Annual Report on Ohio Community Schools

JULY 1, 2019 - JUNE 30, 2020
# 2019 - 2020

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December 31, 2020

The Honorable Mike DeWine  
Governor of Ohio  
77 South High Street, 30th Floor  
Columbus, Ohio 43215

RE: 2019-2020 Annual Report on Ohio Community Schools

Dear Governor DeWine:

I am pleased to offer you the Ohio Department of Education’s 17th Annual Report on Community Schools Operating in Ohio. Ohio law requires the Department to submit this report each year to the governor, speaker of the House of Representatives, president of the Senate and chairpersons of the House and Senate committees principally responsible for education matters.

During the 2019-2020 school year, more than 102,000 students attended Ohio community schools — about 6.1 percent of the total public school enrollment in our state. This report will help Ohio citizens understand the operation, role and general performance of community schools in Ohio’s public education system.

Due to the impact of the coronavirus, the ordered school building closure and legislative actions to remove the requirements for spring administration of assessment, several elements found in previous years’ reports (particularly in the area of academic performance) will not appear in the report this year. This should not diminish any perception of the performance of our community schools — as they transitioned to remote learning in March 2020, they continually found ways to support our students as Ohio faced the health crisis together. Several tables and graphs help illustrate the facts contained in this report. You also will find links to related pages on the Department’s website. To view the tables and accompanying narrative, please click here.

Sincerely,

Paolo DeMaria  
Superintendent of Public Instruction  
Ohio Department of Education
2019-2020

Executive Summary

Annual Report on Community Schools Operating in Ohio

Ohio supports quality educational opportunities for all students in both traditional districts and community schools and continues working to ensure its students have access to high-quality options. All Ohio schools should be safe, conducive to learning and accountable for the success of their students. Where these options are limited or nonexistent, Ohio makes opportunities available to develop new, high-quality community schools.

During the 2019-2020 school year, community schools and their sponsors had to adjust their practices amidst a global pandemic to continue serving students. The Ohio Department of Education continues its efforts to improve the community school sector through oversight of sponsors, technical assistance to stakeholders and targeted support for community schools. The continued growth by Ohio’s community schools is a testament to the work of all stakeholders within Ohio’s charter school sector.

School year 2019-2020 marked the first year funds were distributed under the Quality Community School Support fund. This fund, established in House Bill 166, earmarked $30 million in state aid to community schools receiving the designation as a Community School of Quality. In total, 62 community schools received support from this new legislative earmark for the 2019-2020 school year and received payment in January 2020. (More information can be found on page 20.)

The Department secured approval under flexibility provided by the Every Student Succeeds Act (ESSA) to allow community schools seeking to expand to apply for Charter Schools Program funding. This funding previously was available only for community schools that were opening for the first time and planning to implement high-performing educational models. The Department awarded one expansion subgrant to existing high-quality community schools and five subgrants to newly opening community schools.
Introduction

Each year, the Ohio Department of Education releases an annual report on its public community schools — called charter schools in many states. As required by state law, this annual report addresses the performance of Ohio’s community schools in five areas:

1. Effectiveness of academic programs;
2. School operations;
3. Performance of sponsors;
4. Legal compliance; and
5. Financial condition.

A community school may operate only under the oversight of a sponsor approved by the Department. Restricted by law to educationally oriented organizations, community school sponsors are responsible for approving their schools’ education plans and setting clear expectations for academic, fiscal and operational performance. The Department helps ensure a high-quality community school sector by providing technical assistance to community schools and sponsors, as well as administering a comprehensive sponsor evaluation and improvement system.
Ohio
Community Schools

The Basics
Community Schools in 2019-2020

Ohio’s community schools offer additional choices for families seeking nontraditional, K-12 public educational settings for their children. These learning institutions are public, nonprofit, nonreligious schools that receive state and federal funds but are independent of traditional school districts. By law, each Ohio community school must offer a learning environment in which all its students can make academic progress each school year. This means the school must ensure quality instruction and the academic services and interventions its students require to succeed. A sponsor can close a school for not meeting the expectations outlined in its contract.

