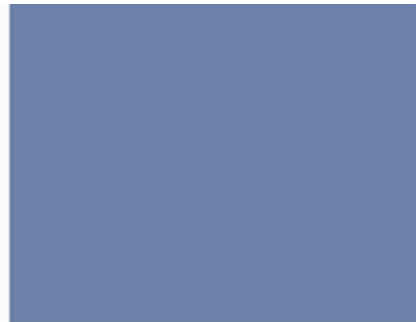




# Ohio Association of Charter School Authorizers



**Ohio Association of Charter School Authorizers  
Ohio House of Representatives  
Finance Subcommittee on Primary and Secondary Education  
Testimony of Dayna Baird Payne  
March 11, 2015**

Chairman Cupp, Ranking Member Phillips and members of the subcommittee, thank you for the opportunity to testify on House Bill 64.

I am Dayna Baird Payne, President of Government Edge, and here on behalf of our client, the Ohio Association of Charter School Authorizers (OACSA).

OACSA welcomes all sponsors as members – including school districts and Educational Service Centers -- and seeks to share best practices aimed at improving overall sponsor quality. OACSA members sponsor schools attended by nearly two-thirds of Ohio's charter school students.

I first want to note that H.B. 2 and H.B. 64 both seek to dramatically modify charter school law. In an effort to not be duplicative, our testimony today addresses provisions of H.B. 64 that are not contained in H.B. 2, as we have already testified on those before the House Education Committee.

There are many provisions of H.B. 64 that are linked to the new Sponsor Performance Review (SPR) – a sponsor assessment tool that OACSA helped to develop and continue to support. It clearly outlines expectations and sets high standards for sponsors, which we believe will improve charter school quality.

One provision of H.B. 64 is cause for concern to sponsors because it could potentially change the SPR significantly from how it was first conceived, developed and is being implemented.

Under current law, the three criteria for assessment under the SPR -- school academic performance, school and sponsor compliance with rule and law, and sponsor quality practices -- are equally weighted. H.B. 64 removes the requirement that each component be equally rated and instead requires the Ohio Department of Education to

designate an overall rating of sponsors without a specified timeframe.

The original intent of the Legislature – equally weighted components -- clearly defines expectations, which is essential to achieving desired outcomes. Equal weighting of the three components helps ensure that sponsors place equal focus on three critically important areas that together serve as the basis for a meaningful assessment.

Although we philosophically support the concept of greater flexibility and incentives for high-quality sponsors, changing the weighting of the three components raises concerns about how ratings will be determined. It's a critically important issue impacting not only sponsors, but also the schools they authorize.

Since the implementation date for the SPR was so recent – January 1 of this year – it is, in our view, too soon to make such a significant change. We respectfully request that H.B. 64 be amended to ensure that equal weighting of the three components of the SPR remain in place or to specify a new proposed weighting system.

OACSA respectfully requests two changes. One is the inclusion of Value-Added (VA) into the academic performance component of the SPR. Including VA into the calculation allows for a more comprehensive and accurate look at the academic performance of sponsors' schools. This particular point has been a priority of OACSA's for several years. Secondly, we believe the method by which sponsors are reviewed for academic performance should be ratings instead of rankings.

We would also like to offer OACSA's views on provisions of H.B. 64 that relate to civil immunity for charter school sponsors, officials and employees. Although we appreciate expansion of the types of civil liability from which sponsors are exempt, we are concerned that changing the law to make individual members of the governing board personally liable will cripple efforts to attract and retain quality board members. No matter how passionately a board member may embrace their role and community service, few if any would opt to serve if doing so would place themselves and their family members at such great financial risk.

OACSA fully supports transparency and agrees with the Kasich Administration that contracts between sponsors and governing authorities should contain a statement that all moneys an operator loans to a school is accounted for and the details well documented. However, we have concerns regarding the requirement that loans be based on "fair market" lender rates. Because of uncertainties surrounding charter schools and their potential vulnerability, some lenders perceive charter schools as higher risk. We recommend eliminating the reference to "fair market" rates. Instead, governing authorities should determine whether the agreed upon rate is reasonable, and that rate should be clearly stated in their contracts with operators and provided to sponsors.

Thank you for the opportunity to testify today. I'd be happy to answer any questions members of the subcommittee may have.