



# Ohio Legislative Service Commission

## Final Analysis

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### **Am. Sub. H.B. 555** 129th General Assembly (As Passed by the General Assembly)

**Reps.** Stebelton and Butler, Amstutz, Grossman, Hayes, Huffman, McClain, Roegner, Thompson, Beck, Blair, Blessing, Boose, Brenner, Bulp, Combs, C. Hagan, Henne, Kozlowski, Maag, Newbold, Terhar, Wachtmann, Young, Batchelder\*

**Sens.** Eklund, Jones, Lehner, Niehaus, Sawyer, Wagoner

**Effective date:** March 22, 2013; a certain provision effective January 1, 2015

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## ACT SUMMARY

- Creates a new, phased-in academic performance rating system for school districts, individual buildings of districts, community schools, STEM schools, and college-preparatory boarding schools under which each district or school is assigned a letter grade of "A," "B," "C," "D," or "F" to reflect its performance.
- Establishes 15 separate performance measures to measure the performance of districts and schools.
- Creates six component classifications in which the 15 separate performance measures are grouped.
- Requires the Department of Education to assign a grade for each component to be used to assign an overall grade to a district or school.
- Requires the Department of Education to assign letter grades to districts and schools not later than September 15 of each year, or in certain cases on the preceding Friday.
- Requires the State Board of Education, not later than March 31, 2013, to submit to the General Assembly recommendations to create a one-year safe harbor for districts

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\* The list of House sponsors is taken from the House Journal for November 29, 2012, p. 2760. The signature page of the Act as it was presented to the Governor contains a different list of House sponsors, as follows: Stebelton and Butler, Slaby, Hackett, McGregor, J. Adams, Amstutz, Buchy, Wachtmann, Batchelder

and schools for the first year the new assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) are administered as state achievement assessments.

- Requires the State Board of Education to develop an alternative academic performance rating system for community schools serving primarily students enrolled in dropout prevention and recovery programs.
- Establishes criteria for closing dropout prevention and recovery community schools based on their academic performance.
- Requires the Department of Education, by December 31, 2013, to review additional information included on report cards and submit to the Governor and the General Assembly recommendations for revisions.
- Establishes a new evaluation process for determining which community school sponsors may sponsor additional schools.
- Permits the Ohio Office of School Sponsorship to sponsor a community school if the school's sponsor has been prohibited from sponsoring additional schools.
- Delays implementation of the new sponsor evaluation system until the 2015-2016 school year.
- Abolishes the Ohio Accountability Task Force.
- Requires the State Board of Education, by August 31, 2013, to submit to the General Assembly recommendations for a comprehensive statewide plan to intervene in and improve the performance of persistently poor performing schools and school districts.
- Moves administration of the state achievement assessments in social studies to grades four and six, from grades five and eight as under prior law.
- Reinstates the permanent requirement for five scoring ranges on the state achievement assessments.
- Eliminates the requirement that a district failing to make "adequate yearly progress" for two or more consecutive years administer diagnostic assessments.
- Requires administration of diagnostic assessments to each student in third grade, as well as kindergarten through second grade as under continuing law.
- Permits a school district that received an excellent or effective rating (or the equivalent of such ratings as determined by the Department of Education) for the

immediately preceding school year to use different diagnostic assessments than those provided by the State Board of Education.

- Replaces the requirement for a single diagnostic assessment for English language arts with a requirement for separate diagnostic assessments in reading and writing.
- Requires a school district to provide immediate services and regular diagnostic assessments for a student found to have a reading deficiency pending development of the student's reading improvement and monitoring plan required under the third-grade reading guarantee.
- Requires a teacher who provides reading instruction services under the third-grade reading guarantee to be actively engaged in the reading instruction of students for the previous three years and to satisfy other specified criteria.
- Requires that a designated fiscal officer of a community school be licensed as a school treasurer by the State Board of Education.
- Requires the Department of Education to conduct two application periods each year for the Educational Choice Scholarship Program.
- Requires the adoption of standards the Superintendent of Public Instruction must consider before approving new Internet- or computer-based community schools (e-schools).
- Delays the authorization of new e-schools until the later of the 61st day after the act's effective date or July 1, 2013.
- Permits a community school to operate facilities in more than one location in a single county if it is sponsored by a school district having territory in the same county where the school's facilities are located, regardless of whether the school has an operator.
- Specifies a community school that operates a drug recovery program in cooperation with a court must be considered a dropout prevention and recovery program for purposes of the Community School Law.
- Provides that certain statutory deadlines regarding teacher evaluations prevail over any conflicting provisions of a collective bargaining agreement entered into on or after the act's effective date.
- Modifies the method in which the value-added progress dimension or student academic growth measure must be used to evaluate teachers.

- Exempts instructors of adult education from performance evaluation requirements for public school teachers.
- Exempts substitute teachers and instructors of adult education from teacher evaluations conducted by state agencies that employ teachers.
- Specifically permits educational service centers to partner in the development of STEM schools.
- Permits an educational service center to sponsor a new start-up community school in any challenged district in the state, instead of just its service territory, so long as it receives approval to do so from the Department of Education.
- Qualifies for a War Orphans Scholarship, children of military veterans who participated in an operation for which the Armed Forces Expeditionary Medal was awarded.
- Authorizes the administrators of the Ohio National Guard Scholarship Program and the Ohio War Orphans Scholarship Program to apply for and receive grants; to accept gifts, bequests, and contributions from public and private sources; and to deposit such contributions into the respective National Guard Scholarship Reserve Fund or the Ohio War Orphans Scholarship Fund (the latter of which is created by the act).

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## CONTENT AND OPERATION

### Performance rating system

The act replaces the prior academic performance rating system for school districts, individual buildings of districts, community schools, STEM schools, and college-preparatory boarding schools with a system under which districts and schools are assigned letter grades of "A," "B," "C," "D," or "F" for overall academic performance and for each of several components and separate performance measures. The State Board of Education must adopt the performance criteria for each letter grade and prescribe a method by which the Department of Education will assign each letter grade. In prescribing that method, the act creates six new "component" classifications in which each of the performance measures is categorized. Those components are: (1) gap closing, (2) achievement, (3) progress, (4) graduation, (5) kindergarten through third grade literacy, and (6) prepared for success (see "**Overall grade**" below). Most of the separate performance measures are graded separately and then used to assign the grade for the respective organizing component. However, the separate measures of the

"Prepared for Success" component are not graded separately. Only the "component" grades are used to determine the overall grade for a district or building.<sup>1</sup>

(See also "**Background on former academic performance rating system**" at the back of this analysis.)

The new ratings are phased in over four school years. The act incrementally increases the number of graded and reported separate performance measures in each of the 2012-2013 through 2014-2015 school years. For the 2012-2013 and 2013-2014 school years, the Department must assign letter grades only to specified individual metrics. Beginning with the 2014-2015 school year, the Department must assign an overall grade. The act also requires the Department to incorporate a high school student academic progress measure to be graded as an individual performance measure and included in the overall grade beginning with the report card for the 2015-2016 school year.

### **Letter grades**

The grade for overall performance of a district or school must be assigned by the Department based on specified components and performance measures and a performance criteria and method for assigning grades prescribed by the State Board. For a school building for which any of the performance measures do not apply to the grade levels served by the school building, the State Board must designate the performance measures that are applicable to the building and that must be calculated separately and used to calculate the building's overall grade.<sup>2</sup>

The act gives the following meanings to each of the letter grades for the metrics and the overall grade:

A – making excellent progress;

B – making above average progress;

C – making average progress;

D – making below average progress;

F – failing to meet minimum progress.<sup>3</sup>

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<sup>1</sup> R.C. 3302.03.

<sup>2</sup> R.C. 3302.03.

<sup>3</sup> R.C. 3302.03(E).

## Overall grade

The State Board of Education must adopt rules that establish a method to assign an overall grade for a school district or building for the 2014-2015 school year and each year thereafter. That method must group the individual performance measures (as described below) into the following six larger components:<sup>4</sup>

**Gap Closing.** Includes only the AMO performance measure.

**Achievement.** Includes the measures for performance index score and performance indicators met.

**Progress.** Includes the overall value-added progress dimension measure and the performance measure for the three separate value-added subgroups (gifted students, students with disabilities, and students whose achievement places them in the lowest quintile on a statewide basis). Beginning with the 2015-2016 school year, the high school academic progress measure is also included in the progress component.<sup>5</sup>

**Graduation.** Includes the four- and five-year adjusted cohort graduations rates.

**Kindergarten through Third-Grade Literacy.** Includes the progress a district or building is making in improving literacy in kindergarten through third grade.

**Prepared for Success.** Includes the performance measures that assess high school student career or college readiness. The measures included in this component do not receive separate grades. Rather, the act directs the State Board to develop a method to determine the grade for this component using the six performance measures listed below. In determining the component's overall score, the State Board must ensure that the pool of students included in the performance measures listed below include all students who are in the four- and five-year adjusted graduation cohort.

The Prepared for Success performance measures include a district's or school's (1) national standardized test participation rate and remediation-free percentage, (2) AP participation rate and test scores, (3) participation in dual enrollment programs, (4) percentage of students who receive an honors diploma, (5) International Baccalaureate (IB) participation rate and test scores, and (6) percentage of students who receive an industry credential. The act permits the State Board to incorporate into this component, when available, the results of the college and career-ready assessments that will replace the Ohio Graduation Tests.

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<sup>4</sup> R.C. 3302.03(C)(3).

<sup>5</sup> R.C. 3302.03(D).

When determining the overall grade for this component, the act specifies that an individual student may be counted for only one performance measure. However, if a student qualifies for more than one performance measure, the State Board may specify an additional weight for that student that is not higher than 1.0. For instance, if a student has taken a nationally standardized test and receives a remediation-free score and that same student also received an honors diploma, that student may be counted only for one of those categories. And, if the State Board adopts a method to add an additional weight, then the student would be factored into the calculation of that one component with a value that includes the additional weight.<sup>6</sup>

Further, the State Board's rules must incorporate a method to determine a grade for each of the six components separately as well as an overall letter grade. The method for assigning the overall letter grade must give equal weight to the Achievement and Progress components.<sup>7</sup>

### Performance measures

The following table shows the performance measures (except the high school student academic performance measure) prescribed by the new system and the school year or years for which the measure is graded or reported only.

