



**Ohio House of Representatives
Finance Subcommittee on Primary and Secondary Education
March 15, 2017**

Testimony on H.B. 49

Chairman Cupp, Ranking Member Miller, and Representatives Blessing, Patterson and Reineke, thank you for the opportunity to testify today on House Bill 49. I'm Peggy Young, testifying before you today as president of the Ohio Association of Charter School Authorizers. We appreciate the ability to share OACSA's perspective as the House deliberates over Gov. Kasich's biennial budget proposal.

Members of the Ohio Association of Charter School Authorizers (OACSA) are relieved to see no major proposed policy changes specific to Ohio's charter school community in H.B. 49. But we understand that many changes are likely to occur throughout the legislative process and recognize that provisions with policy implications are often added during the lengthy legislative process.

Ohio charter school laws have been subject to on-going change since their inception. Most recently, the 131st General Assembly passed significant reform legislation in 2015. House Bill 2 made changes to the system of assessing the performance of charter school authorizers – aka sponsors – which features three components: sponsor quality practices; sponsor and school compliance with applicable laws and rules; and, school academic performance.

Under H.B. 2, the breadth of compliance monitoring expands to include ALL laws and rules applicable to sponsors and schools, and the academic component is now based on ALL applicable measures reported on the state's report card. Rating labels changed, and a "poor" rating was added. And, beginning with the overall ratings assigned for the 2015-2016 school year, consequences and incentives based on individual sponsors' ratings took effect.

Given the high-stakes nature of the sponsor performance assessment, there was significant media coverage of its difficult implementation, including efforts to retroactively apply administrative rules considered by the Joint Committee on Agency Rule Review.

But OACSA's goal in testifying today is not to complain about the past, but rather to offer suggestions to improve the sponsor performance assessment process moving forward.

The legislature granted the Ohio Department of Education (ODE) significant authority in terms of implementation. As you may recall, ODE appointed a three-man panel whose recommendations served as the basis for all aspects of the performance framework and its implementation. Unfortunately, none of the three individuals were experienced in charter school authorizing, nor did they engage sponsors in the process. According to the National Association of Charter School Authorizers (NACSA), the panel's recommendations reflected a "serious misunderstanding of the role of charter school authorizers."

OACSA continues to be concerned that sponsors were excluded from the process, and disappointed that sponsors were the only key stakeholders not granted "safe harbor" – like students, teachers, schools and districts – during a period of significant change including new learning standards, assessments and report cards.

But we limit our request for legislative changes to just three issues.

Our first concern relates to an aspect of the framework that conflicts with state law. The Ohio Revised Code specifies that the three components that comprise each sponsor's overall rating – quality standards, compliance and school academic performance – must be equally weighted. Unfortunately, under ODE's current framework, sponsors earning perfect scores in two of the three components would have adequate points to be rated "effective" but would automatically be rated "ineffective," with greater weighting assigned to the component with a score of zero. The consequences of receiving a rating of "ineffective" are significant: "ineffective" sponsors are prohibited from sponsoring additional schools and must develop and submit improvement plans to ODE, while those rated "ineffective" for three consecutive years are subject to revocation of sponsorship authority. Sponsors receiving a "poor" rating lose their authorizing authority.

We ask the House to strengthen the law to reinforce the fact that the three components must be equally weighted -- that individual components alone cannot lower a sponsor's rating below that earned through the total number of earned points.

Our second concern relates to ODE's decision to use average daily membership (ADM) in calculating the school academic performance component score. OACSA firmly believes that every charter school – regardless of enrollment – should be equally considered. To do otherwise is unfair to students whose best educational opportunities come in the form of small schools. Assigning lesser weights for small schools offers a perverse incentive for sponsors to focus more on the performance of schools with the highest enrollment.

We ask the House to add a provision to state law to require ODE to eliminate ADM from the academic component calculation to ensure that each school within a sponsor's portfolio is equally weighted, regardless of number of students.

Our third concern relates to issues of transparency and basic fairness. Just as districts and schools have the opportunity to review report card data before report cards are finalized and published, so, too, should sponsors have the opportunity to ensure accuracy in the calculation of their component scores. Some sponsors lost points that lowered their overall ratings unfairly; for instance, one OACSA member which does not sponsor any e-schools, lost points for the manner in which it reported on an e-school

compliance item ... apparently, “not applicable” was not the appropriate response. However, because that sponsor was rated “ineffective,” it was unable to appeal its rating as only sponsors rated “poor” are currently granted appeal rights.

We ask the House to add a provision to state law to provide sponsors with the opportunity to review data and ratings prior to publication to address any technical errors and extend the right to appeal ratings to all sponsors.

OACSA members fully support the legislature’s efforts to improve accountability and performance. But the process must be fair and in alignment with state law. Against the backdrop of NACSA’s comment about the panel’s recommendations reflecting a “serious misunderstanding of the role of charter school authorizers,” it’s worth noting that the sponsor performance assessment results for the 2015-2016 school year don’t follow the normal bell curve one might reasonably expect. Of the 65 total sponsors, none were rated “exemplary;” only 5 were rated “effective;” 39 were rated “ineffective;” and, 21 – all of which are districts and educational service centers -- were rated “poor.”

We believe that Ohio’s sponsor performance assessment, particularly the quality practices component, has the potential to improve authorizing, which ultimately helps charter schools. But we ask for your assistance in making three changes to improve the process for the current school year and beyond.

Thank you for the opportunity to testify today. We welcome any questions you may have.