Figure 1 displays the locations of the 313 community schools operating in Ohio.
Community Schools and Enrollment

Figure 2 reports the enrollment of full-time equivalent (FTE) students in Ohio community schools. It shows that enrollment in the state’s community schools has declined since the 2013-2014 school year. Data source: 2019-2020 community school payment reports, subject to adjustment based on the final FTE reconciliation.
Figure 3 shows a general upward trend in the number of community schools operating in Ohio over time, with a decline beginning in the 2014-2015 school year. Data Source: 2019-2020 Ohio School Report Cards.
Forming Community Schools

Opening a community school in Ohio requires the involvement of several entities. The process begins when one or more individuals develop a concept and plan for a community school. They become the community school developers. Each developer must find a sponsor that approves the plan and agrees to open the community school. Ohio has a network of sponsors approved by the Ohio Department of Education.

The developer enters a contract with the sponsor that clearly identifies expectations for the community school. When the parties enter the contract, representatives of the community school form a governing authority, which acts similarly to a local board of education for a traditional school district.

The community school governing authority and sponsor also may decide to contract with a community school operator, which can be a nonprofit or for-profit organization. The operator, which often is a community school management company, manages the school’s daily operations.

Legal Compliance – Overseeing Community Schools

A sponsor ensures a community school adheres to its contract and makes important decisions affecting the school, such as whether to renew the school’s contract. The sponsor also provides ongoing oversight and technical assistance to ensure the school is complying with state and federal laws.

Key oversight activities include:

- Making an annual pre-opening visit and at least two in-session visits to confirm the school is complying with legal requirements in areas such as school safety and teacher licensure and providing special education services. The sponsor also may offer technical assistance in a broad range of areas;
- Meeting monthly with the school’s governing authority to review school enrollment and finances and provide a written financial report;
- Reporting its review of the school’s academic and fiscal performance, legal compliance and operation to the Department, school and students’ families.

Community schools are subject to an annual financial audit conducted through the Auditor of State’s office. Copies of community school financial audits are available on the Auditor of State’s website. More information about this is available on page 23.

Overseeing Community School Sponsors

The Department carefully oversees and evaluates community school sponsors and provides technical assistance to sponsors through its Office of Community Schools.

Ohio law directs the Department to evaluate each community school sponsor annually on three components:

- Academic performance of students in the sponsor’s schools;
- Compliance with state and federal laws; and
- Quality of practices.
This comprehensive evaluation system results in a rating for each sponsor. See page 25 for details on how the Department oversees community school sponsors and data from the 2019-2020 sponsor evaluations.

Ohio law requires each community school sponsor, with limited statutory exceptions, to operate under a written agreement with the Department. The results of the sponsor’s prior-year evaluation factor heavily into the Department’s agreement with the sponsor. Each agreement stipulates the communities in which a sponsor may oversee community schools, the duration of the agreement and whether a sponsor may add community schools to its portfolio.

Ensuring Community School Operator Quality
Each November, the Department publishes an annual report on each operator that reflects student performance in the schools managed by that operator.

Types of Community Schools and Programs
Ohio classifies each community school in three ways — instructional delivery, curriculum and type. Each community school is:

1. Either a site-based school (this includes a school offering both face-to-face and web-based instruction) or an e-school;

2. A general education school, a special education school, or a dropout prevention and recovery program. In recent years, the Department has classified a handful of schools as both special education community schools and dropout prevention and recovery programs;

3. Either a startup school or a conversion school, as defined in state law.

Instructional Delivery: Site-based or E-school

Site-based School
In a site-based community school, sometimes called a brick-and-mortar school, students receive instruction led by a teacher working on-site. A site-based community school also may use a blended learning model in which students receive instruction both from the teacher and through online sources. A community school seeking to use a blended learning model must receive approval from its sponsor and file a declaration with the Department. The contract between the school’s governing authority and sponsor also must comply with state statutory criteria for blended learning. A site-based community school’s contract must identify all methods of instructional delivery and include them in the school’s education plan, as well as its performance and accountability plan.

