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Bill Analysis

Legislative Service Commission

S.B. 129

126th General Assembly
(As Introduced)

Sens. Schuring, Fedor, Gardner, Spada, Prentiss, Mallory, Armbruster, Brady, Dann, Fingerhut, Hagan, Miller, Mumper, Roberts, Wilson, Zurz, Austria

BILL SUMMARY

- Extends the statewide cap on the number of new community schools sponsored by entities other than the school districts in which the schools would be located for two years until July 1, 2007.
- Eliminates (1) the requirement that a community school's fiscal officer is responsible for reporting data to the Education Management Information System (EMIS) and (2) the authority of the Superintendent of Public Instruction to impose a \$100 civil fine on a fiscal officer for failure to report accurate data.
- Requires the Department of Education to withhold 10% of the state funding due to a community school for the school's first incident of noncompliance with EMIS reporting requirements and an additional 20% of the funding for a second incident.
- Requires the Department of Education to examine the proficiency and achievement test data reported by each community school for completeness and accuracy.
- Establishes the Joint Study Committee on Ohio's Community Schools to recommend legislation for improving community schools.

CONTENT AND OPERATION

Background

Community schools (often called "charter schools") are public schools that operate independently from any school district under a contract with a sponsoring

entity, which may be a school district or a variety of other entities specified by law. Community schools often serve a particular educational purpose or a limited number of grades. Community schools are funded with state funds that are deducted from the state aid account of the school districts in which the enrolled students are entitled to attend school. Community schools may not charge tuition.

A conversion community school, created by converting an existing school district school, may be located in and sponsored by any school district in the state. On the other hand, a "start-up" community school may be located only in a "challenged school district." A challenged school district is any of the following: (1) a "Big-Eight" school district, (2) a school district in academic watch or academic emergency, or (3) a school district in the original community school pilot project area (Lucas County).¹

The sponsor of a start-up community school, which must be approved by the Department of Education, may be any of the following:

- (1) The school district in which the school is located;
- (2) A school district located in the same county as the district in which the school is located has a major portion of its territory;
- (3) A joint vocational school district serving the same county as the district in which the school is located has a major portion of its territory;
- (4) An educational service center;
- (5) The board of trustees of a state university (or the board's designee) under certain specified conditions; or
- (6) A federally tax exempt entity under certain specified conditions.²

Until the enactment of Sub. H.B. 364 of the 124th General Assembly, effective April 8, 2003, the State Board of Education was authorized to sponsor start-up community schools. That act eliminated the State Board's authority to sponsor schools, except that it permits the State Board to continue its existing sponsorship of schools for up to two school years while the schools secure new

¹ The "Big-Eight" districts are Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown. (R.C. 3314.02(A)(3), not in the bill.)

² R.C. 3314.015(B)(1) and 3314.02(C)(1)(a) through (f), neither section in the bill.

sponsors. After that, the State Board may sponsor community schools only in specified exigent circumstances.³

Extension of statewide community school cap

(R.C. 3314.013)

Under current law, no more than 225 start-up community schools sponsored by entities other than the schools districts in which they are located may be established statewide. This cap is currently in existence until July 1, 2005. The bill extends the cap until July 1, 2007.

Community school reporting of EMIS data

(R.C. 3314.17)

Current law

Under continuing law, every community school is required to participate in the Education Management Information System (EMIS). EMIS is an electronic database for fiscal, employee, building, and student data maintained by the Department of Education. Each community school is required to participate in EMIS as if it were a school district, except as modified by rules of the State Board of Education. Those rules may distinguish methods and timelines for community schools to annually report data that differ from those prescribed for school districts. The rules, however, may not modify the actual data required to be reported by statute.

