



Leadership for  
Public Charter Schools

## **Ohio Coalition for Quality Education**

### **Ohio House of Representatives**

#### **Finance Subcommittee on Primary and Secondary Education**

**March 19, 2015**

Good morning, Chairman Cupp, Ranking Member Phillips and members of the subcommittee. Thank you for the opportunity to speak to you today regarding several provisions contained in House Bill 64.

My name is Ron Adler and I am the co-founder and President of the Ohio Coalition for Quality Education. OCQE is a leadership organization representing a broad range of charter school stakeholders including school operators, governing boards, education management providers and sponsors – all sharing a common goal of providing quality education opportunities for the more than 123,000 students enrolled in Ohio's public charter schools.

Before commenting on HB 64, I would like to note all of the previous work the General Assembly has done in recent years to improve the governance of Ohio's public charter schools.

SB 316 granted additional authority to the Ohio Department of Education (ODE) to deny charter applications. HB 555 increased requirements for charter school fiscal agents. HB 59 provides ODE the ability to place sponsors on probation for noncompliance. HB 487 prohibits charter schools that are permanently closed from reopening unless 'sweeping' changes are made which include a new sponsor, chief administrator and governing board, as well as new performance standards. And, less than three months ago, ODE launched a robust and comprehensive sponsor evaluation system.

We supported all of this legislation; however, we feel that additional bills should be done with a 'light touch' until the results of this recent legislation can be fully evaluated. It is important to keep in mind that all of these legislative changes are on top of unprecedented changes for all Ohio schools. These include:

- conversion to the new Common Core Standards;
- new PARCC exams;
- new AIR with new end-of-course exams;
- continued phase-out of the Ohio Graduation Tests
- new OTES teacher requirements

Additionally, the new state report card with elevated standards is still a 'work-in-progress'. Early grade simulations by the department of education raise concerns about the approach. With 79% of charter school students living in poverty compared to 49% of district students, it is not surprising that the Department projects that the majority of charter schools will fail the new report card system with results that correlate significantly with differences in poverty.

None of the measures objectively take student demographic factors into account to show how well the school itself is performing. Even value-added has broken down into a largely pass-fail metric with 65% of districts and charter schools receiving either A or F. This measure of results has also become sensitive to student poverty.

As for HB 64, we appreciate the proposed per pupil grant increase through the biennium. And since public charter schools do not receive any of the facilities funding opportunities that are currently available to all other public schools – the proposed \$200 per FTE for bricks & mortar community school facilities is also welcomed. We do request that this be added to permanent law to provide schools with greater predictability for their budgeting.

However, there are several provisions in HB 64 that we would like to bring to your attention.

1. OCQE has concerns regarding the provision that would require charter school fiscal officers to be independent from the school's operator. In our view this would reduce the ability of schools to enjoy the economies of scale associated with an operator providing fiscal services to all its managed schools. We believe that governing boards should be empowered, if they choose to do so, to designate as their school's fiscal officer a licensed treasurer who is employed by the management company that provides services to the school.

OCQE strongly supports the importance of the 'independence' of a governing board. But, placing a legislative restriction on who they may contract with for their fiscal services would greatly impede on 'their independence'. A charter school governing board should have the freedom to make informed decisions, should they choose, to include fiscal officer responsibilities as part of the scope of services.

2. A highly engaged and well informed governing board is critical to the success of all charter schools. OCQE recommends that annual training for all charter board members be required. Most charter sponsors have a board training requirement in their school agreement, but they vary from sponsor to sponsor and some do not have any training requirement. For consistency and to help improve all boards we would recommend the following language be considered:

*"All members of a charter school governing board must receive a minimum of four hours of professional development training annually in the areas of, a) board governance best practices, b) legal and ethical requirements, c) fiscal responsibilities, d) review of current State legislation and regulations effecting public charter schools."*

Ongoing professional development is expected for teachers, principals, fiscal agents. We feel that it is equally important for charter school governing boards.

3. We support the inclusion of \$25 million for charter school facilities, but suggest the parameters of the initiative be changed. Under the proposal, only brick and mortar charter schools with a sponsor rated 'exemplary' would be eligible to apply for a grant.

Our concern is that by limiting the funding only to this subgroup of schools will create a situation where a high performing school with a lower category sponsor would be ineligible, while an average school with an 'exemplary' sponsor would be considered.

We recommend that each proposal be evaluated based on a charter school's own merit, through a rigorous process, as is the case with the Straight A program.

4. We also wish to raise our concern regarding proposed changes to ORC 3314.07 that addresses civil immunity in situations where a sponsor chooses to terminate or not renew school contracts for failure to meet contractual obligations.

Specifically, the bill permits a sponsor that prevails in a lawsuit to recover reasonable attorney's fees and other expenses of litigation, "to be paid jointly and severally by the governing authority of the charter school, individual members of the governing authority, or from any other plaintiff the court considers necessary and appropriate."

We believe that holding members of the governing board 'personally' liable would cripple efforts to recruit and retain board members, and would erode the core of Ohio's public charter schools.

Chairman Cupp, this concludes my testimony. Thank you for the opportunity to offer our suggestions. I would be happy to respond to any questions. ▪