Performance Measure	2012-2013 School Year	2013-2014 School Year	2014-2015 School Year and Thereafter
Annual measurable objectives	Graded	Graded	Graded
Performance index scores	Graded	Graded	Graded
Performance indicators met	Graded	Graded	Graded
Four- and five-year adjusted cohort graduation rates	Graded	Graded	Graded
Overall value-added progress dimension	Graded	Graded	Graded
Value-added progress dimension disaggregated for certain student subgroups	Graded	Graded	Graded

<sup>6</sup> R.C. 3302.03(C)(3)(f).

<sup>7</sup> R.C. 3302.03(C)(3).

<b>Performance Measure</b>	<b>2012-2013 School Year</b>	<b>2013-2014 School Year</b>	<b>2014-2015 School Year and Thereafter</b>
Kindergarten through third-grade literacy rate	None	Graded	Graded
National standardized test participation rate and remediation-free percentage	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade
Advanced Placement participation rate and test scores	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade
Dual enrollment program participation rate	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade
Honors diploma	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade
Industry credentials	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade
International Baccalaureate participation rate and test scores	None	Reported	Reported, not separately graded, but included in determining the "Prepared for Success" component grade

Performance Measure	2012-2013 School Year	2013-2014 School Year	2014-2015 School Year and Thereafter
College and career-ready assessment results	None	None	Reported, not separately graded, but included in determining the "Prepared for Success" component grade

As noted above, the high school student academic progress measure also must be graded and included in the overall grade beginning with the 2015-2016 school year.

The State Board must adopt most performance criteria for each letter grade and prescribe methods by which the Department assigns each grade.<sup>8</sup> However, the act also prescribes some criteria for certain measures and deadlines for the State Board to determine those criteria. Each measure and the act's prescribed grading criteria and methods are described below.

**Annual measurable objectives (AMO).** AMO is a new measure to determine if a district or building is making "adequate yearly progress" (AYP) in closing achievement gaps between students of different subgroups. It is a measure used instead of AYP as otherwise required under the federal No Child Left Behind Act. The act defines AMOs simply as a measure of student progress determined in accordance with an agreement between the Ohio Department of Education and the United States Department of Education.<sup>9</sup>

**Performance index score.** Performance index score is a measure used under the former rating system. To assign a numeric score, the Department assigns weights to student assessment scores from zero, for a student that does not take a test, to a maximum score set by the Department, using progressively larger weights as the level of skill attained on the assessments increases.<sup>10</sup> In adopting benchmarks for assigning grades for this measure, the act requires the State Board to designate a score of 90% or higher for an "A," 75% to 80% for a "C," and less than 50% for an "F."<sup>11</sup> The Department must add an additional weight at the next higher scoring level for students who have been permitted to pass over a subject under an acceleration policy<sup>12</sup> and who have

<sup>8</sup> R.C. 3302.03.

<sup>9</sup> R.C. 3302.01(I).

<sup>10</sup> R.C. 3302.01(A).

<sup>11</sup> R.C. 3302.03(A)(1)(b), (B)(1)(b), and (C)(1)(b).

<sup>12</sup> R.C. 3324.10, not in the act.

scored proficient or higher on an assessment. The Department must do so for each school year that such a student attains the proficient score, and the additional weight must be assigned to a student on a subject-by-subject basis. If a student has scored at the advanced level on an assessment and the student's score is included in the performance index score, the Department must add an "additional proportional weight" for the student.<sup>13</sup>

**Performance indicators met.** Under prior law, changed by the act, the State Board established "performance indicators" for use in the former performance rating system.<sup>14</sup> For the 2010-2011 report cards, these performance indicators consisted of performance on state achievement assessments (including the Ohio Graduation Tests), graduation rate, and attendance rate. Under the act, the State Board continues to be responsible for establishing a set of indicators, but it is just one of the measures used in developing the overall letter grade components. In adopting benchmarks for assigning letter grades for the performance indicator measure the act requires the State Board to designate a score of 90% of all indicators met or higher for a letter grade of "A."<sup>15</sup>

To determine if an indicator has been met or has not been met, the State Board establishes a percentage by which a school district's or building's students must score proficient or better on a state achievement assessment. Previously, the percentage was 75% for the elementary level state achievement assessments and the tenth-grade Ohio Graduation Test (OGT), and at 85% for the eleventh-grade OGT.

The act directs the State Board to set the percentage at 80% for the elementary state achievement assessments and the tenth-grade OGT, and at 85% for the eleventh-grade OGT for the 2013-2014 school year. Additionally, the act permits the State Board to adopt rules by July 1, 2014, establishing different percentages to begin with the 2014-2015 school year.<sup>16</sup>

Separately, the act removes "student attendance" as an indicator.<sup>17</sup>

Finally, the act also adds to the continuing requirement that the State Board include an indicator that reflects the level of service provided to gifted students. Under the act, beginning with the 2014-2015 school year, the gifted indicator must include (1) the performance of students identified as gifted on state assessments (as under prior

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<sup>13</sup> R.C. 3302.01(A).

<sup>14</sup> R.C. 3302.02.

<sup>15</sup> R.C. 3302.03(A)(1)(c), (B)(1)(c), and (C)(1)(c).

<sup>16</sup> R.C. 3302.02, third paragraph.

<sup>17</sup> R.C. 3302.02, first paragraph.

law), and (2) value-added growth measure disaggregated for students identified as gifted (new under the act).<sup>18</sup>

**Four- and five-year adjusted cohort graduation rates.** As noted above, the four-year graduation rate was a performance indicator measure under the former rating system.<sup>19</sup> The act makes the graduation rate a separate and independent performance measure. The four-year adjusted cohort graduation rate is the number of students who graduate in four years or less with a high school diploma divided by the number of students who form the adjusted cohort for the graduating class. The five-year adjusted cohort graduation rate (which is a new measure) is the number of students who graduate in five years with a high school diploma divided by the number of students who form the adjusted cohort for the four-year graduation rate.<sup>20</sup>

Under the act, a district or school must have a four-year adjusted cohort graduation rate of 93% or higher in order to receive an "A" for this performance measure, and a *five-year* adjusted cohort graduation rate of 95% or higher in order to receive an "A."<sup>21</sup>

**Overall score on the value-added progress dimension.** The value-added progress dimension, too, was used under the former rating system. It is a measure of academic gain for a student or group of students over a specific period of time that is calculated using data from student achievement assessments. It tracks the amount of a student's academic growth attributable to a particular district or building.<sup>22</sup> To show growth from one year to the next, the dimension tracks student scores on state assessments in subjects and grade levels for which there are assessments for the prior year. Those tests are the reading and math assessments for grades four through eight. The act requires the Department to use up to three years of value-added data, as available, to determine this measure.

The act prescribes a grading system for the value-added progress dimension as follows:

(1) For a grade of "A," a district or building must have a score that is at least two standard errors of measure above the mean score.

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<sup>18</sup> R.C. 3302.02, second paragraph.

<sup>19</sup> R.C. 3302.03(A)(1)(d), (B)(1)(d), and (C)(1)(d).

<sup>20</sup> R.C. 3302.01(G).

<sup>21</sup> R.C. 3302.03(A)(1)(d), (B)(1)(d), and (C)(1)(d).

<sup>22</sup> R.C. 3302.021.

(2) For a grade of "B," a district or building must have a score that is at least one standard error of measure, but less than two standard errors of measure above the mean score.

(3) For a grade of "C," a district or building must have a score that is less than one standard error of measure above the mean score, but greater than or equal to one standard error of measure below the mean score.

(4) For a grade of "D," a district or building must have a score that is not greater than one standard error of measure below the mean score, but is greater than or equal to two standard errors of measure below the mean score.

(5) Finally, for a grade of "F," a district or building must have a score that is not greater than two standard errors of measure below the mean score or less.<sup>23</sup>

For the 2014-2015 school year and thereafter, the State Board must prohibit the assignment of a grade of "A" for this measure unless the district's or building's grade assigned for the value-added progress dimension for all subgroups is a "B" or higher.<sup>24</sup> The act does not specify any prohibitions for assigning a grade of "A" for the 2012-2013 and 2013-2014 school years.

**National standardized test participation rate and remediation-free percentage.**

The percentage of students who have taken a national standardized test used for college admission determinations and the percentage of those students who are determined to be "remediation-free" constitute this performance measure. This performance measure, however, is never graded. Rather, it is included in the "Prepared for Success" component, which itself is graded and used to calculate the overall grade for districts and schools.<sup>25</sup>

The determination of "remediation-free" is based on the standards recently adopted by the presidents of Ohio's public institutions of higher education.<sup>26</sup> According to the Board of Regents web site, students who receive at least an 18 on the English sub-score, 21 on the reading sub-score, and 22 on the mathematics sub-score on the ACT; or at least a writing score of 430, critical reading score of 450, and a math score of 520 on the SAT are considered "remediation-free." The uniform statewide standards recommend that institutions use their own assessments of science content in addition to

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<sup>23</sup> R.C. 3302.03(A)(1)(e), (B)(1)(e), and (C)(1)(e).

<sup>24</sup> R.C. 3302.03(C)(1)(e).

<sup>25</sup> R.C. 3302.03(B)(2)(c) and (C)(2)(a).

<sup>26</sup> R.C. 3345.061(F), not in the act.

other sources of information such as ACT scores and high school grade point average to determine college readiness in science.<sup>27</sup>

**Advanced Placement (AP) participation rate and test scores.** This measure demonstrates the percentage of students enrolled in a district or school participating in AP classes and the percentage of those students who receive a score of three or better on the applicable AP test.<sup>28</sup> Advanced Placement is a program developed and marketed by the College Board that offers students the opportunity to earn college credit while enrolled in high school through participation in high-level approved academic courses in various subject areas. Generally, to be eligible for college credit, a student must take an exam covering the course content. Each college or university establishes its own policy regarding how well students must score on AP exams to receive college credit at that institution.

Again, unlike some of the other performance measures, this measure never receives a separate grade. Rather, it is included in the "Prepared for Success" component, which itself is graded and used to calculate the overall grade for districts and schools.

