

RICHLAND ACADEMY OF THE ARTS

Sponsor Suspension, Nonrenewal and Termination of a Community School Contract

Adopted: November 2015
Revisited Amended April 25, 2019

POLICY: Sponsor Suspension, Nonrenewal and Termination

SUBJECT: Community School Sponsorship Duties

PURPOSE: To establish a policy that complies with the Ohio Revised Code Requirements for suspending, nonrenewing or terminating a community school.

STATUORY

REQUIREMENT: Ohio Revised Code Section 3314.072 Suspending operation of a non-complying school; and 3314.07 Expiration, termination or nonrenewal of contract for community school.

Introduction

Upon the Governing Authority's receipt of the notice of suspension, nonrenewal or termination, the Governing Authority shall immediately notify the employees of the Community School and the parents of the students enrolled in the Community School of the action and the reasons for the action.

Suspending the Operation of Non-complying School

A. Health and Safety

1. If at any time the conditions at the Community School do not comply with health and safety standards established by law for school buildings, the Sponsor shall immediately suspend the operation of the Community School by sending a written notice of suspension to the Governing Authority. If the Sponsor fails to take such action, the Ohio Department of Education may take such action. The School shall immediately cease all school operations.
2. If at any time public health and safety officials inspect the facilities of the Community School and find cause, such officials have the authority to order the facilities closed for noncompliance. [Please see the Onsite Review Policy]
3. If the Sponsor determines to suspend the operation of the Community School pursuant to the terms of the Contract and the provisions of Ohio law, the Sponsor shall send written notice to the Governing Authority stating that the operation of the Community School is immediately suspended, and explaining the specific reasons for the suspension. The notice shall state that the Governing Authority has five (5) business

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days to submit to the Sponsor a written proposed remedy to the conditions cited as reasons for the suspension or face potential contract termination.

4. If the Sponsor approves and accepts the written proposed remedy submitted by the Governing Authority, then the Community School may reopen following notification by the Sponsor that such suspension is no longer in effect.

B. Other

The Sponsor may also suspend the operation of the Community School for the following reasons:

1. The Governing Authority's failure to ensure that the Community School meets the performance requirements specified in the Contract;
2. The Governing Authority's failure to meet generally accepted standards of fiscal management;
3. The Governing Authority has violated any provisions of the Contract or applicable state or federal law; or
4. Other Good Cause, including but not limited to:
 - a. **Failure to maintain continuity of qualified school leadership; and**
 - b. **The Governing Authority's failure to ensure that the Community School delivers the Education Plan specified pursuant to the Contract to all students enrolled in the Community School.**

Prior to suspension for one or more of the reasons set forth in paragraphs (B)(1) through (B)(4) above, the Sponsor must first issue to the Governing Authority written notice of the Sponsor's intent to suspend the operation of the Contract. Such notice shall explain the reasons for the Sponsor's intent to suspend operation of the Contract and shall provide the Governing Authority with five (5) business days to submit to the Sponsor a written proposal to remedy the conditions cited as reasons for the suspension. The Sponsor shall promptly review any proposed remedy timely submitted by the Governing Authority and either approve or disapprove the proposed remedy.

If the Sponsor disapproves the remedy proposed by the Governing Authority, or if the Governing Authority fails to submit a proposed written remedy in the manner prescribed by the Sponsor, or if the Governing Authority fails to implement the remedy as approved by the Sponsor, the Sponsor may suspend the operation of the Community School.

If the Sponsor determines to suspend the operation of the Community School pursuant to the terms of this Contract and the provisions of Ohio law, the Sponsor shall send written notice to the Governing Authority stating that the operation of the Community School is immediately suspended, and explaining the specific reasons for the suspension. The notice shall state that the Governing Authority has five (5) business days to submit to the Sponsor a written proposed remedy to the conditions cited as reasons for the suspension or face potential Contract termination.

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Upon the Governing Authority's receipt of the notice of suspension, the Governing Authority shall: (i) immediately notify all employees and parents of enrolled students of the suspension reasons for the suspension, and cease operations of the School the next business day; (ii) designate a representative of the Governing Authority who shall retain responsibility for the security of and access to all Community School records, including student records, during the suspension, (iii) provide the means and capability to access Community School records, including student records, to the Sponsor's representative, as designated in writing, and (iv) fully cooperate with the Sponsor's designated representative, who shall have unrestricted and equal access to Community School records, including student records during the suspension period. During the suspension period, the Sponsor's designated representative shall have access to and may remove Community School records, including student records, if, in the sole discretion of the Sponsor, the representative of the Governing Authority fails to timely provide such records, following a legitimate request, or for any reason if the Community School remains under suspension and is not fully operational for a period of ten (10) weekdays.