E-school
An e-school is a community school in which students work primarily on non-classroom-based learning opportunities provided via the internet or another computer-based instructional method not reliant on classroom instruction.

A student in either a site-based community school or an e-school must meet the same graduation requirements as other public school students in Ohio.
Figure 4 shows that, by far, most community schools operating in Ohio in the 2019-2020 school year were site-based.

Figure 5 shows that more than two-thirds of Ohio community school students were enrolled in site-based schools during the 2019-2020 school year. Data Source: 2019-2020 Ohio School Report Cards.
Curriculum: General Education, Special Education or Dropout Prevention and Recovery Program

Most of Ohio’s community schools offer general education curriculum, but some serve students with specific educational needs.

Special Education School and/or Dropout Prevention and Recovery Program
Ohio law specifies two special community school designations based on the characteristics of a school’s students. These are schools that primarily serve students receiving special education or students enrolled in dropout prevention and recovery programs.

In a special education community school, more than half of the students are on individualized education programs (IEPs). This type of school receives a graded Ohio School Report Card, like all public schools in Ohio. However, a community school primarily serving students with disabilities is exempt under state law from automatic closure due to low academic performance.

A community school may apply to receive a Dropout Prevention and Recovery Report Card if it meets either of these criteria:

1. Operates a drug recovery program in cooperation with a court; or
2. Operates a dropout prevention and recovery program and enrolls more than 50 percent of its students in that program, as verified by the Department.

In addition to Ohio’s high school end-of-course tests and other state assessments, a dropout prevention and recovery program must administer a nationally normed test in reading and mathematics, approved by the Department, that documents student academic progress. Community schools that meet all requirements can receive Dropout Prevention and Recovery Report Cards in place of the traditional Ohio School Report Cards.

Student Enrollment by Curriculum Type

<table>
<thead>
<tr>
<th>Type</th>
<th>School Count</th>
<th>% of Total Community Schools</th>
<th>Students Enrolled</th>
<th>% of Total Community School Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Education</td>
<td>212</td>
<td>67.73%</td>
<td>85,308</td>
<td>82.69%</td>
</tr>
<tr>
<td>Special Education*</td>
<td>33</td>
<td>10.54%</td>
<td>3,487</td>
<td>3.38%</td>
</tr>
<tr>
<td>Dropout Prevention &amp; Recovery</td>
<td>68</td>
<td>21.73%</td>
<td>14,371</td>
<td>13.93%</td>
</tr>
<tr>
<td>Total</td>
<td>313</td>
<td>100%</td>
<td>103,166</td>
<td>100%</td>
</tr>
</tbody>
</table>


Figure 6 indicates that a majority of Ohio community school students attended general education community schools. Slightly more than 13 percent of community school students attended special education community schools or dropout prevention and recovery programs.
Type: Startup or Conversion Schools

Conversion School
A public school district, joint vocational school district or educational service center may convert all or parts of an existing facility into what is called a “conversion” community school. Per Ohio law, the school is independent of the district and overseen by a sponsor. Conversion community schools can be located in any Ohio public school district.

Startup School
A startup community school may open only in a public school district that Ohio has designated as “Challenged.” Under Ohio law, Challenged districts include, but are not limited to:

- Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo and Youngstown, because these urban districts serve high numbers of economically disadvantaged students;
- School districts designated by the state as being in Academic Emergency or Academic Watch status — in other words, generally having low student achievement;
- School districts that receive grades of D or F on the Performance Index and F’s on report card measures that show student knowledge growth in math and reading over time; and
- The lowest 5 percent of districts in the state’s Performance Index score rankings.
Ohio Community Schools

Academic Performance
Effectiveness of Academic Performance

Every Ohio community school is subject to the state’s accountability system and receives an Ohio School Report Card annually. Each community school's sponsor uses information from the school's report card, as well as other performance measures contained in its contract with the school to evaluate the school's effectiveness.

