

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

Evidence for (F)(2)(i):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State's approach to charter school accountability and authorization, and a description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the State's approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

**OHIO'S NARRATIVE RESPONSE TO (F)(2) IS FOUND ON PAGES F2-1 - F2-6.
APPENDICES WITH SUPPORTING EVIDENCE ARE REFERENCED AS APPLICABLE.**

(F)(2) ENSURING SUCCESSFUL CONDITIONS FOR HIGH-PERFORMING CHARTER SCHOOLS AND OTHER INNOVATIVE SCHOOLS

A comprehensive and effective turn-around school strategy demands strong and mutually beneficial partnerships with Ohio's charter school community. Ohio's RttT strategy serves all children in any low-achieving school.

(F)(2)(i) OPPORTUNITIES FOR CHARTER SCHOOL GROWTH

Ohio does not cap the number of bricks-and-mortar charter schools. Ohio is the fifth-largest charter-school state in the nation. Currently, there are 296 bricks-and-mortar and 27 online charter schools, *enrolling more than 90,000 students*. Collectively, these schools represent nine percent of all public schools and *five percent of all public school students*. If viewed as a district, charters would be the State's largest by more than 30,000 students.

Ohio law permits both new start-up and conversion charter schools and does not prohibit or effectively inhibit increasing the number of high-performing bricks-and-mortar charter schools. There are no limits regarding how many bricks-and-mortar charter schools may operate in Ohio or how many conversion charter schools may open. Any school district, Educational Service Center, or Joint Vocational School may convert a building or part of a building to a charter school, pursuant to ORC Sections 3314.013, 3314.014, 3314.016, and 3314.017. State law does not prohibit an LEA from converting its schools into charter schools. The potential number of conversion charter schools is bounded only by the number of traditional public school buildings in the State.

The State allows new start-up charter schools in Ohio's eight large urban districts (Akron, Canton, Cleveland, Cincinnati, Columbus, Dayton, Toledo, and Youngstown) as well as any district-rated Academic Emergency or Academic Watch by the State's accountability system (seven additional districts in 2009-2010). **These districts cover 97 percent of the persistently lowest-achieving public schools in Ohio. There are no limits to the number of charters that may open in those districts.**

Student enrollment in charter schools is unlimited.

(F)(2)(ii) CHARTER SCHOOL AUTHORIZATION

The rapid expansion of charter schools in Ohio has been accompanied by mixed performance. Because of this reality, the State has instituted strong performance accountability standards for charter schools. These standards, according to the National Alliance for Public Charter Schools, represent the toughest performance and closure laws in the nation and are effective at culling those that are chronically underperforming. **Student achievement is a key factor in the renewal of charter schools.**

Ohio's system of charter authorization places an intermediary, called a sponsor, between ODE and the individual charter schools. Included in H.B. 1 is a provision that clarifies ODE oversight over all sponsors, who in turn have responsibility for schools. **ODE has full authority to revoke the sponsoring organization's approval.**

The legal requirements of each charter are described in law (ORC 3314.03). Ohio law does not speak to the authorizer's approval process for creating charter schools, other than the requirement for a developer of a new start-up charter school to engage the services of an Operator, which is an individual, organization or franchise-trained individual(s) responsible for the daily operations of a highly rated charter school in Ohio or in another state. Extensive requirements regarding authorizer responsibilities to monitor, hold accountable, reauthorize and close schools (ORC 3314 and OAC 3301-102-05) exist in Ohio. Required monitoring includes: bimonthly reviews of the school's finances; comprehensive site visits conducted at the school at least twice annually, while school is in session, to review compliance with the school's contract and all applicable State and federal law; and submission of an annual report to ODE on each charter school compliance's with all legal and regulatory requirements, renewal decisions and disciplinary interventions, including probation, suspension, and termination (ORC 3314.07 and renewals in ORC 3314.072 and 3314.073).

