revised Code §3314.085 requires e-schools to spend at least the per-pupil amount of their state funds designated for base classroom teachers on instructional purposes, including teachers, curriculum, academic materials other than computers and obscenity filtering software, and other purposes specified by the Superintendent of Public Instruction. If an e-school does not comply with the spending requirement, it must pay a fine equal to the greater of 5 percent of its total state payments for the fiscal year or the amount the school underspent on instruction.

H.B. 1 eliminated the prohibition on e-schools counting their expenditures to purchase computers and obscenity filtering software toward this requirement, since schools are legally required to provide these items for their students. The legislation also adds other types of software to the list of allowable expenditures for instructional purposes.