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House Bill 2: Charter Reform

SCHOOL LAW NEWSLETTER

Introduced January 28, 2015, [House Bill 2](#) is a charter reform bill. It calls for changes in how community schools are managed, and increases transparency and accountability in community schools. It was passed by the House on March 26, 2015. This article summarizes some of these changes.

Management and Operations

H.B. 2 provides several changes to how community schools are managed and operated. The bill prohibits sponsors from selling goods or services to the schools they oversee. It prohibits an employee of a school district or a vendor under contract with a district from serving on the board of the charter school sponsored by the district. It provides that treasurers of community schools must be hired by the school's board, and cannot be hired by the school's sponsor. Also, it would require the designated fiscal officer of a community school to be employed by or engaged under contract with the school board.

Accountability

To prevent districts from moving struggling students into dropout recovery charter schools to improve their district report card, H.B. 2 requires districts to include dropout recovery schools in the report card. In an effort to curb low-performing community schools from repeatedly switching sponsors, the bill requires a low scoring school to get approval from the Ohio Department of Education to change sponsors if the school has had more than one sponsor in the previous five years. It also prohibits all community schools from changing sponsors within the first four years of operation without ODE authorization. The bill requires contracts between the sponsor and a governing authority to contain performance standards (report card measures) and contains a provision making attendance and participation records available for inspection. Detailed descriptions of the school facilities and loan or rental information must be

included in the contract as well. For schools using the blended learning model, the bill requires the sponsor to verify to the ODE it has reviewed specific information provided by the school using blended learning. Sponsors of computer based community schools must ensure compliance with online learning standards.

Transparency

H.B. 2 requires each member of a community school board to file annual disclosure statements of potential conflicts of interest. It provides that the community school policies and procedures for financial control must be filed with the sponsor, and financial and enrollment records must be sent to the sponsor monthly. The sponsor would be responsible for communicating with the Auditor of the State regarding an audit. The bill also requires sponsors to report expenditures made in providing oversight and technical assistance to the community school. Finally, H.B. 2 provides that, starting in 2016, Ohio would report the performance of charter management companies, in addition to the current reporting of individual school results.

What You Need to Know

House Bill 2 makes many changes that would impact the operation of community schools. School Districts that sponsor community schools should review how H.B. 2 could affect them. If needed, districts should consider speaking to legislators about their concerns. As far as contracts with sponsors, while H.B. 2 prohibits sponsors from selling goods or services to the community school, it exempts current contracts. So, sponsors should review existing contracts and consider whether extending the contracts would be beneficial before the legislation passes.

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