2019-2020 Ohio School Report Cards

The state’s education community experienced unprecedented impacts during the 2019-2020 school year due to the coronavirus pandemic. The Ohio General Assembly passed emergency legislation that eliminated the requirement for administration of spring assessments and end-of-course tests necessary to calculate several components on the report cards. Beyond the actions of the Ohio General Assembly, the U.S. Department of Education waived the accountability requirements with Ohio’s Accountability Workbook amid the pandemic. The Department published report cards with demographic and financial data; however, these did not include results for several indicators, including Performance Index, Progress, Gap Closing and Improving At-Risk K-3 Readers.

Community school performance has trended in a positive direction over the past several years (as demonstrated in prior-year annual reports). In addition, a report commissioned by the Thomas B. Fordham foundation through a partnership with The Ohio State University explored performance of community schools since the passage of House Bill 2 (2015-2019). The study explores the impact of community schools and had seven findings:

1. Students attending Ohio charter schools demonstrate larger achievement gains than students attending traditional public schools;
2. Attending charter schools leads to improvements in other outcomes associated with educational success and long-term well-being;
3. Black and low-achieving students in urban environments benefit most from attending Ohio charter schools;
4. Charter schools that contract with nonprofit management organizations have the largest effect on student achievement;
5. Attending a charter school during high school grades has no impact on the probability that a student eventually receives a diploma;
6. Low-achieving students benefit most from attending charter high schools (schools serving grades 9-12 only);
7. Charter schools in Columbus are notable for their consistently large positive impacts at all grade levels and across nearly all outcomes — including state achievement tests, college entrance exams, attendance rates, rates of chronic absenteeism and rates of reported disciplinary incidents.

The report underscores the positive impact community schools have had within Ohio since the passage of House Bill 2. The growth demonstrated by these schools is a testament to the hard work of the community school leaders, teachers and sponsor staff.
Community School Operations 2019-2020

The 2019-2020 school year marked the 21st year of community school operations in Ohio. Beginning in 1998 with 15 community schools authorized by two sponsors, Ohio's community school portfolio includes 313 schools and 20 sponsors.

Governing Authority Membership
Ohio law reduces conflicts of interest in community school operation by barring any community school governing authority member who is employed by a school district or educational service center from serving on the governing authority of a community school sponsored by that district or educational service center. The law also prohibits a community school governing authority member from being a member of a school district board of education and vice versa.

Ensuring School Quality Closure for Poor Academic and Fiscal Performance
Ohio has one of the most rigorous requirements in the nation for closing community schools based on poor performance. See details of the law here.

To increase transparency, the Department publishes on its website:

- The name of each community school closed during the year and the reason each school closed;
- Each entity that applied to be a sponsor, along with the entity’s application and most recent evaluation;
- Sponsor ratings; and
- A list of sponsors that may not sponsor new schools.

Ohio Revised Code 3314.35 and 3314.351 establish criteria that, if met for three consecutive years, requires closure of the community school. The Ohio General Assembly passed emergency legislation that excluded the results from the 2019-2020 report card from consideration when determining if a school met the criteria for a third consecutive year. The results of the 2020-2021 report card will be examined, along with the results from the 2017-2018 and 2018-2019 report cards to determine if a community school meets the criteria. No community school met the criteria in 2020.