**Participation in dual enrollment programs.** Under this measure, a district or building receives a grade based on the number of its students who have earned at least three college credits through dual enrollment programs. Dual enrollment programs include such programs as the Post-Secondary Enrollment Options Program and state-approved career technical courses offered through dual enrollment or statewide articulation. The credits must appear on the post-secondary transcript issued by the institution of higher education from which the student earned the college credit.<sup>29</sup>

Additionally, the act specifies that the credits earned through dual enrollment programs (1) must not be remedial or developmental and (2) must count toward the curriculum requirements established for completion of a degree.<sup>30</sup>

Again, this measure is not separately graded but is included in the "Prepared for Success" component, which itself is graded.

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<sup>27</sup> To access this information on the web site of the Chancellor of the Board of Regents, go to [www.ohiohighered.org](http://www.ohiohighered.org). From there, place the cursor over the "Educators" heading to access the drop down menu. From the drop down menu, click "College Readiness." From there, click the link entitled, "Click here to download the 2012 Uniform Statewide Standards for Remediation-Free Status Report (PDF)."

<sup>28</sup> R.C. 3302.03(B)(2)(a) and (C)(2)(b).

<sup>29</sup> R.C. 3302.03(B)(2)(b) and (C)(2)(c).

<sup>30</sup> R.C. 3302.03(B)(2)(b) and (C)(2)(c).

**Value-added progress dimension score for certain subgroups.** The Department must disaggregate the value-added progress dimension scores for a district or school for its students identified as gifted in superior cognitive ability and specific academic fields, students with disabilities, and students whose performance places them in the lowest quintile for achievement on a statewide basis using a method prescribed by the State Board, and assign a letter grade for each of the three categories as separate measures. This measure is separate from overall value-added progress dimension score. The Department, however, must use the same method outlined above for the overall value-added progress dimension score in calculating grades for this measure.<sup>31</sup> In disaggregating specific academic ability fields for gifted students, the Department must use data for those students with specific academic ability in math and reading. If any other academic field is assessed, the Department must also include data for students with specific academic ability in that field.<sup>32</sup>

The act requires the State Board to adopt rules by December 31, 2013, to prescribe the methods by which the value-added progress dimension score for certain subgroups will be assessed and assigned a letter grade, including prescribing performance benchmarks for each grade.<sup>33</sup>

**Kindergarten through third-grade literacy.** The State Board must prescribe by December 31, 2013, a method to determine if, and by how much, a district or school is making progress in improving literacy in kindergarten through third grade. The act requires the State Board to adopt rules to prescribe the benchmarks and standards for assigning grades to districts and buildings for this measure, and to designate a value that is not lower than the statewide average value for this measure for a grade of "C." The State Board must base the progress made on improving literacy based on the reduction in the percentage of students scoring below grade level, or below proficient, compared from year to year on the English language arts diagnostic assessments for grades kindergarten through third, and the third grade English language arts achievement assessment. (Elsewhere, the act changes to English language arts assessment to two separate diagnostics, one for reading and one for writing (see "**Administration of diagnostic assessments**" below).) Additionally, the act specifies that no grade must be issued for a district or building in which less than 5% of students have scored below grade level on the kindergarten diagnostic assessment.<sup>34</sup>

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<sup>31</sup> R.C. 3302.03(A)(1)(f), (B)(1)(f), and (C)(1)(f).

<sup>32</sup> R.C. 3302.01(B).

<sup>33</sup> R.C. 3302.03(B)(3).

<sup>34</sup> R.C. 3302.03(B)(1)(g), (B)(3), and (C)(1)(g).

**College and career-ready assessment results.** Continuing law requires the Superintendent of Public Instruction and the Chancellor of the Board of Regents to adopt a nationally standardized assessment that measures college and career readiness to be used, in part, as a new measure to replace the Ohio Graduation Test (OGT).<sup>35</sup> However, the new assessment has not yet been implemented. The act requires the results of the college and career readiness assessment when it is implemented to be reported as a separate metric in the act's new rating system.<sup>36</sup>

This measure is not graded but will be included in the graded "Prepared for Success" component.

**Honors diploma.** Continuing law authorizes a public high school to issue an "honors diploma" to any student who has successfully completed the school's curriculum (or, if the student is disabled, the student's individualized education program), has met the achievement testing requirements for graduation, and has met additional criteria for the honors diploma established in rules adopted by the State Board. The State Board may also prescribe an honors diploma that recognizes technical expertise for a career-technical student.<sup>37</sup> The act includes the percentage of a district's or building's students who receive an honors diploma as a performance measure.<sup>38</sup>

This measure is not itself graded but will be included in the graded "Prepared for Success" component.

**Industry credentials.** The Department must include as a separate performance measure the percentage of a district's or building's students who receive an industry credential. An industry credential is a certification of competency in a career-technical field. The State Board must adopt criteria for determining acceptable industry credentials.<sup>39</sup>

This measure is not itself graded but will be included in the graded "Prepared for Success" component.

**International Baccalaureate (IB) participation rate and test scores.** This measure demonstrates the percentage of students enrolled in a district or school who are participating in an IB program and the percentage of those students who receive a

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<sup>35</sup> R.C. 3301.0712(B)(1), not in the act.

<sup>36</sup> R.C. 3302.03(C)(2)(g).

<sup>37</sup> R.C. 3313.61(B), not in the act.

<sup>38</sup> R.C. 3302.03(B)(2)(f) and (C)(2)(d).

<sup>39</sup> R.C. 3302.03(B)(2)(d) and (C)(2)(e).

score of four or better on the applicable IB examination.<sup>40</sup> International Baccalaureate is a program developed by an international foundation that offers eleventh- and twelfth-grade students the opportunity to earn college credit at authorized high schools through participation in high-level approved academic courses in various subject areas. Generally, to be eligible for college credit, a student must take an exam covering the course content. Each college or university establishes its own policy regarding how well students must score on IB exams to receive college credit at that institution.

This measure never receives a separate grade. But, it is included in the "Prepared for Success" component, which itself is graded and used to calculate the overall grade for districts and schools.

**High school academic progress.** Finally, not later than July 1, 2015, the State Board must develop a measure of student academic progress for high school students. This measure first will be reported, graded, and included in the "progress" component for determination of the overall grade on the report card beginning with the 2015-2016 school year.<sup>41</sup>

### **Timing for State Board of Education implementation**

The act contains several provisions regarding the State Board's requirement to prescribe the benchmarks of components and performance measures and the deadlines and methods by which those components and measures must be adopted.

By April 30, 2013, the State Board must adopt a resolution describing the performance measures, benchmarks, and grading systems to be used for the 2012-2013 school year. And, by June 30, 2013, the State Board must adopt rules prescribing the benchmarks and grading methods for *only* the performance measures that are assessed and graded for the 2012-2013 school year. The act also specifies that at least 45 days before the State Board adopts rules prescribing the benchmarks and grading methods for performance measures to be assessed and graded for the 2012-2013 school year, the Department must make a presentation before the House and Senate Education committees describing the grading methods, including performance benchmarks.<sup>42</sup>

By December 31, 2013, the State Board must adopt rules, for the 2013-2014 school year only, prescribing the benchmarks and grading methods for the disaggregated value-added progress dimension and kindergarten through third-grade literacy progress. As in the previous year, at least 45 days before the State Board adopts rules

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<sup>40</sup> R.C. 3302.03(B)(2)(e) and (C)(2)(f).

<sup>41</sup> R.C. 3302.03(D).

<sup>42</sup> R.C. 3302.03(A)(2).

prescribing the benchmarks and grading methods for the additional performance measures to be graded in the 2013-2014 school year, the Department must make a presentation before the House and Senate Education committees describing the grading methods, including performance benchmarks.<sup>43</sup>

In the same manner as in the two previous years, at least 45 days before the State Board adopts rules prescribing the methods for calculating the overall grade, the act requires that the Department make a presentation before the House and Senate Education committees describing the format for the report card, weights that will be assigned to the components of the overall grade, and the method for calculating the overall grade. The act does not specify a date by which the State Board must adopt rules for prescribing the methods for calculating the overall grade, but they have to be in place so that an overall grade can be issued for the 2014-2015 school year.<sup>44</sup>

### **Disaggregated reporting**

As under prior law, the act requires the Department to report disaggregated student achievement and progress data according to certain categories. They include (1) grade level ("age group" under prior law), (2) race and ethnic group, (3) gender, (4) students who have been enrolled in a district or school for three or more years, (5) students who have been enrolled in a district or school for more than one year and *less* than three years, (6) students who have been enrolled in a district or school for one year or less, (7) economically disadvantaged students, (8) students enrolled in a conversion community school, (9) limited English proficient students, (10) students with disabilities, (11) migrant students, and (12) gifted students. The act adds students who perform in the lowest quintile for achievement on a statewide basis, as determined by a method prescribed by the State Board to the list of separately reported categories.<sup>45</sup>

Under continuing law, the Department may not report disaggregated performance data for a group if it contains less than ten students. However, the act requires the Department to indicate on a report card when that is the reason performance data for a group is not reported.<sup>46</sup>

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<sup>43</sup> R.C. 3302.03(B)(3).

<sup>44</sup> R.C. 3302.03(C)(3).

<sup>45</sup> R.C. 3302.03(F).

<sup>46</sup> R.C. 3302.03(F).

The act also eliminates the reporting of the number of "lead teachers" employed by each district and school on the report card, but requires that it be included in a separate report of additional measures (see below).<sup>47</sup>

### Report card deadline

The act requires the Department of Education annually to issue a report card for each school district, individual building of a district, community school, STEM school, and college-preparatory boarding school not later than the 15th day of September. If September 15 falls on a Saturday or Sunday, then the Department must do so on the preceding Friday. The Department must include in the report card the most recent two-year trend data in student achievement for each subject in each grade.

### Other actions related to performance ratings

There are several provisions of law that prescribe various actions tied to performance ratings system and data. The act conforms those provisions to its new phased-in rating system. The table below compares prior law with the act's changes regarding those related actions.

Action	Prior law	The act
<b>Practice OGT</b>  <i>(R.C. 3301.0711 (B)(10) and (D)(2))</i>	School districts in academic watch or academic emergency, or that have a three-year average graduation rate or 75% or less, must administer a practice version of the OGT to all ninth graders.	School districts that have a three-year average graduation rate or 75% or less, must administer a practice version of the OGT to all ninth graders.
<b>NCLB sanctions</b>  <i>(R.C. 3302.04(A))</i>	School districts and buildings in academic watch or academic emergency have priority for improvement assistance.	For the 2012-2013 school year and thereafter, districts and buildings receive priority for Department improvement assistance determined in the manner prescribed by any agreement currently in force between the Department and the United States Department of Education; however, the Department must endeavor to include schools and buildings that the Department considers to be low performing.

