

**Rule Summary and Fiscal Analysis (Part A)****Department of Education**

Agency Name

Division

**Chris Castle**

Contact

**25 S. Front Street Columbus OH 43215-4183**

Agency Mailing Address (Plus Zip)

**614-466-4705**

Phone

Fax

**Christopher.Castle@ode.state.oh.us**

Email

**3301-102-08**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Standards for measuring sponsor compliance with applicable laws and rules.****RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **No**2. Are you proposing this rule as a result of recent legislation? **Yes**Bill Number: **HB555**General Assembly: **129**Sponsor: **Stebelton**3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**4. Statute(s) authorizing agency to adopt the rule: **3301.07, 3314.015**5. Statute(s) the rule, as filed, amplifies or implements: **3314.015**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Am. Sub. H.B. 555 requires the Ohio Department of Education to develop and implement an evaluation system that rates each entity that sponsors a community school based upon three components, but only requires the State Board to adopt rules for one component, the compliance with applicable laws and administrative rules.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; if the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

Pursuant to Am. Sub. H.B. 555, the Ohio Department of Education is required to develop and implement an evaluation system that rates each entity that sponsors a community school based upon three components including the academic performance of students enrolled in community schools sponsored by the same entity; adherence to quality sponsoring practices prescribed by the department; and compliance with applicable laws and administrative rules. The State Board is required to adopt rules for one of the three components, the sponsor's compliance with applicable state laws and rules governing all sponsors of community schools. The proposed rule applies to all sponsors of community schools. The sponsor compliance rating comes from a sponsor's compliance with monitoring a community school's adherence to statutory requirements covering the areas of health and safety, education program, finance, governance and school operations. It is one of three ratings that are used to comprise the sponsor evaluation system, as defined in section 3314.016 of the Revised Code, amended by Am. Sub. H.B. 555. The proposed rule includes elements taken from legislative requirements included in section 3314.03 of the Revised Code. Section 3314.016 of the Revised Code also specifies the rating labels to be used and the rule provides the standards for each label. Based upon the findings from the compliance review, each sponsor shall receive a rating of exemplary, effective or ineffective for the compliance part of the sponsor evaluation. Additionally, this rating will contribute to an overall rating of the sponsor as exemplary, effective or ineffective. The department's protocol for reviewing a sponsor's compliance with rules and laws will be posted on the department's website and shared with each sponsor prior to initiating the sponsor compliance review, which, as mentioned above, is part of the sponsor evaluation system.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

The department's protocol for reviewing a sponsor's monitoring of their schools' compliance with rules and laws, including the list of compliance items selected to be verified (as referred to in paragraph (B)(1) of this rule), is not generally available, but shall be posted on the department's website and shared with each sponsor prior to initiating the sponsor compliance review, which is part of the sponsor evaluation system.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

The protocol is subject to review and change outside the purview of the rule; therefore, it would not be appropriate to include it with this filing.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

*Not Applicable.*

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

*Not Applicable.*

12. Five Year Review (FYR) Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

### **FISCAL ANALYSIS**

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

\$0

This filing will not impact the agency's budget.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

NA

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

There is no cost of compliance with regard to this filing. Complying with the rule is the same as complying with the law. The law requires sponsors to monitor their schools. The rule is about the department of education's verification that the sponsor has done its due diligence in monitoring the community school's compliance with laws and its contract.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

**S.B. 2 (129th General Assembly) Questions**

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **No**

The proposed rule applies to all sponsors of community schools. The potential adverse impact is that a sponsor rated ineffective for the compliance component will have an increased likelihood of receiving an ineffective overall rating. A sub-set of sponsors, those that are non-profit entities approved by the department to sponsor new start-up community schools, are considered businesses.

B.) Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? **No**

C.) Does this rule require specific expenditures or the report of information as a

condition of compliance? **No**