Each community school must designate a fiscal officer who is currently responsible for reporting the school's data to EMIS.⁴ If the Superintendent of Public Instruction determines that a community school fiscal officer has (1) willfully failed to report data, (2) willfully reported erroneous, inaccurate, or incomplete data in any year, or (3) negligently reported erroneous, inaccurate, or incomplete data in the current and any previous year, the Superintendent may impose a civil penalty of \$100 on the fiscal officer.⁵

³ *H.B. 364 also permits other sponsors qualified under prior law to continue to sponsor existing and new schools without being subject to Department approval as a sponsor.*

⁴ *See R.C. 3314.011, not in the bill.*

⁵ *The Superintendent of Public Instruction may impose the civil fine only after an adjudicatory hearing under the Administrative Procedure Act.*

The bill

The bill eliminates the requirement that the fiscal officer is responsible for reporting all of a community school's EMIS data. It also removes the civil penalty for a fiscal officer's failure to report EMIS data properly. The bill does not designate another employee to be responsible for EMIS reporting. Presumably, then, each community school may appoint one or more employees of its choice to do the reporting.

In place of the civil penalty authorized by current law, the bill establishes a process whereby the Department of Education must withhold a portion of a community school's state funding for noncompliance with the EMIS reporting requirements. This process is the same one that applies to school districts under continuing law.⁶ Under that process, the Department must make a report of any of the following actions:

(1) A community school fails to meet any deadline for reporting data to EMIS;

(2) A community school fails to meet any deadline established by the State Board for the correction of data reported to EMIS;

(3) A community school reports data to EMIS in a condition, as determined by the Department, that indicates that the school did not make a good faith effort in reporting the data.

The report produced by the Department must include recommendations for corrective action by the school. A copy of the report must be sent to the sponsor of the school as well as maintained in the Department's files.

Upon making a report for the first time in a fiscal year, the Department must withhold 10% of the total amount of the school's state funding due for that year. Upon making a second report within the same fiscal year, the Department must withhold an *additional* 20% of the school's state funds. The Department cannot release these withheld funds unless it determines that the school has taken corrective action. However, if the school fails to take corrective action within 45 days of the Department's report, no withheld funds may be released. As under current law, these penalties are in addition to any action the State Board may take to suspend or revoke the license of a community school employee who violates the EMIS requirements.

⁶ See R.C. 3301.0714(L), *not in the bill*.

Department examination of student test data

(R.C. 3314.18)

The bill requires the Department of Education annually to examine the EMIS data reported by each community school about scores attained on the state proficiency and achievement tests by each student enrolled in the school at the end of the school year. If the Department determines that the data is incomplete or inaccurate, the Department must notify the school and provide technical assistance to the school so that it may revise its reports. The assistance must be in sufficient time for the revised data to be included in the Department's report card for the school.⁷

Joint Study Committee on Ohio's Community Schools

(Section 3)

The bill establishes the Joint Study Committee on Ohio's Community Schools. The Committee must (1) examine all aspects of the Community School Law, (2) review research studies concerning community schools, (3) review current operations and procedures in community schools, (4) compare test scores and other pertinent performance data between school districts and community schools, and (5) examine any other information pertaining to community schools that it determines appropriate. Not later than two years after its members are appointed, the Committee must issue a report of recommendations for legislation to improve Ohio's community schools. Copies of the Committee's recommendations must be distributed to the Speaker of the House, the President of the Senate, and the minority party leaders of the House and Senate. The Committee will be dissolved after the submission of its report.

The nine voting members of the Committee are:

- (1) Two members of the Senate, one from each party, appointed by the Senate President;
- (2) Two members of the House of Representatives, one from each party, appointed by the Speaker;
- (3) The Superintendent of Public Instruction, or a designee;

⁷ *The Department must issue an annual report card for each community school that has been open for instruction for two full school years. The report card covers the academic and financial performance of the school. (R.C. 3314.012, not in the bill.)*

- (4) The following four members, appointed by the Governor:
- (a) One member employed by or associated with a community school;
 - (b) One member employed by or associated with a school district or educational service center;
 - (c) One member who is a parent of a child attending a school district; and
 - (d) One member who is the parent of a child attending a community school.

The Director of the Legislative Office of Education Oversight serves as the nonvoting chair of the Committee. The members of the Committee must be appointed no later than 90 days after the bill's effective date. The Committee must convene its first meeting within 45 days after all the appointments are made. Members serve without compensation.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-20-05	p. 428

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