<sup>47</sup> Former division (C)(8) of R.C. 3302.03. (See also R.C. 3302.034.)



Action	Prior law	The act
<p><b>NCLB sanctions</b></p> <p><i>(R.C. 3302.04 (C))</i></p>	<p>An academic watch or emergency building is subject to intervention by the Department.</p>	<p>For the 2012-2013 school year and thereafter, a district or building is subject to intervention if it meets the conditions for intervention prescribed in any agreement currently in force between the Department and the United States Department of Education.</p>
<p><b>NCLB sanctions</b></p> <p><i>(R.C. 3302.04 (D))</i></p>	<p>The Department may conduct site visits of academic emergency districts or buildings.</p>	<p>For the 2012-2013 school year and thereafter, the Department may conduct site visits of districts or buildings that meet the conditions for site visits as prescribed in any agreement currently in force between the Department and the United States Department of Education.</p>
<p><b>Exemptions</b></p> <p><i>(R.C. 3302.05)</i></p>	<p>The State Board must adopt rules exempting districts that are excellent or effective from education statutes and certain administrative rules.</p>	<p>The State Board must adopt rules exempting districts if the following applies:</p> <p>(1) For the 2011-2012 school year, the district was declared to be excellent and had above expected growth in the overall value-added measure;</p> <p>(2) For the 2012-2013 and 2013-2014 school years, the district received an "A" for number of performance indicators met and for the overall value-added progress dimension;</p> <p>(3) For the 2014-2015 school year and thereafter, the district received and overall grade of "A."</p>
<p><b>Academic distress commissions</b></p> <p><i>(R.C. 3302.10)</i></p>	<p>The state Superintendent must establish an academic distress commission for each district that has been declared to be in academic emergency and has failed to make AYP for four or more consecutive years. The commission ceases to exist when the district is rated continuous improvement or better for two of three prior school years.</p>	<p>The state Superintendent must establish an academic distress commission for each district that meets any of the following conditions for three or more consecutive years:</p> <p>(1) The district has been declared to be in academic emergency and has failed to make AYP;</p> <p>(2) The district has received a grade of "F" for the performance index score <i>and</i> a grade of "D" or "F" for the overall value-added progress</p>

Action	Prior law	The act
		<p>dimension;</p> <p>(3) The district has received an overall grade of "F" or a grade of "F" for the overall value-added progress dimension; or</p> <p>(4) At least 50% of the schools operated by the district have received an overall grade of "D" or "F."</p> <p>The commission ceases to exist when the district for two of the three prior school years either (1) is rated in need of continuous improvement or better, or (2) receives a grade of "C" or better for <i>both</i> the performance index score and overall value-added progress dimension.</p>
<p><b>General school restructuring</b> (R.C. 3302.12)</p>	<p>A district is required to restructure a school that has been ranked in the lowest 5% of all public schools by performance index score for three consecutive school years and is in academic watch or academic emergency.</p>	<p>A district is required to restructure any school if it is ranked in the lowest 5% of all public schools by performance index score for three consecutive school years and any combination of the following apply to the school for three consecutive school years applies:</p> <p>(1) The school is in academic watch or academic emergency;</p> <p>(2) The school has received a grade of "F" for the value-added progress dimension; or</p> <p>(3) The school has received an overall grade of "F."</p>
<p><b>Site-based management councils</b> (R.C. 3313.473)</p>	<p>Excellent and effective districts with more than 5,000 students are exempt from the requirement to designate one school to be operated by a site-based management council.</p>	<p>Districts with more than 5,000 students and ratings as described below are exempt from the requirement to designate one school to be operated by a site-based management council:</p> <p>(1) For the 2011-2012 school year, the district was declared to be excellent or effective.</p> <p>(2) For the 2012-2013 or 2013-2014 school year, the district received grades of "A" or "B" for the</p>

Action	Prior law	The act
		<p>performance index score <i>and</i> for the overall value-added progress dimension.</p> <p>(3) For the 2014-2015 school year and any school year thereafter, the district received an overall grade of "A" or "B."</p>
<p><b>Location of start-up community schools</b></p> <p>(R.C. 3314.02(A)(3))</p>	<p>New start-up community schools may open only in "challenged school districts," which includes, among others, districts that are in academic watch or academic emergency.</p>	<p>The ratings of a "challenged school district" are expanded to include:</p> <p>(1) For two of the 2012-2013, 2013-2014, and 2014-2015 school years, a district that receives a grade of "D" or "F" for the performance index score <i>and</i> a grade of "F" for the overall value-added progress dimension.</p> <p>(2) For the 2015-2016 school year and thereafter, (a) a district that receives an overall grade of "D" or "F" or, (b) for at least two of the three most recent school years, the district received a grade of "F" for the overall value-added progress dimension.</p> <p>(Other nonratings based criteria for a challenged school district are not changed by the act.)</p>
<p><b>Multiple-facility community schools</b></p> <p>(R.C. 3314.05 (B)(2)(e))</p>	<p>A community school may be located in multiple facilities under the same contract if several conditions are met and it continues to have a rating of continuous improvement or higher for two or more consecutive school years.</p>	<p>A community school may be located in multiple facilities under the same contract if several conditions are met and it continues to have a combination of any of the following ratings for two or more consecutive years:</p> <p>(1) A rating of in need of continuous improvement or higher;</p> <p>(2) For the 2012-2013 and 2013-2014 school years, a grade of "C" for both the performance index score and the overall value-added progress dimension; or if the building serves only grades 10 through 12, a grade of "C" for the performance index score;</p> <p>(3) For the 2014-2015 school year and thereafter, an overall grade of "C" or an overall designation "meets"</p>

Action	Prior law	The act
		standards" if the school is operating a dropout program (see " <b>Dropout prevention and recovery program rating system</b> " below).
<b>Ohio Teaching Fellows Program</b>  <i>(R.C. 3333.391)</i>	Students who commit to teaching for four years in a school district building that is hard-to-staff or in academic watch or academic emergency are eligible for scholarships under the Ohio Teaching Fellows Program.	Students who commit to teaching for four years in a school district building that is hard-to-staff or has a "persistently low performance rating," as determined jointly by the Chancellor and the state Superintendent, are eligible for scholarships under the Ohio Teaching Fellows Program.

### Ed Choice eligibility

The Educational Choice Scholarship Program (Ed Choice) operates statewide in every school district except Cleveland to provide scholarships for students who are assigned or would be assigned to district schools that have persistently low academic achievement. Under the program, students may use their scholarships to enroll in chartered nonpublic schools. Under prior law, a student was eligible for a first-time Ed Choice scholarship if the student was attending, or otherwise would have been assigned to, a school building operated by the student's resident district that, on two of the three most recent report cards, either (1) was declared to be in academic watch or academic emergency, or (2) was ranked in the lowest 10% of all public school buildings according to performance index score, and, in either case, was not rated excellent or effective in the most recent report card rating.

Since school and district ratings play a central function in determining Ed Choice eligibility, the act conforms the Ed Choice law to its new rating system as in the case of the other actions described above. However, the graduated phase-in of the new system along with the three-year look-back feature of Ed Choice creates the need for an extensive phase-in of new Ed Choice eligibility using multiple variables for different years as the new rating system itself phases into full implementation. The act does not affect the use of performance index score rankings in determining Ed Choice eligibility.

Under the act, students who are enrolled in, or would otherwise be enrolled in, a school that received in two of the three most recent report cards published prior to the first day of July of the school year for which a scholarship is first sought, a combination of any of the following ratings are eligible for an Ed Choice scholarship:

- (1) Academic watch or emergency.

(2) A "D" or "F" for *both* the performance index score *and* the overall value-added progress dimension or if the building serves only grades 10 through 12, the building received a grade of "D" or "F" for the performance index score and had a four-year adjusted cohort-graduation rate of less than 75%. (Applies only for report cards issued for the 2012-2013 and 2013-2014 school year.)

(3) A "D" or "F" for the overall grade *or* "F" for the overall value-added progress dimension. (Applies for report cards issued for the 2014-2015 school year and thereafter.)<sup>48</sup>

Students who are about to enroll in kindergarten, or are currently enrolled in a community school, and whose resident district has an intradistrict open enrollment policy, are eligible for Ed Choice if the *district* has any combination of the following ratings in two of the three most recent report cards published prior to the first day of July of the school year for which a scholarship is first sought:

(1) Academic emergency.

(2) A "D" or "F" for the performance index score and the overall value-added progress dimension. (Applies only for report cards issued for the 2012-2013 and 2013-2014 school years.)

(3) A "D" or "F" for the overall grade *or* "F" for the overall value-added progress dimension. (Applies for report cards issued for the 2014-2015 school year and thereafter.)<sup>49</sup>

However, a student in any case discussed above is *not* eligible for a new scholarship if the school or district (in the case of intradistrict open enrollment) in the *most recent* report card published prior to July 1st of the school year for which the scholarship is sought is rated as follows:

(1) Effective or excellent.

(2) An "A" or "B" for the performance index score *and* the value-added progress dimension or, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher. (Applies only for report cards issued for the 2012-2013 and 2013-2014 school years.)

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<sup>48</sup> R.C. 3310.03(A)(1).

<sup>49</sup> R.C. 3310.03(A)(5).

(3) An "A" or "B" for the overall grade *or* "A" for the value-added progress dimension *or*, if a building serves only grades 10 through 12, the building received a grade of "A" or "B" for the performance index score and had a four-year adjusted cohort graduation rate of 75% or higher. (Applies for report cards issued for the 2014-2015 school year and thereafter.)<sup>50</sup>

(See also "Ed Choice application periods" below.)

### Closure of poorly performing community schools

Prior law prescribed criteria for the permanent closure of community schools for persistent poor academic performance. The act amends these criteria to conform to the act's new rating system.<sup>51</sup> The first schools subject to the new criteria are subject to closure at the end of the 2013–2014 school year. As under continuing law, a community school that meets the conditions must close at the conclusion of the school year in which the school becomes subject to the closure.<sup>52</sup> The table below shows the closure criteria under prior law and the act.