C. Termination Resulting from the Suspension of School Operations

In accordance with the provision of the Community School Contract and Ohio law, the Sponsor may choose to terminate the Contract prior to its expiration if the Sponsor has suspended the operation of the Community School. Additionally, pursuant to Section 3314.072, the Contract shall become void if the Governing Authority fails to provide a proposal to remedy the conditions cited by the Sponsor as reasons for the suspension, to the satisfaction of the Sponsor, by September 30 of the school year in which the operation of the Community School was suspended.

Nonrenewal/Termination of Contract

The expiration of the Contract between the Sponsor and the Governing Authority shall be the date provided in the Contract, provided, however, the Governing Authority may nonrenew the Contract upon one hundred eighty (180) days written notice to the Sponsor of its intent to enter into a Community School Contract with a successor sponsor approved to be a sponsor of community schools by the Ohio Department of Education. If the Sponsor decides to terminate or nonrenew the Contract prior to its expiration, then not later than the 15th day of January in the year in which Sponsor intends to terminate or nonrenew the Contract, the Sponsor shall notify the Governing Authority in writing of its intent to terminate or nonrenew the Contract pursuant to Code Section 3314.07. The Sponsor may choose to terminate or nonrenew the Contract prior to its expiration for any of the following reasons:

1. The Governing Authority's failure to ensure that the Community School meets the performance requirements specified in the Contract;
2. The Governing Authority's failure to meet generally accepted standards of fiscal management;
3. The Governing Authority has violated any provisions of the Contract or applicable state or federal law;
4. Other good cause, including but not limited to: a) failure to maintain continuity of qualified school leadership; b) the Governing Authority's failure to ensure that the

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- Community School delivers the Education Plan specified pursuant to the Contract to all students enrolled in the Community School;
5. The Community School is insolvent or is bankrupt;
 6. The Community School has insufficient enrollment to successfully operate a community school, or the Community School has lost more than fifty percent (50%) of its student enrollment from the previous school year;
 7. The Community School defaults in any of the terms, conditions, promises or representations contained in or incorporated into the Contract **or any other agreement entered into between the Sponsor and the Community School or Governing Authority;**
 8. The Community School's applicant(s), directors, officers or employees have provided false or misleading information or documentation to the Sponsor in connection with the Sponsor's issuance of the Contract, Preliminary Agreement or other legally binding document executed by the parties to the Contract, or the Community School's reporting requirements under the Contract or applicable law;
 9. The Sponsor discovers grossly negligent, fraudulent or criminal conduct by the Community School's applicant(s), directors, officers, employees or agents in relation to their performance under the Contract.

The notice shall include the reason for the proposed termination or nonrenewal of the Contract in detail, the effective date of the termination or nonrenewal and a statement that the Governing Authority may, within fourteen (14) days of receiving the notice, request an informal hearing before the Sponsor. Such request shall be in writing. The informal hearing shall be held within fourteen (14) days of the receipt of a request for the hearing. Not later than fourteen (14) days after the informal hearing, the Sponsor shall issue a written decision either affirming or rescinding the decision to terminate or nonrenew the Contract. The expiration, termination, or nonrenewal of this Contract between the Sponsor and Governing Authority shall be subject to Code Section 3314.07.

The termination of the Contract shall be effective upon the occurrence of the later of the following events:

1. The date the Sponsor notifies the Governing Authority of its decision to terminate the Contract;
2. If an informal hearing is requested, and as a result of the informal hearing the Sponsor affirms its decision to terminate the Contract, the effective date of the termination specified in the notice of termination.

If the Sponsor learns that the Community School may receive a designation of "unauditable" from the Ohio Auditor of State, the Community School shall be subject to probationary status, suspension of operations, termination or nonrenewal of the Contract.

Contract Termination Contingencies

If the Community School permanently closes and ceases its operation, the Community School shall comply with Section 3314.074 of the Code and proceed according to the Contract

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termination contingencies set forth in the Governance and Administration Plan, which is incorporated by reference in the Community School's Contract.

The Governing Authority represents that its governing documents provide that, upon dissolution, (1) all remaining assets, except funds received from the Ohio Department of Education, shall be used for nonprofit educational purposes, and (ii) remaining funds received from the Ohio Department of Education shall be returned to the Ohio Department of Education.

All property personally and/or individually owned by the trained and licensed teachers or staff employed by the Community School, shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, curriculum manuals, personal mementos and other materials or apparatus that have been personally financed by teachers or staff.

