Chair Hite, Vice Chair Sykes, and Members of the Primary and Secondary Education Finance Subcommittee:

Thank you for allowing me the opportunity to address you on what I believe is a very important matter. I ask that you remove any language that was added to the budget bill that could potentially weaken the regulations for online charter schools and their sponsors. While HB 2 was supposed to strengthen oversight by insisting that charter school sponsors be rated based on three different components, one of which is academic performance, the amendment put into the budget bill by the House would allow an educational service center that is rated as "effective" to continue to sponsor a charter school regardless of whether or not they receive a lower rating at a later date. Should an online school like ECOT change sponsors (which is possible for them to do considering that there is already a loophole in HB 2 allowing them to do so as long as they find a sponsor that has been rated "effective" or better), they and their new sponsor can continue to allow the poor performance of ECOT to go unchanged. There will be no incentive for online schools like ECOT to improve their academic performance. According to a New York Times report, more kids drop out or fail to graduate in four years from ECOT than any other school in the country. One in six dropouts in Ohio, or 3,252 students, come from ECOT and they currently have a four- year graduation rate of 39.6% (it's best percentage in six years). The graduation rate for the state is 83%.

ECOT also has a history of not assuring that students are even logging in to do their classwork which dates back to the very first year that they were open. During a special audit that was requested by then auditor Jim Petro in 2000, ECOT was found to have been overpaid funding from the state for students who had never logged in. The audit also found that it is “likely that the amounts of computer based instruction recorded by both the Xerox system and students is unreliable and inflated” with one student recorded as receiving 24 hours of instruction in one session and another student found to have recorded 10,000 minutes in one session. There were “106 instances in which the reported student was either less than 5 years old or greater than 21 years old contrary to legislated age requirements” and 19 students identified by resident districts as not to be included in ECOT’s funding from the respective district (at a total of $87,508). Using actual hours of recorded computer-based instruction as the basis for funding, ODE paid ECOT $1,897,192 for which there is no documentation to support actual hours of computer-based instruction.  All told, ECOT could only verify that seven students had logged onto computers that year while ECOT billed the state for the thousands of students that signed up.

In addition to several recommendations to ECOT, the audit suggested that the ODE “should develop a written funding agreement within 30 days of the issuance of this report or cease payments to ECOT to prevent continued funding of students who may not be meeting ODE’s definition of what constitutes ‘enrolled’ for a computer-based community school”, and that the ODE “should begin monitoring the financial operations of community schools on a monthly basis and should include student records, accounting operations, and financial reporting.

While ECOT cited section 3314.03 of the Ohio Revised Code which states that they are only required to provide 920 hours of learning opportunities, it was noted that section 3314.08 of the ORC indicates that “school funding is based on the number of students enrolled rather than the number of hours of learning opportunity”.  ECOT had to pay back about $1.6 million of the $8.8 million they received that year and a plan was made to better review student enrollment going forward.

I am sure that much of their problems could be attributed to the fact that the school was brand new and that they were still working out some of the kinks. However, here we are seventeen years later and ECOT is currently fighting, at taxpayer expense, an order to pay back over $63 million of the $109 million given to them by the state for the 2015-2016 school year because they cannot account for the class participation of 9,000 of their 15,300 students. This time they are citing a January 2003 agreement between then associate superintendent David Varda and ECOT. Varda has since said that it was their “intent” that there be some documentation that students were actively engaged. While some attempts have been made over the years to make the language surrounding what it means to be actively engaged clearer, the problem still has not been fully addressed.

It is because of this and my concern about the impact it has on the funding of our traditional public schools, where a large majority of our children still attend, that I urge you to please remove any language from the FY 2018-2019 operating budget bill that could potentially result in online schools like ECOT getting yet another break from the accountability that they should be adhering to as it is clearly long overdue. This includes any language that will benefit sponsors as well as the amendment that would have the Joint Education Oversight Committee conducting an annual review of the Department of Education’s attendance- auditing manual as this would allow them to determine that schools cannot reasonably comply with changes to the manual thereby ensuring that schools like ECOT can continue to collect money for students that they cannot prove they are educating.

I again thank you for the opportunity to address all of you today and hope that you will seriously consider the concerns I have addressed here.

Mandy Jablonski

639 Cornell Ave.

Elyria, OH 44035

(440) 323-4656

atindera@aol.com