



Chair Oelslager, Vice Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to provide testimony today on Substitute House Bill 166.

My name is Chad Aldis, and I am the Vice President for Ohio Policy and Advocacy at the Thomas B. Fordham Institute. The Fordham Institute is an education-focused nonprofit that conducts research, analysis, and policy advocacy with offices in Columbus, Dayton, and Washington, D.C. Our Dayton office is also a community school (charter school) sponsor.

Fordham believes that every student deserves to attend a high quality school. To that end, we support efforts both to improve public schools and to help all parents to exercise their right to choose the school that's best for their children. If Ohio's education system is to be successful, it's critical that the state fund schools fairly by taking into account the additional needs of students living in poverty.

Governor DeWine's as introduced budget was relatively light on education-related changes, but the sub bill made some very significant education policy changes—some good and some less so—that we'd like to address.

Support for low-income students

We support Governor DeWine's proposal to award funding for wellness services based on the percentage of economically disadvantaged children residing in a district. It is critical for the state to provide funding to ensure the needs of our most disadvantaged students are met, and we strongly support the increases in the sub bill. On a related note, we also support the funding allocated to reduce the costs for low-income students to take Advanced Placement exams. This reduces a barrier for our high-achieving but disadvantaged students. Finally, when thinking about wellness funds, we also recommend that districts be given flexibility to spend those dollars as efficiently as possible based upon the needs of their students.

Teacher Licensure

Speaking of flexibility, we are also supportive of the language giving school districts and charter schools increased leeway in using teachers on long-term substitute licenses when necessary. In areas where there are teacher shortages, this is critical. It is also an important mechanism for attracting talented mid-career professionals into the teaching field.

State Report Cards

Fordham has acknowledged the need to continue to improve Ohio's state report card and even [published a report](#) giving recommendations on how to do it. However, the sub bill makes some significant changes to the report card system—without debate—which gives us concern.



The sub bill would make the overall grade of a school (applies to districts, too) the higher of the performance index or the value added measure. While well-intentioned, this would result in a dramatic increase in grades around the state. Such an increase would make schools appear to be better performing than they actually are, and would result in a significant softening of accountability. The negative impacts of this change would be felt in both high-income and low-income schools, but the distortionary effects are likely to be strongest in schools where students struggle mightily to meet state achievement standards. Unfortunately, that fact would be masked by satisfactory marks on the state's value added measure. Ohio families and taxpayers deserve a view of overall school quality that considers both student achievement and growth over time, not one or the other.

The sub bill also moves from a three year average for calculating value added to a one year measure. We are mostly neutral on this and see merit in the arguments on both sides. This change, however, is likely going to increase the volatility of the measure, with schools and districts swinging back and forth from A to F. This will diminish the credibility of value-added and could be used by critics as a basis for questioning the entire framework. A better approach might be to move to a weighted three-year average with the most current year being valued at 50 percent of the overall value added grade.

Our biggest concern, however, centers on language that would put some of Ohio's school choice programs at great risk. The sub bill includes language that requires every school (and district) to receive either an A or B if report card grades aren't issued by ODE by the statutory deadline of September 15. This measure would hurt parents looking for information on school quality. It could also hurt their opportunities as it would remove schools from the EdChoice eligibility list and reset the list of academically challenged districts where new charter schools could open.

A separate but similar provision would require a complete restart of all "sanctions"— including restructuring, academic distress commissions, EdChoice eligibility, and community school closure— whenever a change (even an administrative one) is made to the state report card system. Passing this language will codify an either/or provision that would hurt everyone. The state would be in the unenviable position of either leaving the school report card untouched every year—even if improvements are needed—or gutting many of Ohio's school choice programs. This language could destroy accountability, decimate school choice, or both.

Academic Distress Commissions (ADC)

The sub bill eliminated the ADC-related recommendations of Governor DeWine and placed a moratorium on the creation of new ADCs. However, it's widely believed that the language from the recently passed HB 154 will be amended into HB 166.



Looking to improve on how ADCs function and the role of local communities is important, and the House should be commended for attempting to address those problems. However, HB 154 was rushed and is very much an unfinished product. Here are a few of its significant weaknesses:

- There is no clear exit criteria for schools that improve while operating under an improvement plan. By failing to include exit criteria, the state exposes schools to potentially biased and ineffective measures of their improvement.
- The bill provides no additional interventions for schools that fail to improve after four years of local intervention. If local districts can't improve on their own within four years, then the state needs to step up and intervene on behalf of students and their families.
- The bill does not require schools to use student achievement and growth as benchmarks in their improvement plans.
- The bill does not include a mechanism for making sure that school improvement plans are actually evidence-based. School improvement plans should undergo an objective review by an outside entity in order to ensure a rigorous evidence base.

Charter Schools

Since House Bill 2 reformed Ohio's charter school laws, the General Assembly has trod very carefully on the issue and hasn't made many changes. This time has helped to identify some areas where changes are merited. The sub bill, unlike the as-introduced version, tackles some of those issues. While we are supportive of some of the changes, others could materially weaken charter school accountability just as the sector is showing signs of improvement.

Key charter provisions in the sub bill include:

- Charter school sponsors receiving an effective rating for three consecutive years will need to go through the evaluation process only once every five years instead of annually. The sponsor evaluation process is incredibly laborious, and it makes sense not to require it every year. However, five years could be too long between evaluations. In addition, consideration should be given to requiring the calculation of the academic component every year and giving the sponsor a new rating if it receives an F on the academic performance measure.
- Dropout recovery school report cards would be put on hold until ODE does a report and the General Assembly acts on the department's recommendations. If the legislature doesn't act, this essentially ends report cards for dropout recovery schools. That is incredibly worrisome.
- Charter sponsors under the bill would only have to provide opening assurances in a school's first year or when it changed locations. Currently, operating assurances provide an important annual accountability check on things like teacher licensure and background checks, special education plans, minimum enrollment and other non-building related issues. This would appear to weaken current accountability requirements.
- E-schools are required to develop an individual learning plan for each student, develop a process for notifying parents when students aren't participating, and eventually disenrolling students



that are not engaged. Given Ohio's recent experiences, we think these are smart, sensible changes.

- When Ohio's charter school automatic closure law was created it typically identified a handful of the very lowest performing schools each year. Without modifications, it could close many more in future years. We support the move to require three consecutive years of low performance instead of two out of three years. There should also be a provision that any school receiving an A in value added should not be subject to automatic closure.
- Similar to report card changes in the sub bill, if ODE doesn't assign sponsor ratings by November 15 then every sponsor would receive a rating of effective or higher. This could be subject to gaming.
- The timeframe is shortened from two years to one year for unused district buildings to be offered to charter schools. This is an important change that we support.
- Maintains the governor's proposal to provide additional resources to the state's best charter schools. This is vital given the well-documented, financial inequities faced by charter schools in Ohio. Although we continue to believe that all charters should receive increased funding, this is a big step forward. Importantly, driving additional dollars to top performers not only rewards and strengthens Ohio's top-performing charters but also creates an incentive for other schools to improve. Charter school growth in Ohio has slowed over recent years, leaving thousands of needy children without quality school options. This proposal would offer funding to promising startup schools, which could in turn lessen the demand for high quality school options.

Thank you again for the opportunity to provide testimony. I'm happy to answer any questions that you may have.