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OHIO EDUCATION ASSOCIATION

Ohio House Primary and Secondary Education Committee

House Bill 549 (R-Manning/D-Crossman) – Proponent Testimony

December 8, 2020

Good afternoon Chair Jones, Ranking Member Robinson, and members of the committee. My name is Jeff Wensing and I am the Vice President of the Ohio Education Association (OEA). I am here today representing approximately 122,000 OEA member educators and the students they serve.

OEA supports House Bill 549, a bi-partisan effort to address the longstanding concern that Ohio law allows some charter schools to focus on profits instead of kids.

To fix this problem, House Bill 549 requires all charter school operators to be non-profit entities and caps their fees at 5% of total funding received by the school. Simply put, Ohio’s school funding should go into school classrooms, not private bank accounts.

House Bill 549 will join Ohio with a growing number of states doing away with the wasteful and ineffective practice of allowing for-profit operators of charter schools. According to *Education Week*, more and more states are taking similar steps on behalf of their students, including New York, Rhode Island, New Mexico, Maine, Mississippi, Washington, and California.

The Ohio Charter School Accountability Project recently examined how the 178 Ohio Charter Schools run by for-profit entities perform and spend money compared with the costs incurred by local public school districts. This data reveals that charter schools run by for-profit operators spend a hefty \$1,167 more per-pupil than school districts on non-instructional administrative costs. That is 73 percent more money per-pupil being spent by for-profit operators outside the classroom than the typical Ohio school district.

More money spent outside the classroom means less education for kids. Of the \$590 million sent to charters run by for-profit operators in the 2018-19 school year, \$133 million went to non-instructional, outside-the-classroom administration. If the bloated spending by for-profit operators were curbed, at least \$52.7 million spent on administrative overhead could instead be spent on kids attending these schools.

The average for-profit charter spends \$776 less per pupil on instruction than the average school district. Yet it spends \$761 more per pupil on non-instructional administrative costs -- an almost perfect 1:1

ratio. Which means they could spend in the classroom what districts do, if only they did not make all that profit.

Charter schools with for-profit operators also do not turn out better academic results. On the 2018-19 state report cards, nearly 7 out of 10 for-profit operators received an F or D. Not a single for-profit operator charter school received an A. Only 1 received a B.

Further, for-profit operators are at the forefront of recent charter school scandals in Ohio. Many allegations of misconduct stem from the “for-profit” nature of these school operators, such as findings of attendance padding that increases school revenue streams.

Ohio’s experience with for-profit charter school operators is clear. Private profits and public education do not mix. It is time to take profit out the equation. House Bill 549 provides Ohio an opportunity to reevaluate its priorities and put kids before profits.

In closing, OEA supports House Bill 549 and hopes this bi-partisan legislation receives serious consideration by the Ohio General Assembly.

Thank you for the opportunity to testify. I am available for any questions.