Accountability Regarding Sponsors
To prevent poor-performing community schools regularly switching sponsors, a practice commonly known as “sponsor hopping,” Ohio law prohibits these schools from changing sponsors without the Department's approval. A community school that received a grade of D or F on the Performance Index score and an overall grade of D or F on the Progress component must receive approval from the Department before changing sponsors. A community school that operates a dropout prevention and recovery program and received a rating of “Does Not Meet Standards” for the annual student growth measure and combined graduation rates also must obtain the Department's approval before changing sponsors. During the 2019-2020 school year, two community schools requested to change sponsors. The Department approved the request for both schools based on the new sponsor and school's plan to improve educational outcomes for students.
Annual Performance Report for Community School Operators

Many community schools choose to contract with operators to manage their daily operations. An operator works under a contract with the school's governing authority and acts similarly to the central office of a traditional school district.

A community school operator can be a for-profit or nonprofit organization, as well as a school district or educational service center. The operator's contract retains the operator's right to terminate its affiliation with the school if the school fails to meet quality standards. The contract between a community school's governing authority and its operator also details the school's arrangement for services that may include curriculum development, staffing, facilities management, technology, marketing, training and development, and treasurer and financial services.

The state's education community experience unprecedented impacts during the 2019-2020 school year due to the coronavirus pandemic. The Ohio General Assembly passed emergency legislation that excluded academic performance from the sponsor evaluation process. As a result, no academic performance or ratings appear on the operator performance reports. The annual performance reports for each community school operator include student demographic, staff and expenditure per pupil data.

Grant Opportunities for Community Schools

Charter Schools Program Grant

Through a federal Charter Schools Program grant, Ohio is supporting the opening of high-performing and expansion of high-quality, site-based community schools to provide more opportunities for its most disadvantaged students to succeed at meeting their educational needs.

To be eligible for a Charter Schools Program grant, which covers planning, implementation and expansion, applicants must conform to the federal definition of a public charter school in the Elementary and Secondary Education Act. Each applicant must plan, implement or expand a high-performing, high-quality, site-based general education school, defined by the Department as one where students receive instruction primarily under the supervision of teachers in physical classroom settings. Dropout prevention and recovery programs and e-schools are not eligible for Charter Schools Program grants. For the first time, through flexibility provided by the Every Student Succeeds Act (ESSA), the Department held a subgrant competition for community schools. To be eligible to apply, schools had to meet the definition of high-performing and/or high-quality aligned to ESSA requirements. These schools were trying to increase enrollment by adding a grade level, adding three or more education programs or courses in core academic subject areas beyond the original school performance educational plan, or adding a facility consistent with that described in Ohio law.

To ensure oversight and transparency throughout the grant process, the Department created a CSP Grant Advisory Committee representing key Ohio stakeholders. The committee reviews and provides feedback on CSP grant-related documents and reports and receives regular updates on the status of grant activities. Details about committee membership are available in the committee's governance document.

The Department received 17 subgrantee applications and awarded 11 Charter Schools Program grants for the 2020-2021 school year. Central Point Preparatory Academy received an Implementation Year 1 grant of $350,000, Cornerstone Academy received an Expansion Year 1 grant of $350,000, Huber Heights Preparatory Academy received an Implementation Year 2 grant of $198,357, North Columbus Preparatory Academy received an Implementation Year 2 grant of $219,000, and Kenmore Preparatory Academy and Capital Collegiate Preparatory Academy each received Implementation Year 2 grants of $250,000. Northwest Ohio Classical Academy, ReGeneration Bond Hill, Arts & College Preparatory Academy, Citizens Academy Southeast, Westside Academy, and Northwest Ohio Classical Academy each received Continuation Year 2 grants of $250,000 for the 2020-2021 school year. Each of these schools is overseen by a sponsor that received an overall rating of Effective on its most recent community school sponsor evaluation. This is a requirement for all new community schools opening or expanding in Ohio.