Ohio's accountability system applies to all public schools, including charters, which issues annual Local Report Cards at the building level, reporting student and school performance data and assigning a rating scale from "Excellent with Distinction" to "Academic Emergency." Charters receive Local Report Cards annually, beginning at the end of the school's first year of operation. Student achievement is a key factor in charter renewals. Under ORC 3314.35, charter schools are subject to closure for continued poor performance if they meet the following student achievement criteria: for schools serving grades not higher than grade three, a rating of

Academic Emergency on the Local Report Card for three of the four most recent school years; for schools serving any grades 4-8, but not above 9, a rating of Academic Emergency for two of the three most recent school years where in at least two of the three most recent school years, the school showed less than one standard year of academic growth in either reading or mathematics; for schools offering any grade levels 10-12, a rating of Academic Emergency for three of the four most recent school years.

Charter school applications are made directly to sponsors rather than the State. As a result, the State has not tracked the number of applications approved and denied over the last five years. Authorizers submit copies of all approved charter applications but are not required to report the number of denied applications. During the past five years, 65 charter schools have closed. Some have closed because the school's Governing Authority chose not to continue operations (voluntary closure) and fewer have closed because the sponsor non-renewed the charter for cause or revoked the charter (involuntary closure). Some schools may have more than one reason for closing and the reasons, where known, are categorized in the chart below.

School Year	Number Closed	Type of Closure			Reason for Closure						
		Voluntary	Ordered	NA	Financial	Academic	Low Enrollment	Compliance	Converted back to traditional	Public building	Unspecified
2004-2005	7	6	1	0	3	0	2	1	0		2
2005-2006	19	11	7	1	6	0	2	4	1		10
2006-2007	7	6	1	0	0	0	2	0	0		5
2007-2008	14	9	4	1	2	0	0	2	1		11
2008-2009	18	9	9	0	5	2	1	0	0		10
Totals	65	41	22	2	16	2	7	7	2		38

Note: Schools may have multiple reasons for closing. NA means undocumented reason.

Start-up and conversion charter schools may enroll students from within the district, from contiguous districts or statewide. **ORC 3314.03(A)(7) requires that each charter school's contract specifying the ways it will achieve racial and ethnic balance reflective of the community it serves.**

(F)(2)(iii) CHARTER SCHOOL FUNDING

Charter schools are LEAs in Ohio and, as LEAs, are eligible for their commensurate share of all federal entitlement and competitive funding. The Ohio Legislature has established State funding levels for all community schools that are equitable with traditional public schools. Charter schools do not receive a share of locally generated funds.

Students attending charter schools are included in the number of funded students for the traditional school district where the student resides. State per-pupil funding is then transferred from the traditional district to the charter school, by the State, including the proportionate share of State funding provided to the district for traditional public education students. The per-pupil amount transferred for each student is calculated in accordance with the following formula:

- Base funding of \$5,718 (2009-2010 school year) or \$5,703 (2010-2011 school year) plus base supplements of \$50.91.
- For special education pupils, \$5,732 times applicable special education weight.
- For students in career-technical education programs, \$5,732 times applicable career-technical education weight.
- For economically disadvantaged students, a per-pupil amount based on the funding the resident district received for the 2008-2009 school year. A charter school receives funding for all-day kindergarten students if the resident district of the student met the eligibility requirements to receive all-day kindergarten funding in the 2008-2009 school year.
- A per-pupil amount based on the property and income wealth of the resident district to provide parity between disparate districts.

Charter schools receive transportation funds if they provide transportation services to students.

Ohio has been a recipient of the federal Public Charter School Program grant for three State award periods. This grant allows Ohio to provide implementation and start-up grants to new and developing charter schools on a competitive basis. The current average charter school award is \$500,000 over a three-year period.