Community School Closure Criteria		
Type of school	Law until July 1, 2013	The act (to begin July 1, 2013)
A school that does not offer a grade higher than three	Has been in academic emergency for two of the three most recent school years.	For two of the three most recent school years, any of the following:  (1) Has been in academic emergency;  (2) Has received an "F" in the kindergarten through 3rd-grade literacy measure; or  (3) Has received an overall grade of "F."
A school that offers any of grades four to eight but no grade higher than nine	(1) Has been in academic emergency for two of the three most recent school years and (2) showed less than one standard year of academic growth in reading or math for two of the three	For two of the three most recent school years, any of the following:  (1) Has been in academic emergency;

<sup>50</sup> R.C. 3310.03(G).

<sup>51</sup> R.C. 3314.35(A)(3).

<sup>52</sup> R.C. 3314.35(B).

Community School Closure Criteria		
Type of school	Law until July 1, 2013	The act (to begin July 1, 2013)
	most recent school years.	(2) Has received an "F" for the performance index score <i>and</i> for the overall value-added progress dimension; or  (3) Has received an overall grade of "F" <i>and</i> an "F" for the value-added progress dimension.
A school that offers any of grades 10 to 12	Has been in academic emergency for two of the three most recent school years.	For two of the three most recent school years, any of the following:  (1) Has been in academic emergency;  (2) Has received an "F" for the performance index score <i>and</i> has not met its annual measurable objectives (AMO); or  (3) Has received an overall grade of "F" <i>and</i> an "F" for the overall value-added progress dimension.

The act specifies that the value-added progress dimension used to determine community school closure must be calculated using assessment scores for only those students to whom the school has administered the state achievement assessments for at least the two most recent school years.<sup>53</sup>

### Exemptions

The act maintains an exemption from closure for a community school if the school operates a dropout prevention and recovery program and has a waiver from the Department of Education. However, the act eliminates this exemption on July 1, 2014, and creates new closure criteria for community schools that operate dropout programs, which take effect on July 1, 2014.<sup>54</sup> Those closure criteria comport with the act's new separate rating system for community schools that operate dropout programs (see "**Dropout prevention and recovery program rating system**" below).

<sup>53</sup> R.C. 3314.35(A)(3).

<sup>54</sup> R.C. 3314.35(A)(4)(a).

Additionally, the act maintains the continuing permanent exemption for a community school in which a majority of students are children with disabilities receiving special education and related services.<sup>55</sup>

### **Recommendations for a one-year safe harbor for districts and schools**

The act requires the State Board of Education to make recommendations to the General Assembly, not later than March 31, 2013, to create a one-year safe harbor for districts and schools for the first year in which the assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) are administered, as, in replacement for, the state achievement assessments. Reportedly, the PARCC assessments are scheduled to be given in Ohio for the first time in the 2014-2015 school year.

The recommendations must exempt a district or school that has a decline in its performance index score that is "within two standard errors of measure" below Ohio's statewide average decline in performance index score when compared to the performance index score from the previous year from sanctions or penalties that are based on report card ratings. However, under the recommendations a district or school with a performance index of "F" in the report card for the previous year would be disqualified from the safe harbor, and results from that year would be counted in determining sanctions or penalties for that district or school.

The recommendations must specify that the exemption does not create a new starting point when counting consecutive years of under performance. That is, the safe harbor year is not a reset year, but instead a "bye" year that does not count against a school in determining new sanctions or penalties. A district's or building's performance for years before and after the safe harbor year will be considered in determining sanctions.

The act states that the provisions of law from which qualifying districts or buildings would be exempt under the recommendations include, but are not limited to, the following: (1) school restructuring provisions, except as required under federal law, (2) academic distress commission provisions, (3) Educational Choice (EdChoice) scholarship eligibility provisions, (4) provisions defining "challenged school districts" in which new start-up community schools can be located, and (5) community school closure provisions.<sup>56</sup>

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<sup>55</sup> R.C. 3314.35(A)(4)(b).

<sup>56</sup> Section 6.

## **Additional information on the report card**

The act specifies that, not later than December 31, 2013, the Department of Education must review the additional information reported by the Department on the school district and building report cards<sup>57</sup> and submit to the Governor and the General Assembly recommended revisions to make the report cards easier to read and understand.<sup>58</sup>

## **Separate additional measures**

The act requires the State Board, by December 31, 2013, to adopt and specify measures in addition to those included on the annual report card for separate reporting. Beginning with the 2013-2014 school year, the Department must annually report these measures in a separate report and must make the information available on its web site. For each school district, each building in a district, each community school, each STEM school, and each college-preparatory boarding school, the measures must include at least the following information:

(1) Data for students who have passed over a grade or subject area under an acceleration policy;

(2) The number of students who are economically disadvantaged as determined by the Department of Education;

(3) The number of lead teachers employed by each district and each building once the data is available through the Education Management Information System (EMIS) established under continuing law. This number was reported on the former report card itself. As noted above, the act eliminates that requirement for the new report card established under this act.

(4) The amount of students screened and identified as gifted;

(5) Postgraduate student outcome data, including postsecondary credit earned, nationally recognized career or technical certification, military enlistment, job placement, and attendance rate;

(6) Availability of courses in fine arts;

(7) Participation with other school districts to provide career-technical education services to students;

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<sup>57</sup> R.C. 3302.03(H).

<sup>58</sup> Section 5.

(8) The amount of extracurricular services offered to students.<sup>59</sup>

### **Dropout prevention and recovery program rating system**

The act establishes a separate, phased-in rating and report card system to be used exclusively for community schools that primarily serve students enrolled in dropout prevention and recovery programs.<sup>60</sup> Reporting under the system begins with the 2012-2013 school year, but an overall rating will not be assigned until the 2014-2015 school year.

Under this new separate system, a dropout program is rated on its attainment or nonattainment of the following performance indicators, which are each assigned weights for calculating an overall rating:

(1) Four-, five-, six-, seven-, and eight-year adjusted cohort graduation rates for the school year for which the overall designation is granted (30% weight);

(2) Percentage of twelfth-grade students and other students within three months of their 22nd birthday who attain a passing score on applicable state achievement assessments for graduation (30% weight);

(3) Annual measurable objectives (20% weight); and

(4) Growth in student achievement in reading or mathematics, or both as measured by separate nationally norm-referenced assessments, adopted or approved by the State Board of Education, that have developed appropriate standards for students enrolled in dropout prevention and recovery programs (20% weight).

The overall rating designations are: (1) exceeds standards, (2) meets standards, and (3) does not meet standards. If, for two consecutive school years, a dropout program improves by 10% both its graduation rates and percentage of twelfth-grade students and other students passing the graduation assessments, the dropout program must receive a rating of "meets standards."<sup>61</sup>

The act specifies that no other report card system applies to community schools with dropout programs. However, the act clarifies that it does not exempt a dropout program from the requirements of the federal No Child Left Behind Act.<sup>62</sup>

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<sup>59</sup> R.C. 3302.034.

<sup>60</sup> R.C. 3314.017.

<sup>61</sup> R.C. 3314.017(D).

<sup>62</sup> R.C. 3314.017(B).

In addition to the four performance indicators, the act requires that annual student achievement growth in reading and math, if available, and certain "student-outcome data" be reported on the report card but not included in the overall rating. These data include postsecondary credit earned, nationally recognized career or technical certification, military enlistment, job placement, and attendance rate.<sup>63</sup>

### **Phase-in**

The new ratings are phased in over three school years as described below.

**2012-2013 school year.** For this school year, no overall rating is assigned, and the following performance indicators are reported without a rating: (1) graduation rates, (2) percentage of twelfth-grade students and other students passing the graduation assessments, (3) statewide average for the graduation rates and the graduation achievement assessment passage rate, and (4) AMO.<sup>64</sup>

**2013-2014 school year.** For this school year, again no overall rating is assigned, but unlike the previous school year, certain performance indicators *do* receive a rating, while others *do not*. The performance indicators that *are* rated for this school year are: (1) graduation rates, (2) percentage of twelfth-grade students and other students passing the graduation assessments, and (3) AMO.<sup>65</sup> Student achievement growth in reading or math, or both, and student outcome data are reported but not rated.<sup>66</sup>

**2014-2015 school year and thereafter.** For the 2014-2015 school year and each year thereafter, an overall rating *is* assigned and the following performance indicators receive an individual rating and are included in the computation of the overall rating: (1) graduation rates, (2) percentage of twelfth-grade students and other students passing the graduation assessments, (3) AMO, and (4) student achievement growth in reading or math, or both. Student outcome data, as described above, must be included on the report card but *not* included in the calculation of the overall rating.<sup>67</sup>

### **Duties of the State Board**

Under the act, not later than June 30, 2013, the State Board must specify by rules the expected performance levels and benchmarks for (1) graduation rates, (2)

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<sup>63</sup> R.C. 3314.017(E)(2)(d).

<sup>64</sup> R.C. 3314.017(E)(1).

<sup>65</sup> R.C. 3314.017(E)(2)(a) to (c).

<sup>66</sup> R.C. 3314.017(E)(2)(d).

<sup>67</sup> R.C. 3314.017(E)(3).

percentage of students attaining a passing score on the graduation assessments, and (3) AMO.<sup>68</sup> Additionally, not later than December 31, 2014, the State Board must specify by rules the expected performance levels and benchmarks for the student achievement growth in reading and math, and adopt standards for awarding overall ratings.<sup>69</sup>

### **Duties of the Department of Education**

During the 2012-2013 and 2013-2014 school years, the Department must gather and analyze data from dropout programs and examine any assessments it deems necessary, including sample assessments for purposes of measuring student achievement growth in reading and math for the purposes of the rating system. In performing these duties, the Department must consult with stakeholder groups. The act also requires the Department to identify one or more states that have established, or are in the process of establishing, similar rating systems for dropout programs. The Department then must consult with the departments of education of those states. Finally, the act requires the Department to post the rating and relevant performance data for each community school that operates a dropout program on its web site and submit a copy of the rating and data to the governing authority of the community school.<sup>70</sup>

### **Exemption from teacher testing and annual performance rankings**

Under the act, dropout community schools are exempt from the teacher retesting provision of continuing law<sup>71</sup> and are not included in the related performance index score rankings.<sup>72</sup>

Generally, beginning with the 2015-2016 school year, community schools and STEM schools ranked in the lowest 10% of all public school buildings according to performance index score must require each classroom teacher of a core subject area to take content knowledge examinations selected by the Department as appropriate to determine expertise to teach that core subject area and the grade level to which the teacher is assigned. (Similar retesting provisions apply to teachers in school district schools with low performance evaluations.)