See more here on Charter Schools Program grant eligibility.
Community School Classroom Facilities Grant

The Ohio General Assembly created the Community School Classroom Facilities Grant in 2015 to help schools purchase, construct, reconstruct, renovate, remodel or expand classroom facilities. Lawmakers appropriated $25 million for the program. In 2016, the first round, eight community schools received grants totaling more than $17 million. In 2017-2018, round two grants awarded an additional $4 million to four high-performing community schools.

Proposed projects must demonstrate the grant funds will increase the supply of seats in high-performing schools, service specific unmet student needs through community school education, and show innovation in design and potential as a successful, replicable school model.

The overall project cost for schools receiving the grants can include professional design and construction fees, facility construction, fixtures, furniture, equipment and certain other expenses. These schools also must show they have secured non-state resources equal to at least 50 percent of the project cost.

The Department and Ohio Facilities Construction Commission worked together to develop eligibility guidelines for the grant, application criteria and a timeline for a second round of grants. To be eligible for this grant, a community school must meet the definition of high quality, as outlined in the grant guidelines. In the 2019-2020 school year, the Ohio Facilities Construction Commission did offer a Round 3 competition. However, due to the financial impact of the coronavirus pandemic on state agencies, Round 3 of the competition was canceled and no schools were awarded. The commission is working to release a new competition in the coming years.

Quality Community School Support Fund

The Ohio General Assembly created the Quality Community School Support fund to commit an additional $30 million each fiscal year of the biennium budget to each community school designated as a Community School of Quality. Under the program, qualified community schools can receive up to $1,750 each fiscal year for each pupil identified as economically disadvantaged and up to $1,000 each fiscal year for all others. A community school could receive the designation one of three ways:

Criteria 1: The community school meets all the following criteria:

- The school's sponsor was rated Exemplary or Effective on the sponsor's most recent evaluation conducted under section 3314.06 of the Revised Code;
- The school received a higher Performance Index score than the school district in which the school is located on the two most recent Ohio School Report Cards issued for the school under section 3302.03 of the Revised Code;
- The school received an overall grade of A or B for the Value-Added progress dimension on the most recent report card issued for the school under section 3302.03 of the Revised Code or is a school described under division (A)(4) of section 3314.35 of the Revised Code and did not receive a grade for the Value-Added progress dimension on the most recent report card;
- At least 50 percent of the students enrolled in the school are economically disadvantaged, as determined by the Ohio Department of Education.
Criteria 2: The community school meets all the following criteria:

- The school’s sponsor was rated Exemplary or Effective on the sponsor’s most recent evaluation conducted under section 3314.016 of the Revised Code;
- The school is in its first year of operation or the school opened as a kindergarten school and has added one grade per year and has been in operation for fewer than four school years;
- The school is replicating an operational and instructional model used by a community school described in division (B)(1) of this section;
- List of community schools potentially eligible under these criteria;
- Click here to complete the Request for Information for new schools.

Criteria 3: The community school meets all the following criteria:

- The school’s sponsor was rated Exemplary or Effective on the sponsor’s most recent evaluation conducted under section 3314.016 of the Revised Code;
- The school contracts with an operator that operates schools in other states and meets at least one of the following criteria:
  - Has operated a school that received a grant funded through the federal Charter Schools Program established under 20 U.S.C. 7221 or received funding from the Charter School Growth Fund; or
  - Meets all of the following criteria:
    ▪ One of the operator’s schools in another state performed better than the school district in which the school is located, as determined by the Department;
    ▪ At least 50 percent of the total number of students enrolled in all of the operator’s schools are economically disadvantaged, as determined by the Department;
    ▪ The operator is in good standing in all states where it operates schools;
    ▪ The Department has determined the operator does not have any financial viability issues that would prevent it from effectively operating a community school in Ohio.

