



Leadership for
Public Charter Schools

OHIO COALITION FOR QUALITY EDUCATION

Ohio House of Representatives Education & Career Readiness Committee

Testimony on HB 21

September 12, 2017

Chairman Brenner, Vice Chair Slaby, Ranking Member Fedor and committee members. My name is Ron Adler, President of the Ohio Coalition for Quality Education. We are the statewide leadership organization for Ohio's 376 public charter schools.

I'm here to present testimony in strong opposition to provisions within HB 21 and the enormous hardships it would place on every charter school in the state. I would also like to read testimony from Thomas Babb, Chief Financial Officer for Cleveland's Constellations Schools. We feel it is important that you hear from a high quality operator of 16 charter schools and the impacts they would face as a result of HB 21.

To provide a historical perspective, for over a decade urban school districts had veto power over charter school funding. They had the ability to challenge student enrollment through a process called 'flagging' and freeze charter funding for those students. They then had the ability to demand any form of Proof of Residency (POR) they chose to confirm that those students were actually enrolled.

Frequently, multiple types of POR were required and in one instance a district demanded that charters should have parents notarize all documents.

In 2011, Mr. Babb and OCQE worked with the Department of Education to 'level the playing field' with POR issues. As a result, on November 23, 2011 ODE issued new guidance and shifted the authority for determining POR to the charter school where the student was enrolled.

We then worked with Senator Lehner to codify ODE's guidance in SB 316.

Regretfully, the provisions in HB 21 would wipe-out all of the work of the Department of Education and the Ohio Legislature.

Charter schools have always reported their enrollment to the state on a monthly basis, while districts only report three times per year. HB 21 will add another burdensome requirement of submitting residency records to ODE **monthly**. This new mandate would create a major financial burden and divert funds for educating urban students to superfluous record keeping.

Ohio's charter schools are dramatically underfunded compared to the urban districts where they serve. Charter base state funding is \$6,000 per student. When various categorical funding is added charters per student revenue averages \$7,500. And charter schools must use that limited level of funding to also pay for their school building.

By comparison, ODE's Cupp Reports show the following Per Pupil Revenue: Dayton - \$19,783; Columbus - \$17,915; Toledo - \$18,758; Cleveland - \$21,215; Youngstown - \$26,412.

Charter schools have always lagged funding of neighborhood district schools by approximately 30%. But today, those disparities have grown to double and triple. Taking money away from charter schools that exist solely to help poor children have safe local alternatives and then giving it to districts that are already overfunded is inexcusable.

And with new mandates added annually, the state seems to be exchanging quality education of children for unprecedented levels of record keeping.

We believe that HB 21 provides no benefit to the state, to public education and certainly not to children.

OCQE would like the opportunity to meet with Representative Hambley to better learn about the concerns of his district while we share information about the high levels of accountability to which Ohio's public charter schools already operate.

We ask members of this committee to respectfully support our concerns about HB 21.

Sincerely,

Ron F. Adler
OCQE President

Community Schools Residency Issues

To: Resident District staff, Community School staff, ODE-Office of Community Schools, ODE-Office of Quality School Choice & Funding, ODE-Area Coordinators

From: The Office for Quality School Choice and Funding-Policy & Payments **Subject:**
Community School Proof of Residency

Date: November 23, 2011

Community schools are public schools of choice, part of Ohio's program of education (Ohio Revised Code (ORC) Section 3314.01). Community schools are required to adopt a policy regarding the admission of students that does one of the following:

- a) Prohibits the enrollment of students who reside outside the district in which the community school is located;
- b) Permits the enrollment of students who reside in districts adjacent to the district in which the community school is located; or
- c) Permits the enrollment of students who reside in any district in the state. [ORC 3314.03(A)(19)]

A community school's admission policy must also declare that it is open to any student entitled to attend school per ORC Section 3313.64 or 3313.65; will not discriminate in admission; will not exceed the capacity of the school's programs, classes, grade levels or facilities; and shall admit students by lot if the number of applicants exceeds the school's capacity. The only exceptions to admission by lot are that preference shall be given to students attending school the previous year, or who reside in the district in which the school is located; and preference may be given to siblings of students who attended in the previous year.

For the purpose of this guidance, admission and enrollment have the same meaning – that is, students attend a traditional district building or community school where they receive educational instruction and count for funding.

Ohio law addresses different factors in determining where a child is entitled to attend school, which can be complicated in individual cases. (ORC 3313.084 ((B)(1)) Such factors include legal custody; proof of district residency; homelessness; and court ordered placements, to name a few. The traditional public

school district in which a student is entitled to attend public school is referred to as the resident district. The community school should ensure that it is referencing the resident district when it enters enrollment information in SOES.

Each traditional public school district and each community school is responsible for applying its own enrollment policy to students attending school in the resident district or community school. Where there are differences with regards to proof of residency (POR), then the policy of the traditional district or community school in which the student is enrolled prevails. For example, if a student for whom district A is the resident district enrolls in a community school whose admission policy permits enrollment from district A, district A must accept the documentation required by the community school's admission policy as sufficient for establishing that the student is entitled to lawfully enroll in the community school.