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<sup>68</sup> R.C. 3314.017(D)(2)(a).

<sup>69</sup> R.C. 3314.017(D)(2)(b).

<sup>70</sup> R.C. 3314.017(D), last paragraph, and (F).

<sup>71</sup> R.C. 3319.58.

<sup>72</sup> R.C. 3302.20 and 3302.21.

## **Dropout prevention and recovery program closure criteria**

The act establishes criteria for the closure of poorly performing community schools that operate dropout prevention and recovery programs that are aligned with the new separate rating system for such schools. Under prior law, those schools were exempt from closure based on performance unless the General Assembly did not enact a closure and report card system for them by March 31, 2013.

Under the act, any dropout program that has received an overall rating, under the new system, of "does not meet standards" for two of the three most recent school years is subject to closure. Since those schools will not receive overall ratings until the 2014-2015 school year, they will not be subject to closure until the 2016-2017 school year. The act specifies that a dropout program that opens on or after July 1, 2014, is not subject to closure for its first two years of operation. Any dropout program that is in operation prior to July 1, 2014, will not be subject to closure until after August 31, 2016.<sup>73</sup>

The act specifies that if a dropout program meets the closure criteria, the Department of Education must notify the school by September 1 that it must close not later than the following June 30.<sup>74</sup>

## **Community school sponsor ratings**

Continuing law in effect until January 1, 2015, prohibits a community school sponsor from sponsoring additional schools if (1) it is ranked in the lowest 20% on an annual ranking of sponsors by their composite performance index scores, and (2) it is not in compliance with the requirements regarding the reporting of sponsor ranking data and information to the Department of Education. The composite performance index score is a measure of the academic performance of students enrolled in community schools sponsored by the same entity.<sup>75</sup>

The act substantially revises this system so that, beginning with the 2015-2016 school year, those determinations will be made on the basis of several factors, including student performance. In the meantime, the act retains the composite performance index score ranking and reporting requirements to determine if a sponsor may sponsor additional schools.<sup>76</sup>

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<sup>73</sup> R.C. 3314.351.

<sup>74</sup> R.C. 3314.351(B).

<sup>75</sup> R.C. 3314.016(A) and (B), under law in effect until January 1, 2015.

<sup>76</sup> Section 7.

Under the new system, each sponsor will receive an annual "rating" based on a combination of three components. They are: (1) the academic performance of students enrolled in community schools that are sponsored by the entity, (2) the sponsor's adherence to quality practices, which must be specified by the Department, and (3) the sponsor's compliance with applicable laws and administrative rules as measured by standards adopted by rule of the State Board.<sup>77</sup> Based on all three of those components, a sponsor will be rated as "exemplary," "effective," or "ineffective." Each component must be weighted equally, except that entities sponsoring community schools for the first time may be assigned the rating of "emerging" for the first two consecutive years. Under continuing law, the ratings must be published by the Department of Education between October 1 and October 15 of a calendar year.<sup>78</sup>

### **Student academic performance component**

The act does not specify how the Department is to measure the academic performance component. It is, therefore, up to the Department to determine which metrics to use in computing a sponsor's rating based on the academic achievement of the students enrolled in the sponsor's schools. On the other hand, just as under the performance index score rankings, the act specifically excludes from any computation of the academic performance component any community schools that enroll primarily students with disabilities or schools in operation for not more than two full school years.<sup>79</sup>

The act specifies that, prior to the 2014-2015 school year, the student academic performance component must *not* include data from community schools that primarily serve students in a dropout prevention and recovery program. Beginning with the 2014-2015 school year, however, the student academic performance component *must* include data from community schools that primarily operate dropout programs.<sup>80</sup>

### **Adherence to quality practices component**

To develop the quality practices component, the act requires the Department, by March 31, 2013, to consult with community school sponsors to prescribe the quality practices to which community school sponsors must adhere, develop an instrument to measure the adherence to those practices, and publish those practices and the instrument so that they are available to entities that sponsor community schools prior to

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<sup>77</sup> R.C. 3313.016(B)(1)(a) to (c).

<sup>78</sup> R.C. 3314.016(B)(6).

<sup>79</sup> R.C. 3314.016(B)(2)(a) and (b).

<sup>80</sup> R.C. 3314.016(B)(7).

their implementation. Furthermore, the act specifies that the quality practices must "be based on standards developed by the National Association of Charter School Authorizers or any other nationally organized community school organization."<sup>81</sup>

### **Peer review of sponsors**

Under the act, the Department is authorized to permit peer review of community school sponsors when evaluating a sponsor's adherence to quality practices. An individual who wishes to participate in this peer review must first complete training established or approved by the Department. Alternatively, the Department can enter into an agreement with another entity to train individuals wishing to participate in peer review. Prior to entering into an agreement, the Department must review and approve the entity's training program.<sup>82</sup>

### **Office of Ohio School Sponsorship**

Under continuing law, the Office of Ohio School Sponsorship is permitted to directly authorize the operation of a limited number of both new and existing community schools, rather than those schools being subject to the oversight of other public or private sponsors. Despite being ranked among other sponsors based on the performance of the schools directly authorized by that Office and the schools whose sponsorship the Office has assumed, the Office is expressly exempt from the prohibitions against sponsoring additional community schools based on its ranking.

The act revises the duties of the Office by authorizing it to assume the sponsorship of a community school whose contract has been voided due to its sponsor being prohibited from sponsoring additional schools. The act specifies that the Office may assume sponsorship under an existing contract until the *earlier* of the expiration of two school years or until the community school can secure a new sponsor. If the Office assumes sponsorship of such a school, the act specifies that the school is not to be included when calculating the maximum number of directly authorized schools that the Office may sponsor.<sup>83</sup>

### **Ohio Accountability Task Force abolished**

The act abolishes the Ohio Accountability Task Force.<sup>84</sup>

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<sup>81</sup> R.C. 3314.016(B)(3) and Section 8.

<sup>82</sup> R.C. 3314.016(B)(4).

<sup>83</sup> R.C. 3314.016(C).

<sup>84</sup> R.C. 3302.021(E).

Under former law, the Ohio Accountability Task Force consisted of the following members: (1) the chairpersons and ranking minority members of the House and Senate Education committees, who are nonvoting members, (2) a representative of the Governor, (3) the state Superintendent or a designee, (4) a representative of teachers' unions appointed by the Speaker of the House, (5) a representative of school boards appointed by the Senate President, (6) a school district superintendent appointed by the Speaker, (7) a representative of business appointed by the Senate President, (8) a representative of a nonprofit organization led by the Ohio business community appointed by the Governor, (9) a school building principal appointed by the Senate President, and (10) a member of the State Board of Education appointed by the Speaker.<sup>85</sup>

The duties of the Task Force were (1) to adopt recommendations on improving the school district and school accountability system, (2) to examine the implementation of the value-added progress dimension, including the Department's use of the system for collecting and analyzing data, procedures for calculating the value-added progress dimension, the reporting of performance data to districts and buildings, and the provision of professional development on the interpretation of the data to classroom teachers and administrators, (3) to report to the Department of Education and the State Board of Education on issues related to school accountability, (4) to make recommendations to the State Board, the Governor, the Speaker of the House of Representatives, and the President of the Senate on ways to improve the school accountability system, (5) to determine the starting dates for implementation of the value-added progress dimension and its incorporation into school district and building report cards and performance ratings, and (6) to review any analysis and reporting fees paid by the Department in connection with implementing the value-added progress dimension to determine if they are appropriate for the services received.

### **Comprehensive intervention plan**

The act requires the State Board of Education to submit to the General Assembly, not later than August 31, 2013, recommendations for a comprehensive statewide plan to intervene directly in and improve the performance of persistently poor performing schools and school districts. For this purpose, the act defines "persistently poor performing schools and school districts" as any of the following: (1) priority schools and focus schools as defined by a waiver from provisions of the No Child Left Behind Act of 2001 issued to the state by the United States Department of Education, (2) schools and districts that have been in school improvement status as defined by the United States Department of Education for four of the five most recent school years, (3) schools and districts whose performance index score places them in the bottom 5% of schools

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<sup>85</sup> R.C. 3302.021(E)(1), under former law.

statewide for three of the five most recent school years, and (4) schools and districts that have a value-added progress dimension grade of "F" for three of the five most recent school years, or the equivalent measure.<sup>86</sup>

### **Social studies achievement assessments**

The act changes the administration of the social studies achievement assessments to grades four and six, instead of grades five and eight as under prior law. On the other hand, the act maintains continuing law regarding the other elementary assessments. Under that law, both the English language arts and mathematics assessments are administered at each of grades three through eight, while the science assessments are administered only at grades five and eight. Therefore, now under the act, three achievement assessments will be administered in grades four, five, six, and eight, while two assessments will be administered in grades three and seven.<sup>87</sup>

Temporary law, maintained by the act, permits the State Board to prescribe and districts to administer separate reading and writing assessments in lieu of a combined English language arts assessment until the latter assessment is fully developed.<sup>88</sup>

### **Scoring levels on achievement assessments**

Former law permanently required the State Board of Education to establish five scoring ranges for the state achievement assessments. Am. Sub. H.B. 1 of the 128th General Assembly, effective October 16, 2009, instead directed the State Board to establish only three scoring ranges in permanent law. However, temporary law also instructs the State Board to maintain the five scoring ranges for purposes of administering the third-grade English language arts achievement assessment.

The act reinstates the permanent requirement for five scoring ranges on all the state achievement assessments. Under the act, the ranges are advanced, accelerated, proficient, basic, and limited.<sup>89</sup>

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<sup>86</sup> Section 4.

<sup>87</sup> R.C. 3301.0710(A)(1).

<sup>88</sup> Section 267.10.90(A) of Am. Sub. H.B. 153 of the 129th General Assembly, as subsequently amended. See Section 9 of the act.

<sup>89</sup> R.C. 3301.0710(A)(2) and Section 267.10.90(B) of Am. Sub. H.B. 153, of the 129th General Assembly, as subsequently amended. Amended in Sections 9 and 10 of the act.

## Administration of diagnostic assessments

Under continuing law, each school district, community school, and STEM school is required to administer diagnostic assessments at the appropriate grade level to specified students. These assessments are used to determine which students need to receive additional services in order to attain grade level performance. The State Board of Education must develop the assessments and provide them to districts and schools for their use.