In total, 47 community schools meet the academic requirements under Criteria 1. To determine eligibility for a community school under Criteria 2, the Department developed a Request for Information to be completed by the school. The Department received nine Requests for Information under Criteria 2 and designated six community schools meet the criteria. To determine eligibility for a community school under Criteria 3, the Department developed a Request for Information to be completed by the operator of a community school. The Department received four Requests for Information under this section to determine eligibility for 55 community schools. After review, two requests were approved, designating an additional nine community schools eligible. In total, 62 community schools received the designation as a Community School of Quality during the 2019-2020 school year. All $30 million of the appropriation was disbursed in January 2020.
Financial Condition of Community Schools

The Department works closely with the Ohio Auditor of State to ensure school financial accountability in community schools. The Ohio Auditor of State performs financial audits every year that review accounts, financial reports, records and files to determine if community schools have complied with state and federal laws, regulations and accounting principles.

If an audit shows misuse, improper accounting for collection of public funds or misappropriation of public property, the Ohio Attorney General and Ohio Department of Education take legal action to resolve the issues. The Auditor of State regularly shares audits with school sponsors for their review and follow-up, if needed. These audits are posted on the Auditor of State's website. The auditor gives a community school whose records are not in sufficient condition for auditing 90 days to bring its records into an “auditable” condition. If the school does not do so, it may lose all state and federal funding.

To help ensure audit costs are covered if a new community school closes, Ohio law also requires a new school to post a bond of $50,000 with the Auditor of State, deposit cash in the amount of $50,000 with the Auditor of State or provide a written guarantee of payment up to $50,000.

Each community school must disclose its financial data through reports to the Department and its sponsor. The sponsor uses this data to review the school’s ongoing financial condition and inform contract renewal decisions. The sponsor’s financial review focuses on standards for sound financial operations and sustainability. This allows auditors and the sponsor to monitor a school’s short-term performance and long-term financial viability.

The sponsor representative also meets with the governing authority or fiscal officer of the school at least monthly to review financial and enrollment records.

When the cost of services provided by a community school operator or management company totals more than 20 percent of annual gross revenues of a school, the operator must provide detailed accounting information, including the nature and costs of the services it provides to the community school.

The School Sponsor’s Role in Financial Accountability

A sponsor monitors all aspects of a school’s fiscal performance. Ohio law calls for a community school sponsor to communicate with the Auditor of State and for the auditor to include the sponsor during any audit exit conference to discuss a community school’s financial audit or financial and enrollment records. A sponsor must verify annually that the Auditor of State did not issue findings for recovery against a person who proposes to create a community school, serves on the governing authority or operates the school. The sponsor also must verify annually that the Auditor of State did not issue findings against any employee of a community school who is responsible for fiscal operations or authorized to spend money on the school’s behalf. The sponsor also must give a detailed accounting of expenditures by the operator. The Auditor of State verifies these during the regular audit of the school’s financial records.

If the Auditor of State finds a community school’s financial data to be poorly kept and, therefore, unauditable, the Auditor of State must notify the sponsor in writing. The Auditor of State’s office also must notify the school and the Department and post the notification on the Auditor of State’s website.

The sponsor of an unauditable community school cannot enter into contracts with additional community school governing authorities until the auditor completes a successful financial audit of the school.
Sponsor Evaluation System

To help ensure accountability and quality in Ohio’s community school system, the Ohio Department of Education conducts yearly evaluations of sponsors.

The sponsor evaluation system assists the Department in its oversight of sponsors and helps increase the quality of sponsor practices. The evaluation framework is made up of three equally weighted components.

The three components of the evaluation system are:

- **Academic Performance component** – Academic performance of schools in a sponsor’s portfolio based on Ohio School Report Card measures;

- **Compliance with Laws and Rules component** – The sponsor’s and schools’ compliance with laws and administrative rules; and

- **Quality Practice component** – The sponsor’s adherence to quality practices.

All three components are scored on a common scale (0-4 points) to allow for simple calculations. Sponsors receive points for each component that, when added together, provide one of the following summative ratings: Exemplary, Effective, Ineffective or Poor.