(F)(2)(iv) CHARTER SCHOOL FUNDING FOR FACILITIES

In lieu of direct facilities funding, Ohio law governs access to existing facilities. When a traditional school district disposes of real property that is suitable for classroom space, it must first offer that property to new, start-up charter schools located in its district at a price that is not higher than the appraised fair market value. Charter schools have 60 days in which to decide to make the purchase. If more than one charter school wants the property, the sale must be awarded to the school who accepted the offer first. Additionally, when a traditional district has real property suitable for classroom space and it has not used that property for academic instruction, administration, storage, or any other educational purpose within the last year, and does not have a plan to do so during the next three years, it must offer that property to new start-up charter schools located in its district under the same conditions as outlined above, per ORC 3313.41(G)(2). No State-level facilities requirements are imposed on charter schools, which is a substantial difference from traditional public schools. Each school's occupancy is locally approved through the zoning, health, and fire departments.

Charter schools cannot share in bond or mill levies.

(F)(2)(v) LEA ABILITY TO OPERATE INNOVATIVE, AUTONOMOUS PUBLIC SCHOOLS

Ohio has a variety of mechanisms for encouraging innovative, autonomous public schools other than charter schools and many districts across the State actively participate in this work. The broadest powers are provided to the Superintendent of Public Instruction and the State Board of Education under the Innovative Education Pilot Program waiver as captured in H.B. 1. (ORC 3302.07), which allows the school districts to apply for exemptions from specific statutory provisions or rules. This authority is extremely broad, though appropriate restrictions to the flexibility offered relative to funding and special education requirements are not subject to waiver.

The Operating Standards for Ohio Schools, Ohio Administrative Code 3301-35-01 (B)(8) provides flexibility at the student level for alternative means of credit attainment through "educational options." These are defined as learning experiences or activities that are designed to extend, enhance, or supplement classroom instruction and meet individual student needs. Educational options are offered in accordance with local board of education policy and with

parental approval and may include independent study, study abroad programs, tutorial programs, distance learning, and community service, among other options.

Credit flexibility is an essential component of innovation and autonomy and is intended to motivate and increase student learning by customizing around individual student needs and providing access to more learning resources, especially real-world experiences. Senate Bill 311 (the Ohio Core legislation) included a provision a requirement that by March 31, 2009, the State Board of Education adopt a plan that enables “students to earn units of high school credit based on a demonstration of subject area competency, instead of or in combination with completing hours of classroom instruction.” Students may earn credits by completing coursework, testing out of or demonstrating mastery of course content, or pursing one or more educational options as described above.

Many compelling examples of innovative, autonomous public schools exist in LEAs across the State of Ohio. For instance, Ohio has nine Early College High School (ECHS) sites in eight school districts, serving roughly 2,500 students. These schools build significant college-going identity and culture and students earn up to 60 college credits (the equivalent of an Associate’s degree) prior to graduation. Ohio’s STEM schools have the authority to define their instructional models and associated curriculum. Per ORC 3326.08, STEM school governing bodies have the authority to hire administrative officers, teachers, and other personnel. Provided the statutory minimums are met in terms of length of the school year, these schools have the discretion to define their school day and year, as well as control their budget (ORC 3326.08, 3326.21, 3326.51(B)(2)-(5)).

SECTION (F)(3):
DEMONSTRATING OTHER SIGNIFICANT REFORM CONDITIONS (5 POINTS)

**US DEPARTMENT OF EDUCATION - APPLICATION INSTRUCTIONS
FROM CFDA NUMBER: 84.395A - RACE TO THE TOP APPLICATION FOR INITIAL FUNDING**

Format compliance statement: Consistent with FAQ Addendum 3 (posted on 12/24/2009 by the US Department of Education on its web site), Question #L-9 *allows a State to use its own format for the response provided it is substantially similar, contains all of the same information, and in the same order.* Ohio's response is accordingly provided in a single narrative. Instructions from the US Government for this section are cut/pasted from the government document and inserted here, ahead of Ohio's response.

(F)(3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(3):

- A description of the State's other applicable key education laws, statutes, regulations, or relevant legal documents.