Upon the Governing Authority's receipt of written notice of termination or nonrenewal, and throughout the period of Community School operation between the notice of termination and school closure, if any, the Governing Authority shall:

(i) comply with school closing procedures required by law imposed by or upon the Ohio Department of Education and Sponsor and perform all obligations necessary thereto,

(ii) designate a representative of the Governing Authority who shall retain responsibility for the security of and access to all Community School records, including student records,

(iii) provide the means and capability to access Community School records, including student records, to the Sponsor's representative, as designated in writing, and

(iv) fully cooperate with the Sponsor's designated representative, who shall have unrestricted and equal access to Community School records, including student records during the period prior to the closure of the Community School. Upon termination or nonrenewal and closure, the Governing Authority shall secure all Community School records, including student records, in the possession of the Community School and shall grant to the Sponsor access to records requested by the Sponsor. The Sponsor may take possession of such records, and upon taking possession of such records shall thereafter fulfill any and all statutory and contractual duties concerning the Community School records, including the student records which are within the Sponsor's possession; provided that in performing the Governing Authority's statutory or contractual duties, the Sponsor shall comply with Section 3314.015, and any procedural guidance published by the Ohio Department of Education, which correspond thereto. **In accordance with Section 3314.44, the Governing Authority shall take all reasonable steps necessary to collect and assemble in an orderly manner the educational records of each student who is or has been enrolled in the school so that those records may be transmitted within seven (7) business days of the school closing to the student's school district of residence.**

The Governing Authority further recognizes the authority of the Ohio Department of Education to take over sponsorship of the Community School in accordance with Section 3314.015 (C) of the Code.

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The School Treasurer shall be responsible for marshalling school assets and records in accordance with law. The School Staff and management company shall assist as reasonably required to ensure all records are timely prepared in order to complete the School's closure.

In the event that the School experiences financial difficulties or closes prior to the end of the school year, and the school is unable or unwilling to fulfill closure requirements, the Sponsor may seek a court order to compel the Treasurer's specific performance or to appoint an appropriate 3rd party to manage the School's assets and records and close the School.

SCHOOL CLOSURE CHECKLIST

This list is to be used as a reference to all parties involved in closure. It does not replace the official closing assurances provided by ODE.

SCHOOL RESPONSIBILITIES

(Board/Director/Staff/Management Company)

- Board resolution for closure of school
- Board resolution for disposition of assets
- Notification to parents of closure- *Letter must include the following:*
 - Reason for closure
 - Options for enrolling in other schools
 - Location of student records
 - Contact information for Sponsor
- Notify teachers of closure-*Letter must include the following:*
 - Clarification of COBRA or other benefits
 - Information on the location of LPDC document
 - Reminder to faculty of obligation to teach until the last day
 - Contact information for Sponsor
- Organization of all student records
 - Make copies of all current student records
 - Create a list of all current students including address, grade, and resident district
 - A copy of this list must be provided to each resident district
 - Organize student files by grade and in alphabetical order
 - Name and SSID should be clearly visible
 - Create a list of all graduates that includes date of graduation and transcripts
 - Keep all SPED files separate for delivery directly to the SPED office at the resident district
 - Deliver ORIGINAL files to resident districts within 7 days of school closure
 - A signature must be obtained by each receiving district
- Schedule FTE review with area coordinator
- Confirm all assts are accounted for one the Treasurer has provided the asset listing

DOCUMENTS SCHOOL MUST PROVIDE THE SPONSOR

- Copy of parent letter
- Copy of staff Letter
- Copy of Board closure resolution
- Copy of Board resolution for Disposition of assets
- Copy of any notices to ODE or Media for auction
- Current student list including address, grade, and resident district
- List of any graduates
- Copy of email requesting FTE review
- Copy of final FTE report
- Copy of delivery signature to resident districts

TREASURER RESPONSIBILITIES

- Notify STRS/SERS of closure
 - Ensure STRS/SERS contribution are current
- Update and confirm the Fixed Asset list
 - Must include the funding source and Fair Market Value
 - Create bill of sale for any assets sold
- Notify the Auditor of State of school closure and schedule the final audit
- Identify any School Facilities guarantees
- Identify any Nation School Lunch Program equipment purchases
- Create June 30 financials- *This Document Must include:*
 - Bank reconciliation
 - List of investments
 - List of payables
 - Create a priority list if there are not enough funds available to pay everyone
 - List of unused checks
 - List of petty cash
 - List of bank accounts- *Includes closing all bank accounts when all transactions are complete*
 - Payroll reports
 - List of Accounts receivable
- Return all unused funds to ODE

DOCUMENTS TREASURER MUST PROVIDE TO SPONSOR

- All June 30 financials
- Copy of email to STRS/SERS for closure
- Copy of email to AOS requesting final audit
- Asset list with all required elements
- Any Bills of Sale for assets
- Accounts payable listing with priority listing
- Copy of remission check to IDE for unused funds



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