Ohio law includes a set of incentives for sponsors rated Exemplary, as well as a set of consequences for sponsors rated Ineffective and Poor. For example, a sponsor rated Exemplary for two consecutive years is able to take advantage of incentives, including receiving a longer term on its contract with the Department.

House Bill 166 implemented a change to the sponsor evaluation by excluding any sponsor that had been rated Effective or Exemplary for three consecutive years to only be evaluated by the Department once every three years. In total, of the 20 entities serving as sponsors of community schools, 13 were exempt from the sponsor evaluation for the 2019-2020 school year.

For the seven sponsors subject to the evaluation, the impacts of the coronavirus and ordered school-building closure changed the evaluation process for the 2019-2020 school year. House Bill 197 excluded the Academic Performance component of the sponsor evaluation process. House Bill 194 prohibited the Department from issuing ratings on the community school sponsor evaluation for the 2019-2020 school year. House Bill 194 also required the Department to allow a sponsor to indicate it could not comply with an applicable law or rule or quality practice due the COVID-19 school closure. The bill also specified the 2019-2020 evaluation will not count toward any sanctions, penalties, rewards or incentives for sponsors. Given the legislative changes, the Department provided results for Compliance and Quality Practices as report only.
The Three Components of the Sponsor Evaluation
The Department, with the help of independent, outside vendors, calculates ratings individually for a sponsor’s academic performance, legal compliance and quality practices components, then calculates an overall rating from the component ratings. See a full description of the computation here.

Academic Performance Review
The Ohio General Assembly passed emergency legislation that excluded the Academic Performance component from the sponsor evaluation process for 2019-2020.

Compliance Monitoring Review
Consistent with Ohio law, the Department reviews whether each sponsor is complying with all laws and rules applying to community schools and community school sponsorship. The sponsor must certify it has adhered to laws and rules, and this is subject to Department verification. Sponsors were able to indicate if an item could not be marked compliant due to the COVID-19 school closure.

<table>
<thead>
<tr>
<th>Compliance Component - Points Received</th>
<th>Number of Sponsors by Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
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Quality Practice Review
The Department reviews each sponsor’s practices against quality standards based on principles developed by the National Association of Charter School Authorizers. The Department also reviews each sponsor’s adherence to the legal requirement to provide technical assistance to its sponsored schools.

The Quality Practice Review focuses on six critical areas of practice:

- **Organizational commitment and capacity** – This area evaluates sponsorship capacity, internal processes for improvement, sponsor resources and the sponsor’s roles and responsibilities.

- **Community school application process and decision-making** – This area evaluates the sponsor’s application process, rigorous criteria for all applications, application reviewers and their training, and the application decision-making process.

- **Performance contracting** – This area evaluates the sponsor and community school contract performance measures, terms for renewal and non-renewal, and terms and processes for amendments and modifications.

- **Oversight and evaluation of community schools** – This area evaluates the sponsor’s system of oversight, including financial, enrollment and on-site reviews; the process for monitoring the community schools’ academic performance, intervention guidance and action taken by the sponsor; and yearly reports on the community schools’ performance.

- **Contract termination and renewal decision-making** – This area evaluates the sponsor’s renewal application and renewal and non-renewal decisions, including notification, contract termination and school closure processes.

- **Technical assistance** – This area evaluates the technical assistance and legal updates a sponsor provides to its community schools, professional development for schools and the relationships with the schools’ governing authorities.
Due to the change in House Bill 164, sponsors were able to indicate if they were unable to comply with a quality practice due to the COVID-19 school closure.

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<th>Quality Component - Points Received</th>
<th>Number of Sponsors by Points</th>
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Ohio Community Schools

Legislation
Legislative History of Community Schools

During each session since Ohio established community schools 20 years ago, the General Assembly has made legislative changes to the program. A complete list of community school legislation enacted over this time is available [here](#). This includes legislative summaries that trace the changes by legislative session and bill number.