



Common Sense Initiative

Mike DeWine, *Governor*
Jon Husted, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Brittney Kneisel, Ohio Department of Education and Workforce

FROM: Caleb White, Business Advocate

DATE: March 7, 2024

RE: **CSI Review – Standards for Measuring Sponsor Compliance with Applicable Laws and Rules (OAC 3301-102-08)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Department as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule proposed by the Ohio Department of Education and Workforce (Department) as a part of the statutory five-year review process. This rule package was submitted to the CSI Office on February 14, 2024, and the public comment period was held open through February 21, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on February 14, 2024.

Ohio Administrative Code (OAC) 3301-102-08 establishes the standards and process the Department uses to evaluate a community sponsor's compliance with the applicable laws and rules. This rule is amended to update and streamline language.

During early stakeholder outreach, the Department posted the current rule for public comment from November 9, 2023, through December 10, 2023, and issued a notice to community school sponsors. Additionally, the Department also issued a press release on its intent to initiate rulemaking and posted notice if the rulemaking in its newsletter. The Department received three comments in

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response to this outreach. After the initial outreach, the department posted the amended rule on its website for a public comment period beginning January 5, 2024 and ending February 4, 2024 and presented the rule at a public meeting on January 18, 2024. In response to this outreach, the Department received one comment. The four comments raised concerns regarding the cost of implementing the rules. The Department reached out to the commenters and responded that the vast majority of the requirements referenced in the comments were related to statutory requirements and not restrictions set forth by the rule. No comments were received during the CSI public comment period.

The business community impacted by the rule consists of the nineteen entities that sponsor community schools in Ohio. The adverse impact created by the rule includes the time and financial costs associated with complying with the rule's the requirement for sponsors to monitor their school's compliance with the applicable laws and rules and the associated costs with maintaining the proper documentation to support the sponsor's certification of the school. The Department also notes that community school sponsors receive up to three percent of the total amount of payments the school receives from the department for operating expenses and are permitted to use these funds to offset any financial costs associated with complying with the rule. The Department states that the adverse impacts to business are justified to provide community schools with greater clarity as to their current obligations and increase accountability in the areas of fiscal operations and academic performance.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.