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House Primary and Secondary Education Committee
HB 561 Sponsor Testimony

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Rescue Plan (Ranking Member)

Good morning and thank you Chairwoman Manning, Vice Chairwoman Fowler-Arthur, ranking member Robinson and the esteemed members of the Primary and secondary education committee. Representative Brennan and I, thank you for the opportunity to present sponsor testimony on Ohio House Bill 561. This request we present before you today seeks to prohibit for-profit operators from managing community schools in our state. This legislation is designed to safeguard the integrity of Ohio's education system by ensuring that the best interests of our students remain the primary focus, rather than the pursuit of profit.

Ohio's community schools, or charter schools, play an important role in offering families alternative educational opportunities. When designed and managed with students in mind, these schools can foster innovation, cater to diverse learning needs, and provide an environment where children can thrive. However, the presence of for-profit management companies in the operation of these schools raises significant concerns regarding educational quality, financial transparency, and accountability.

At the heart of the issue is the inherent conflict between two competing priorities: the education and development of students, and the financial interests of for-profit management companies. When private operators are driven by profit margins, they are often incentivized to cut costs in ways that may be detrimental to the educational outcomes of students. This can manifest in numerous ways, including the lowering of educational standards, mismanagement of public funds, and lack of accountability.

For-profit operators may be more likely to cut corners in the hiring of teachers and staff, providing insufficient support, training, and resources. The temptation to cut expenses can lead to larger class sizes, reduced support services, and an overall decline in the quality of education provided. Community schools are funded by taxpayer dollars, and it is critical that these funds are used responsibly.

For-profit management companies often operate with minimal transparency, making it difficult for regulators and the public to track how funds are being spent. In some cases, these companies prioritize profits over students, diverting resources away from classrooms and into the pockets of shareholders and executives. Community schools,

like all public schools, must be held accountable to the taxpayers and the families they serve. For-profit management companies, however, are often shielded from the same level of scrutiny as traditional public schools. This lack of oversight can lead to financial mismanagement, lower student outcomes, and even the closure of schools, which disrupts the lives of students and their families.

House Bill 561 is a straightforward yet impactful solution to these challenges. This legislation requires a for-profit entity to convert to a nonprofit organization in order to enter into or renew a contract to operate community schools and also revises the definition of operator to limit all new operators to nonprofit entities. By prohibiting for-profit entities from operating community schools, we can ensure that the focus of these institutions remains squarely on students and their academic success. Without the pressure to generate profits, community schools will be able to allocate their resources toward improving curriculum, hiring qualified teachers, and creating environments that are conducive to learning. Non-profit operators, with a mission-driven approach, are better positioned to prioritize the needs of students and the community.

Under this bill, community schools will be required to partner with non-profit organizations that are accountable to their boards, communities, and stakeholders. This added layer of clarity ensures that taxpayer dollars are being used responsibly and that the schools are focused on providing the highest quality education. By eliminating the profit motive, we can restore public trust in Ohio's community schools. When every dollar is reinvested into the education of students rather than siphoned off for profit, we create a more equitable system where all students, regardless of their socioeconomic status, have access to the resources they need to succeed.

Some may argue that for-profit operators bring innovation and efficiency to community schools, but the evidence suggests that their presence often undermines the quality of education. While innovation is important, it should not come at the expense of students' learning experiences or the responsible management of public funds.

Others may point to the role of market competition in driving improvements, but education is not a commodity to be bought and sold. Our schools should not be subject to the whims of market forces, and our children should not be treated as customers in a profit-driven enterprise.

In closing, House Bill 561 represents a commitment to Ohio's students and families. It seeks to protect the integrity of our education system by ensuring that community schools are operated by entities that prioritize learning, equity, and student success over profits. This legislation will strengthen our community schools, restore public trust, and create a more accountable and transparent system.

Again, thank you Chairwoman Manning, Vice Chairwoman Fowler Arthur and ranking member Robinson for the opportunity to provide sponsor testimony for House Bill 561.