The act makes a few changes to the administration of those assessments. First, it specifies that the State Board develop a separate diagnostic assessment in reading and writing for each of grades kindergarten through three, instead of a combined English language arts assessment for each of those grades as under prior law.<sup>90</sup> (The act maintains law requiring that an assessment also be developed for each of those grades in mathematics.)

Second, the act requires that diagnostic assessments be administered to each student enrolled in third grade, as well as each student enrolled in kindergarten through second grade as under continuing law.<sup>91</sup>

Third, it eliminates the requirement to administer diagnostic assessments to students enrolled in a building that failed to meet "adequate yearly progress" (AYP) for two or more consecutive years.<sup>92</sup>

Finally, the act permits a school district or school that received for the immediately preceding school year an excellent or effective rating, or the equivalent of such ratings as determined by the Department of Education (presumably under the act's new rating system), to use different diagnostic assessments than those provided by the State Board.<sup>93</sup>

The act maintains continuing law requiring that districts and schools administer the assessments to each student who transfers into a new school or district and who did not take a diagnostic assessment at that student's previous school.

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<sup>90</sup> R.C. 3301.079 and 3313.608(B)(1).

<sup>91</sup> R.C. 3301.0715(A)(3).

<sup>92</sup> R.C. 3301.0715(A)(1) and (E).

<sup>93</sup> R.C. 3301.0715(C).

## **Third-grade reading guarantee**

The third-grade reading guarantee requires each school district and community school to use State Board – developed diagnostic assessments (see above) to assess a student's reading skills at the end of first, second, and third grade to identify students reading below grade level. Upon identification of a student as underperforming, the district or school must notify the student's parent and provide the student with intervention services, including intense remediation during the summer after third grade. To that end, the district or school must develop a reading improvement and monitoring plan within 60 days after receiving the student's results on the diagnostic assessment. Also, the law generally prohibits school districts and community schools from promoting to fourth grade a student scoring in the range designated by the State Board of Education on the third-grade English language arts (reading) achievement assessment, but makes exceptions for students in specific circumstances.

### **Immediate intervention services**

Under the act, once a student is identified as needing intervention services, the district or school must immediately provide those services pending the completion of the student's improvement and monitoring plan, at which time the services will be provided pursuant to that plan.<sup>94</sup>

Continuing law also requires that a student receiving intense remediation services must include intensive interventions in reading that address the area of deficiency. Prior law specified that this remediation include at least 90 minutes of reading daily. The act, on the other hand, clarifies that each student must receive not less than 90 minutes of reading "instruction" per day.<sup>95</sup>

### **Qualified teachers**

Under prior law, a student who is retained (that is, not promoted to fourth grade) because the student reads below grade level must be assigned a high performing teacher, as determined by the teacher's student performance data, when available, and the teacher's performance reviews. Also, all students with a reading improvement and monitoring plan who enter third grade after July 1, 2013, must be assigned a teacher who has either received a passing score on a rigorous test of principles of scientifically based reading instruction approved by the State Board of Education or who has a reading endorsement on the teacher's license.

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<sup>94</sup> R.C. 3313.608(B)(2)(b).

<sup>95</sup> R.C. 3313.608(B)(3)(a).

Rather, under the act, a student who is retained or who has a reading improvement monitoring plan must be assigned a teacher who has been actively engaged in the reading instruction of students for the previous three years, and who either: (1) holds a reading endorsement and has attained a passing score on the corresponding assessment, or (2) has obtained a master's degree with a major in reading. However, prior to July 1, 2014, a teacher is also qualified to provide reading guarantee services if the teacher (1) demonstrates evidence of a credential earned from a list of scientifically research-based reading instruction programs approved by the Department of Education or (2) was rated "above value added," which means most effective in reading, as determined by the Department, for the last two school years. Effective July 1, 2014, a teacher is also qualified if the teacher has earned a passing score on a rigorous test of principles of scientifically research-based reading instruction. This test must be selected through a competitive bidding process and must be approved by the State Board.<sup>96</sup>

## **Purpose statement**

The act states the General Assembly's purpose in enacting the act as follows:

As Ohio prepares to transition to the more rigorous Common Core State Standards that are scheduled to be fully implemented in the 2014-2015 school year, it is the intent of the General Assembly to put a new accountability system in place to help prepare the state's students, parents, schools, and communities for the increased demands of a 21st Century education and to assure that our youngest students are provided the skills to successfully progress through our primary and secondary education system as evidenced by an emphasis on early literacy. The General Assembly intends that the system created by this act will assist our schools in the move to the Common Core through a comprehensive, data-driven evaluation system that can lead to academic excellence in schools across Ohio and will focus on the goal of assuring that all of our children graduate from high school adequately prepared to be successful in college or in the career of their choice. Further, the General Assembly intends that the system will pay special attention to closing

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<sup>96</sup> R.C. 3313.608(B)(3)(c), (C)(6), and (H).

the achievement gap that historically has left too many of our students behind.<sup>97</sup>

### **Community school fiscal officers**

The act requires that any individual designated as the fiscal officer of a community school be licensed as a school treasurer by the State Board of Education prior to assuming the duties of fiscal officer.<sup>98</sup> A fiscal officer is similar to a treasurer of a school district and a STEM school, and thus would be licensed by the State Board according to the same standards as school district treasurers.<sup>99</sup> The act eliminates a prior alternative pathway for unlicensed individuals to become community school fiscal officers; however, it permits an unlicensed individual to serve as a fiscal officer for not more than one year following the act's effective date. Thereafter, an individual must be licensed as a treasurer in order to serve as a fiscal officer.

Under former law, before assuming the duties of fiscal officer, an individual had to either (1) be licensed by the State Board or (2) complete at least 16 hours of continuing education classes, courses, or workshops in the area of school accounting.<sup>100</sup> In addition, an unlicensed fiscal officer had to complete 24 hours of continuing education classes within the first year of employment, as well as eight hours of such classes for each subsequent year.

### **Standards for opening new Internet- and computer-based community schools**

Until recently, former law had provided that no new Internet- or computer-based community schools (e-schools) could open unless the General Assembly adopted standards for their operation. However, in 2011, the law was changed to (1) require new and existing schools to comply with either the standards of the International Association for K-12 Online Learning or standards enacted by the General Assembly, if enacted by January 1, 2013, and (2) permit up to five new e-schools to open each school year after January 1, 2013.<sup>101</sup> (Since the General Assembly did not enact e-school operating standards, it appears that they must comply with the Association's standards. Under continuing law, existing schools must begin complying with those standards on

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<sup>97</sup> Section 3.

<sup>98</sup> R.C. 3314.011.

<sup>99</sup> R.C. 3301.074, not in the act, 3314.011, and 3326.21, not in the act.

<sup>100</sup> R.C. 3314.011.

<sup>101</sup> R.C. 3314.013 and 3314.23 as amended and enacted in Am. Sub. H.B. 153 of the 129th General Assembly, latter section not in the act.

July 1, 2013.) While the law permitted new schools to open, it did not provide any further mechanism for approving them.

The act prescribes the development and adoption of standards for approval of new e-schools,<sup>102</sup> but it also delays the authorization to open until the later of the 61st day after the act's effective date or July 1, 2013, to accommodate the development of those standards.<sup>103</sup> Like prior law, only five new e-schools may open each year.

Under the act, the Superintendent of Public Instruction must approve applications from only those applicants demonstrating experience and quality. The act also requires the State Board of Education to adopt rules so that they are effective not later than the 61st day after the act's effective date, prescribing measures to determine experience and quality. Those measures must include the sponsor's and operator's experience with online schools, the sponsor's and operator's previous record for student performance, and must give a preference to operators with previous experience in Ohio.<sup>104</sup>

Not later than the earlier of July 1, 2013, or the 61st day after the act's effective date, the Department of Education must notify any new e-school that filed an application to open of whether the Superintendent has approved or disapproved the school's application to open for the 2013-2014 school year. A new e-school that has been approved may open and operate during the initial school year notwithstanding continuing law prescribing dates for adoption and signing of sponsor contracts or the date for opening a school for instruction. However, the school must comply with those mandates for each school year thereafter.<sup>105</sup>

### **Location of community school facilities**

Generally, a community school may not operate more than one facility under the same sponsorship contract or assign students of the same grade level to separate facilities. Nevertheless, continuing law provides an exception to the general rules under certain conditions. Under that exception, a community school may be located in multiple facilities under the same sponsorship contract and may assign students in the same grade to different facilities if (1) all of the school's facilities are located in the same county and (2) the school has entered into, and maintains, a contract with an operator to manage the school.

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<sup>102</sup> R.C. 3314.013(B)(2).

<sup>103</sup> R.C. 3314.013(A) and (B)(1).

<sup>104</sup> R.C. 3314.013(B)(2).

<sup>105</sup> R.C. 3314.013(B)(3).

The act expands the exception to apply also to a community school sponsored by a school district having territory in the same county where the facilities of the school are located, regardless of whether the school has an operator. The act also maintains the requirement that all of the school's facilities must be located in the same county.<sup>106</sup>

### **Community schools that operate drug recovery programs**

The act provides that a community school that operates a "drug recovery program," in cooperation with a court, must be considered a dropout prevention and recovery program for purposes of the Community School Law, regardless of the ages of students or the grade levels served by the school.<sup>107</sup> Thus, such a school would be amenable to the act's provisions regarding a new separate report card system and separate forced closure provisions for those schools.

### **Ed Choice application periods**

As noted above, the Educational Choice Scholarship Program pays scholarships to students of poor performing school district schools to attend chartered nonpublic schools instead. Generally, there has been only one application period per year for new scholarships. Beginning in the 2013-2014 school year and thereafter, the act permanently requires the Department of Education to conduct two Ed Choice application periods each year. The first application period must open not sooner than the first day of February but prior to the first day of July of the school year for which a scholarship is sought. The first application period may not run less than 75 days. The second application period must not open sooner than the first day of July of the school year for which the scholarship is sought and may not run less than 30 days.<sup>108</sup>

### **Teacher evaluations**

Under continuing law enacted by Am. Sub. S.B. 316 of the 129th General Assembly, all school districts and educational service centers, and all community schools and STEM schools that receive federal Race to the Top grant funds, must adopt a standards-based teacher evaluation system that conforms to a framework developed by the State Board of Education. The evaluation system must provide for multiple evaluation factors, including student academic growth, which must account for 50% of each evaluation.