Recommended maximum response length: Two pages

**OHIO'S NARRATIVE RESPONSE TO (F)(3) IS FOUND ON PAGES F3-1 - F3-3.
APPENDICES WITH SUPPORTING EVIDENCE ARE REFERENCED AS APPLICABLE.**

(F)(3) DEMONSTRATING OTHER SIGNIFICANT REFORM CONDITIONS

Ohio is uniquely positioned to accelerate, innovate, and reinforce reform at every level of the education system to increase student achievement. While many of Ohio's most prominent reform conditions have been detailed throughout this application, others exist that will complement Ohio's reform agenda. These reform conditions fall into the following categories:

- A P-20 systems investment perspective focused on strong educational and economic development
- Improvements to structural constraints that have the potential to restrict student achievement
- Investments in school design innovations.

P-20 Systems Investment Perspective. All-day kindergarten is a priority of the Governor's education reform plan and starting in fiscal year 2011, all districts are required to offer this opportunity to all students. Additionally, H.B. 1 creates the Center for Early Childhood Development to focus on early childhood issues. This cross-agency center, comprised of staff from ODE, the Ohio Department of Jobs and Family Services and the Ohio Department of Health, is charged with administering early childhood programs and services for children, beginning with prenatal care until entry into kindergarten across various state agencies.

Successful reform conditions must include pulls to motivate and reward students to achieve at high levels. Ohio aggressively and purposefully links college and career readiness to jobs and economic development. Ohio has numerous strategies to promote access to postsecondary education and to grow a talented workforce. Ohio's \$1.6 billion Third Frontier initiative is a comprehensive effort to build world-class research capacity, promote interaction between educational organizations and industry, commercialize R&D and incentivize talent development. This includes an internship program to develop a pool of talented workers for Ohio's businesses and assist students in obtaining permanent full-time employment in Ohio after graduation. Aligned with the Third Frontier are a variety of actions to promote access to postsecondary education through collaborative approaches. Seniors-to-Sophomores is a dual degree program to help students aspire and be successful in college while also making college more affordable. Since 1989, the Postsecondary Enrollment Options policy encourages high school students to take college courses. The Ohio College Access Network provides early outreach to K-12 students and their families. The Ohio STEM Learning Network connects K-12,

higher education, and business partners in the five largest metropolitan areas to align STEM education investments to growth.

Improvements to structural constraints. H.B. 1 includes a number of reforms that collectively improve reform conditions in Ohio. Conspicuous in these changes is an effort to extend the school year. This legislation reduced the annual number of excused calamity days from five to three for the 2010-2011 school year. It also requires the State Superintendent to provide recommendations on extending the school year to the General Assembly by December 31, 2010. Additionally, H.B. 1 retains “good and just cause” as statutory grounds for termination of a school district teacher employment contract.

Recognizing the value of spending flexibility, H.B. 1 specifies that districts rated as “excellent” or “excellent with distinction” are not subject to spending rules, except for the requirements of all day kindergarten. This change is also representative of Ohio’s broader philosophy that local flexibility coupled with transparency and reasonable accountability is among the most effective means of supporting innovation. Ohio’s LEAs who demonstrate the ability to deliver academic achievement are a critical driver of the reform work that must continue.

The Comprehensive System of Learning Support Guidelines exists to reinforce schools and districts in identifying and intervening with students who are risk of not passing the Ohio Achievement or Graduation Tests as required by ORC 3313.6012. Ohio’s School Climate Guidelines describe how schools can reinforce environments where every student feels welcomed, respected, and motivated to learn.

Investments in school design innovations. In 2001, Ohio and its non-profit partners instituted the Ohio High School Transformation Initiative (OHSTI) as part of the broad national effort placed against improving graduation rates. This support, coupled with heightened transparency brought by the inclusion of graduation rate on the School Report Card, yielded an immediate and substantial impact in results increasing graduation rates from 81% in 2001 to 86% in 2004.

Ohio is the only state participating in an international program, Innovative Learning Environments (ILEs), from the Organization of Economic Cooperation and Development (OECD), and the Center for Education Research and Innovation to understand how students learn and under which conditions and dynamics learning can be enhanced. The program