ODE, traditional districts and community schools all have an obligation to make sure the law is followed in each particular case. Traditional public school districts and community schools have valid reasons for investigating residency issues that may involve more than the "standard" POR, and cooperation from all parties is desired. It is not acceptable to "flag" students as non-residents unless the resident district can document information to dispute the residency determination of the community school. Resident districts are not to impose flags on students in SOES for lack of a POR consistent with the resident district's policy. It is perfectly reasonable for the resident district to ask for a copy of a community school's enrollment policy, if not already provided by the community school.

ODE's area coordinators are available to help with district residency determinations. Examples of appropriate POR's for verification of a student's entitlement to attend either a community school or a traditional public school district building are items such as those listed below. These items must be current and include a street address; a P.O. Box address cannot be used to validate residency records:

1. Voter registration card
2. Lease agreement
3. Mortgage statement
4. Utility statement
5. Bank statement
6. Rent receipt

ODE advocates cooperative relationships and open lines of communication between community schools and resident districts to ensure that all of Ohio's students are well prepared for academic success in our 21st Century learning environments.

Transportation note:

Establishing residency for transportation is different in that PORs for transportation purposes follow that of the resident district's policy. Resident districts may require the same POR from community school students as required of students attending the traditional district's schools.

If you have any questions please contact Cris Gulacy-Worrel at 614-466-0070 or cristina.gulacy-worrel@ode.state.oh.us .



Constellation Schools LLC

"The Right Choice for Parents and a Real Chance for Children!"

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Chairman Brenner, Vice Chair Slaby, Ranking Member Fedor and committee members. I wish to thank you for allowing Ron Adler, President of the Ohio Coalition for Quality Education, to read my testimony to you today.

My name is Tom Babb and I am the Chief Financial Officer and a founding member of Constellation Schools, which has successfully managed community schools in Northeast Ohio since the fall of 1998. My testimony is in regards to provisions contained within HB 21, which I believe will present substantial difficulties for each community school in Ohio.

As a Treasurer and CFO of community schools in Ohio starting with the first schools to open, I have seen many legislative changes enacted during my tenure. In the past few years, community schools have come under intense scrutiny resulting in severe overhauls of community school laws and regulations. Initially, community schools received approximately 70% of the total funding on a per student basis from all sources when compared to traditional school districts. Today, many of our schools receive less than 50% of the total funding from all sources when compared to traditional districts. At the same time, the amount of regulation that community schools must comply with has increased many fold and far exceeds that required of traditional districts.

HB 21, as currently written, will pose significant hardships in terms of financial and human resources, for community schools throughout the state. As Mr. Adler has already testified, we worked for several years to change the system of "flagging" students enrolled in community schools by traditional districts. The system in place at that time gave tremendous power to traditional districts to tie up the funds due community schools for months and to deny funding for students educated at a community school. Traditional districts often flagged students improperly and then refused to remove the flags for these students. When funding is tied up for several months or even denied to the educating school, it becomes exceedingly difficult to pay staff and vendors in a timely manner. Imagine, trying to explain to your bank, that you need additional time to pay your mortgage because you have not been fully compensated by your employer for the work you have already performed. This is what community schools faced on a regular basis for many years.

Until 2011, community schools were required to provide documentation to traditional districts proving the residency of students based on the requirements of the district the child lived in. Since each district determined what would be acceptable as proof of residency, we would have to repeatedly provide documentation, often to have the district either ignore the documentation or request additional documents above and beyond what they required for their own students. Community schools can now determine the appropriate documentation to prove residency of each student enrolled in their school.

Working with finance staff within of the Ohio Department of Education and with legislators, we were able to improve the process for resolving flags and to allow community schools to determine documentation to prove student residency. We are grateful for all those who worked with us to make these changes. The results have been improved integrity of reports and improved cash flow for community schools. I firmly believe that provisions in HB 21 will eliminate these processes that we worked so hard to achieve with the help of the Department of Education and the legislature.

Additionally, requiring community schools to monthly certify student enrollment is redundant because community schools already report enrollment via a live data system. Each month the Department of Education takes a snapshot of enrollment to calculate community school funding. Unlike traditional districts, community school funding changes each month due to actual reported enrollment. Requiring community schools to certify enrollment and submit documents each month will require additional staff to remain in compliance.

As previously stated, community schools already receive significantly less funding that traditional districts. Recent changes in laws and regulations have placed increased burdens on community schools while funding disparities with traditional districts have widened. During the past year, we have hired additional staff to demonstrate and document compliance requirements now in effect. Complying with all of the recent regulations has required us to divert funds from the classroom to maintain compliance. I question whether we wish to continue spending taxpayer funds on compliance rather than on educating our students.