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<sup>106</sup> R.C. 3314.05(B)(4).

<sup>107</sup> R.C. 3314.361.

<sup>108</sup> R.C. 3310.16.

The act requires that when applicable to the grade or subject area taught by a teacher, the value-added progress dimension or alternative academic progress measure, if adopted, must be used in the student academic growth portion of an evaluation in proportion to the part of a teacher's schedule of courses or subjects for which the value-added progress dimension is applicable. On the other hand, if a teacher's schedule is comprised of only courses or subjects for which the value-added progress dimension is applicable, (1) until June 30, 2014, the majority of the student academic growth factor of the evaluation must be based on the value-added progress dimension, and (2) on or after July 1, 2014, the entire student academic growth factor of the evaluation must be based on the value-added progress dimension.<sup>109</sup>

### **Reemployment decisions**

Under continuing law, the statutory requirements regarding teacher evaluations, including the frequency of evaluations, the procedures for doing them, and how they are used for employment decisions, prevail over conflicting provisions of a collective bargaining agreement entered into on or after September 24, 2012 (the effective date of Am. Sub. S.B. 316).

The act specifies that any dates set forth in separate law regarding contract renewal rights, requiring a district board or superintendent to give written notice of an intention to reemploy or not to reemploy a teacher based on the results of an evaluation ("on or before the first day of June") or requiring a teacher to give notice that the teacher does not accept reemployment under an extended limited contract ("on or before the fifteenth day of June"), prevail over any conflicting provisions of a collective bargaining agreement entered into on or after the act's effective date.<sup>110</sup>

### **Exemptions**

The act exempts instructors of adult education from existing requirements for performance evaluations of public school teachers.<sup>111</sup> (Substitute teachers are already exempt from these evaluations under continuing law.)

The act also exempts substitute teachers and instructors of adult education from teacher evaluations conducted by state agencies that employ teachers.<sup>112</sup> (Under continuing law, the State Board, in consultation with all state agencies that employ teachers, must develop a standards-based evaluation framework by June 30, 2013. Each

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<sup>109</sup> R.C. 3319.112.

<sup>110</sup> R.C. 3319.11.

<sup>111</sup> R.C. 3319.111, first paragraph.

<sup>112</sup> R.C. 3319.112(E).

agency then must adopt its own teacher evaluation policy that conforms to the framework.)

### **Educational service centers and STEM school organization**

A STEM school is an independent, public science, technology, engineering, and mathematics school for any of grades 6 to 12 established through a collaborative endeavor of both public and private entities. Prior law specified that at least one school district must be a partner in a STEM school's establishment. The act specifies that the group of collaborating partners establishing a STEM school must include *either* a school district *or* an educational service center.<sup>113</sup>

### **Educational service center sponsorship of start-up community schools**

School districts, educational service centers, state universities under certain conditions, and certain private tax-exempt entities may sponsor start-up community schools. However, under prior law, educational service centers were limited to sponsoring only schools located within the geographical territory of their service regions. The act permits a service center to sponsor start-up schools in any "challenged school district" in the state, as long as the Department of Education has approved it to do so, has entered into an agreement with the service center for such sponsorship, and if located in a municipal school district (Cleveland) has been recommended by the district's transformation alliance.<sup>114</sup>

Generally, most sponsors have to be approved by the Department before they may enter into contracts with schools. That approval also must be acknowledged in a formal agreement with the Department. Certain early pilot project sponsors (in Lucas County) are exempt from the requirement to get to the Department's approval before sponsoring schools.<sup>115</sup> It may not be clear whether the act's requirement for approval for an educational service center to sponsor statewide applies to these exempt sponsors.

### **War Orphans Scholarship Program and National Guard Scholarship Program**

#### **War Orphans Scholarship eligibility**

The act expands the War Orphans Scholarship eligibility to include the children of any deceased or severely wounded service members that participated in an operation for which the Armed Forces Expeditionary Medal was awarded. The War Orphans

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<sup>113</sup> R.C. 3326.03.

<sup>114</sup> R.C. 3314.02(C) and (F)(3).

<sup>115</sup> R.C. 3314.015 and 3314.027 (latter section not in the act).

Scholarship Program provides scholarships for the children of deceased or severely disabled Ohio veterans who were killed or injured during a period of major wartime military service. The Armed Forces Expeditionary Medal is used to recognize more than 20 military operations between 1956 and 1998, including some that are already included in the War Orphans Scholarship Program under continuing law.<sup>116</sup>

### **War Orphans Scholarship and National Guard Scholarship funding**

The act authorizes the Ohio War Orphans Scholarship Board, the Chancellor of the Board of Regents, and the Adjutant General to apply for, and receive and accept, grants, and to receive and accept gifts, bequests, and contributions, from public and private sources, including agencies and instrumentalities of the United States and Ohio.<sup>117</sup>

The Ohio War Orphans Scholarship Board must deposit the grants, gifts, bequests, or contributions into the Ohio War Orphans Scholarship Fund, which is created by the act in the state treasury. The fund must be used to operate and provide grants under the War Orphans Scholarship Program.<sup>118</sup>

The Chancellor and the Adjutant General must deposit the grants, gifts, bequests, or contributions into the National Guard Scholarship Reserve Fund maintained under continuing law.<sup>119</sup> Money in the fund must be used to pay scholarship obligations under the National Guard Scholarship Program.<sup>120</sup>

### **Miscellaneous changes**

**State education aid.** The act adds a nonsubstantive reference to the definition of "state education aid" for purposes of calculating nonresident tuition to a school operated by a school district.<sup>121</sup>

**Joint vocational school district report cards.** Continuing law requires the State Board of Education, in consultation with the Chancellor of the Board of Regents, any office established by the Governor that concerns workforce development, the Ohio Association of Career and Technical Education, the Ohio Association of City Career-

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<sup>116</sup> R.C. 5910.01(B)(2).

<sup>117</sup> R.C. 5910.02 last paragraph, and R.C. 5919.34(L).

<sup>118</sup> R.C. 5910.07.

<sup>119</sup> R.C. 5919.34.

<sup>120</sup> R.C. 5919.341, not in the act.

<sup>121</sup> R.C. 3317.081.

Technical Schools, and the Ohio Association of Career-Technical Superintendents, to approve a report card for joint vocational school districts and other career-technical planning districts that are not joint vocational school districts. The act permits the report card to include disaggregated data for each joint vocational school district, if available.<sup>122</sup>

**Contractor access to student personally identifiable data.** Continuing law permits a contractor employed by the Department of Education to have student personally identifiable information for purposes of creating student statewide identification numbers that the Department uses to track student data. The act permits an entity that is contracted by the Department to develop state assessments also to have student personally identifiable information for purposes of developing those assessments.<sup>123</sup>

**Performance and expenditure rankings.** Law enacted in 2011 requires the Department of Education to develop and adopt standards for determining the amount of annual operating expenditures for (1) classroom instructional purposes and (2) nonclassroom purposes, for each school district, community school, and STEM school. The Department of Education must use those standards to rank in order districts and schools by classroom and nonclassroom expenditures and to implement other programs and reports. The act requires districts and schools to begin reporting data using the standards on June 30, 2013, instead of July 1, 2013, as under prior law.<sup>124</sup>

## **Background on former academic performance rating system**

Prior law provided for a standards-based annual rating of the academic performance of school districts, individual buildings of districts, community schools, STEM schools, and college-preparatory boarding schools. The five classes of performance under that rating system were "excellent," "effective," "continuous improvement," "academic watch," and "academic emergency."<sup>125</sup>

The ratings were determined by:

(1) Meeting or not meeting specified performance indicators (75% student proficiency on all applicable state achievement assessments, 93% attendance rate, and 90% graduation rate);

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<sup>122</sup> R.C. 3302.033.

<sup>123</sup> R.C. 3301.0714(D)(1).

<sup>124</sup> R.C. 3302.20.

<sup>125</sup> R.C. 3302.03(B), under prior law.

(2) Attaining a specified performance index score, a weighted measure of student scores on the state achievement assessments;

(3) Making or not making "adequate yearly progress" (or "AYP") on state achievement assessments among specified subgroups of test takers. (The act's rating system replaces AYP with a new metric called "annual measurable objectives" (AMO) that measures whether a district or building is making adequate yearly progress in closing achievement gaps between students of different subgroups.) and

(4) Value-added progress dimension, which tracks the amount of a student's academic growth attributable to a particular district or building based on achievement test scores from one year to the next.

The following table shows how the performance ratings were determined using the first three of those measures.

Rating	Percentage of performance indicators met		Performance index score		Makes AYP
Excellent	94%-100%	<i>or</i>	100 to 120	<i>and</i>	Yes
	94%-100%	<i>or</i>	100 to 120	<i>and</i>	No*
Effective	75%-93%	<i>or</i>	90 to 99	<i>and</i>	Yes
	75%-93%	<i>or</i>	90 to 99	<i>and</i>	No*
Continuous improvement	0%-74%	<i>and</i>	0 to 89	<i>and</i>	Yes
	50%-74%	<i>or</i>	80 to 89	<i>and</i>	No
Academic watch	31%-49%	<i>or</i>	70 to 79	<i>and</i>	No
Academic emergency	0%-30%	<i>and</i>	0 to 69	<i>and</i>	No

\* If an otherwise excellent district or building did not make AYP for two or more of the same student subgroups for three or more consecutive years, it was rated effective. Similarly, if an otherwise effective district or building did not make AYP for two or more of the same student subgroups for three or more consecutive years, it was rated continuous improvement.

**Value-added adjustments.** The fourth measure, value-added progress dimension, was used to adjust a district's or school's rating based on demonstrated valued-added growth or decline. Accordingly, if a district or school demonstrated more than a standard year of academic growth in reading and math for two consecutive years, its rating was raised one level. If it was already rated excellent based on the other factors, the Department of Education rated it as "excellent with distinction" if it also demonstrated more than a standard year of academic growth for two consecutive years. On the other hand, if a district or school showed less than a standard year of academic growth in those subjects for three straight years, its rating was lowered one level.

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## HISTORY

ACTION	DATE
Introduced	05-22-12
Reported, H. Education	11-29-12
Passed House (59-27)	11-29-12
Reported, S. Education	12-12-12
Passed Senate (27-6)	12-12-12
House concurred in Senate amendments (58-31)	12-13-12

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