



Thank you, Chair Brenner, Vice Chair Slaby, Ranking Member Fedor and House Education Committee members for giving me the opportunity today to provide testimony in support of the amendment regarding online charter schools.

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.

As many of you know, Fordham has been a staunch supporter of school choice for decades. We believe that every family deserves the right to choose their child's school; however, we also believe that state and local leaders have a duty to ensure that these options are high-quality. Although the Ohio General Assembly has done a considerable amount of work in the last few years to improve charter school laws, the unique nature of online schools has created a specific set of challenges that must be addressed. The amendment being considered, originally part of House Bill 707, makes changes that represent a strong step forward in the effort to improve the quality in the online sector.

First, the bill requires the Ohio Department of Education (ODE) to directly address and solve the issues that surfaced during the department's recent legislative battles with the Electronic Classroom of Tomorrow (ECOT). For example, the bill requires ODE to explicitly define the terms it uses to calculate full-time equivalency for student enrollment in online schools. It also specifies how school finance area coordinators should advise online schools and ensures that both student participation in learning opportunities *and* the duration of time a student is logged in are considered. Finally, it also requires the establishment of a specific amount of time that a student may remain idle until they are automatically logged off. Each of these provisions should prevent further miscommunications and clarify expectations for online schools.

Second, the amendment requires the adoption of rules to determine when an online school may dis-enroll a student for not actively participating in learning opportunities. In a traditional classroom, teachers are able to directly observe students and select instructional strategies that ensure student engagement. Teachers in online schools, on the other hand, are far more limited in how they can interact with students. Under current law, online schools are only able to monitor and enforce a student's attendance; they have little power to hold students accountable for active participation. This means that hundreds of online students could be cruising through school and not learning anything simply because they log in every day. Even if the school knows there's a problem and the student isn't learning much or isn't engaged, its hands are largely tied because the student is meeting minimum attendance requirements. In such cases, students are being academically harmed and taxpayer dollars are being wasted. By allowing ODE to establish rules that would permit (but not require) online schools to dis-enroll students who they can prove are actively refusing to participate, the legislature can greatly reduce the risk of online students falling behind. An additional step that should be included—either in law or rule—would be to add a provision that requires schools to document their attempts to contact

families about student engagement issues and to notify the student's school district of residence when a student is being dis-enrolled.

Third, and perhaps most importantly, the amendment creates a committee to study how a competency-based system could be used to fund online schools in place of full-time equivalency and log-in/log-off times. Exploring the pros and cons of the competency approach, as well as models used in other states, is the wisest path forward, since switching abruptly to a completely new funding system would be needlessly risky and logistically challenging. The committee would also be responsible for recommending whether to reduce the number of hours used to determine automatic withdrawal. Under current law, schools must automatically withdraw students who have failed to participate in 105 consecutive hours of learning opportunities without a legitimate excuse. 105 hours is roughly equivalent to fifteen full school days—an entire three weeks of consecutive absences. This is far too permissive, considering that state law considers students attending brick-and-mortar schools habitually truant if they have been absent without legitimate excuse for only seventy-two hours (approximately ten days) in a single year—regardless of whether those hours are consecutive. Allowing the committee to explore the impacts of reducing the number of required hours is a wise move.

Despite all these promising provisions, there are a few additions related to online education that would make for an even stronger bill. First, this committee should consider limiting sponsor fees for schools with more than 2,000 students to 1.5 percent. Under current law, sponsors may charge the schools they authorize oversight fees of up to 3 percent of the total amount of payments received from the state. These fees are an instrumental part of maintaining quality authorizing practices. But as schools continue to grow, the economy of scale should be taken into consideration. Limiting sponsors to oversight fees of 1.5 percent for schools that educate more than 2,000 students would prevent authorizers from relying on a single school for a disproportionate amount of their funding, a practice that could create perverse incentives for keeping a low-performing school open and essentially make a school “too big to fail.”

Second, this committee should also consider limiting the sponsorship of statewide online schools to those with the authority to sponsor statewide. Online schools are unique in that they aren't automatically constrained by geographic boundaries. As a result, some online schools serve students from all over Ohio while others limit their services to particular school districts or regions. While a school's service area doesn't necessarily require the school to alter its general operating procedures, it does impact a sponsor's ability to provide effective oversight. In other states, for example, individual districts have opted to sponsor statewide online schools—purportedly as a source of revenue—and then struggled to oversee them or hold them properly accountable. To prevent these challenges, Ohio should ensure that only sponsors that have gained approval from ODE to oversee charters statewide can sponsor schools that might enroll students from every district.

Thousands of Ohio families take advantage of online schooling each year. The legislature has a responsibility to make sure that the students in these schools are learning and that taxpayer funds are being spent well. The changes being considered are a step in the right direction toward accomplishing both of these goals.