To conclude, I believe that HB 21 is a step backwards for community schools and by extension to families that choose to educate their children in a school other than the district in which they live. HB 21 will not improve educational outcomes for students and certainly will not provide any benefit to children, to the state and to taxpayers.

Thank you for the opportunity to provide this information. I hope that committee members find this information useful and that due consideration be given to the information provided.

With great respect,

Thomas F. Babb, M.A., CPA
Chief Financial Officer
Constellation Schools

the Revised Code. The superintendent may grant a waiver only for 4970
good cause in accordance with rules adopted by the state board of 4971
education. 4972

(4) Any student who has attained the age of twenty-two years, 4973
except for veterans of the armed services whose attendance was 4974
interrupted before completing the recognized twelve-year course of 4975
the public schools by reason of induction or enlistment in the 4976
armed forces and who apply for enrollment in a community school 4977
not later than four years after termination of war or their 4978
honorable discharge. If, however, any such veteran elects to 4979
enroll in special courses organized for veterans for whom tuition 4980
is paid under federal law, or otherwise, the department shall not 4981
subtract from a school district's state aid account under division 4982
(C) of this section and shall not pay to a community school under 4983
division (D) of this section any amount for that veteran. 4984

Sec. 3314.11. (A) The board of education of each city, 4985
exempted village, and local school district monthly shall review 4986
enrollment for students enrolled in community schools established 4987
under this chapter and entitled to attend school in the district 4988
under section 3313.64 or 3313.65 of the Revised Code. For each 4989
student, the district shall verify to the department of education 4990
both of the following: 4991

(1) The community school in which the student is enrolled; 4992

(2) That the student is entitled to attend school in the 4993
district under section 3313.64 or 3313.65 of the Revised Code. 4994

(B) For purposes of its initial reporting of the school 4995
districts its students are entitled to attend, the governing 4996
authority of a community school may adopt a policy that prescribes 4997
the number of documents listed in division (E) of this section 4998
required to verify a student's residency. This policy, if adopted, 4999
shall supersede any policy concerning the number of documents for 5000

initial residency verification adopted by the district the student 5001
is entitled to attend. If a community school does not adopt a 5002
policy under this division, the policy of the school district in 5003
which the student is entitled to attend shall prevail. 5004

(C) In making the determinations under this section, the 5005
school district in which a parent or child resides is the location 5006
the parent or student has established as the primary residence and 5007
where substantial family activity takes place. 5008

(D) If a district's determination under division (A) of this 5009
section of the school district a student is entitled to attend 5010
under section 3313.64 or 3313.65 of the Revised Code differs from 5011
a community school's determination under division (B) of this 5012
section, the community school shall provide the school district 5013
that made the determination under division (A) of this section 5014
with documentation of the student's residency and shall make a 5015
good faith effort to accurately identify the correct residence of 5016
the student. 5017

(E) For purposes of this section, the following documents may 5018
serve as evidence of primary residence: 5019

(1) A deed, mortgage, lease, current home owner's or renter's 5020
insurance declaration page, or current real property tax bill; 5021

(2) A utility bill or receipt of utility installation issued 5022
within ninety days of enrollment; 5023

(3) A paycheck or paystub issued to the parent or student 5024
within ninety days of the date of enrollment that includes the 5025
address of the parent's or student's primary residence; 5026

(4) The most current available bank statement issued to the 5027
parent or student that includes the address of the parent's or 5028
student's primary residence; 5029

(5) Any other official document issued to the parent or 5030

student that includes the address of the parent's or student's 5031
primary residence. The superintendent of public instruction shall 5032
develop guidelines for determining what qualifies as an "official 5033
document" under this division. 5034

(F) When a student loses permanent housing and becomes a 5035
homeless child or youth, as defined in 42 U.S.C. 11434a, or when a 5036
child who is such a homeless child or youth changes temporary 5037
living arrangements, the district in which the student is entitled 5038
to attend school shall be determined in accordance with division 5039
(F)(13) of section 3313.64 of the Revised Code and the 5040
"McKinney-Vento Homeless Assistance Act," 42 U.S.C. 11431 et seq. 5041

(G) In the event of a disagreement as to which school 5042
district a student is entitled to attend, the community school, 5043
after complying with division (D) of this section, but not more 5044
than sixty days after the monthly deadline established by the 5045
department of education for reporting of community school 5046
enrollment, may present the matter to the superintendent of public 5047
instruction. Not later than thirty days after the community school 5048
presents the matter, the state superintendent, or the state 5049
superintendent's designee, shall determine which district the 5050
student is entitled to attend and shall direct any necessary 5051
adjustments to payments and deductions under sections 3314.08 and 5052
3314.13 of the Revised Code based on that determination. 5053

Sec. 3314.15. The governing authority of a community school, 5054
other than an internet- or computer-based community school, may 5055
screen students for body mass index and weight status category. If 5056
a governing authority elects to require the screenings, it shall 5057
comply with section 3313.674 of the Revised Code in the same 5058
manner required of a school district board of education. 5059

Sec. 3314.17. (A) Each community school established under 5060