



OHIO EDUCATION ASSOCIATION

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*The OEA will lead the way for continuous improvement of public education while advocating for members and the learners they serve.*

## **OHIO EDUCATION ASSOCIATION**

### **Senate Education Committee House Bill 87 - Proponent Testimony May 16, 2018**

Good afternoon Chair Lehner, Ranking Member Sykes and members of the Senate Education Committee. I am Matthew Dotson, with the Ohio Education Association's (OEA) Government Relations Division. On behalf of OEA's 125,000 members, thank you for this opportunity to provide **Proponent** testimony in support of HB 87.

HB 87 is a good government bill that strengthens accountability for public education funds.

Under HB 87, if the Auditor of State issues a 'finding for recovery' that results from an audit of charter school enrollment records (e.g. fraudulently over-reporting enrollment), HB 87 requires the Ohio Department of Education (ODE) to credit any recovered funds to the districts from which the funds were initially deducted. Current Ohio law does not provide specific guidance regarding the distribution of funds recovered by the state based on this scenario.

For example, Auditor of State Dave Yost released a special audit on June 15, 2015 announcing that officials at the now-closed General Chappie James Leadership Academy (Montgomery County) padded attendance rolls by nearly 50 percent. A 'finding for recovery' in the amount of \$1,179,879 was issued against the academy director in favor of ODE. The Auditor of State's office conducted this special audit after learning of allegations that the academy may have been illegally inflating its attendance number to receive money from ODE for students who did not attend the academy.

In the press release announcing this 'finding for recovery' based on fraudulently over-reporting enrollment, Auditor Yost stated, "It's no mistake when your attendance records are off by nearly half."

The Auditor of State further explained that "Auditors discovered the academy reported attendance levels of 459 students; however, for 220 of those students, documentation could not be produced to prove the students actually attended the academy during the period for which it received funding. Several students were claimed for multiple years -- indicating fraud and not simple bookkeeping errors. The majority of students had initially enrolled in the academy, but had not attended in several years, or in some cases, enrolled but never attended." (*June 15, 2015 – Ohio Auditor of State – Press Release – “General Chappie James Leadership Academy Special Audit Results in \$1.1 Million Finding”*)

HB 87 alone will not solve this problem. However, the bill has the potential to reduce some of the adverse impact this conduct imposes on Ohio's students.

OEA encourages the committee to pass this sensible accountability legislation. Thank you.