

Dear committee members,

My name is William Franklin, I am a retired pharmacist, a lifelong Ohioan, and I have been working with ExperienceCorps Cleveland to provide reading tutoring to 2nd grade elementary students in the Cleveland school system. Just working as a part time tutor, I see firsthand how important state assistance, such as school lunch programs, impacts our city and suburban school students. I am concerned that because federal pandemic emergency assistance will be coming to an end, almost 700,000 households in Ohio will have an average of \$188 a month less to help feed their families. (3) Children who grow up in poverty are more likely to do worse in school, have health and social problems, and more inclined to getting involved with the criminal legal system as adults, as compared to their peers in more economically secure households.[4] Because Ohio children are more likely than children nationwide to go without food, nearly 1 in 5 Ohio children live in poverty, a higher share of children than in 34 other states, it is encouraging to see that the proposed budget includes several priorities that will improve the health, education, and well-being of children, such as expanding health care coverage to pregnant women and babies in Ohio. H.B. 33 would provide more health coverage for children and pregnant women by increasing eligibility for Medicaid up to 300% of the federal poverty level. This will provide families with health coverage for labor, birth and post-partum care without the stress of incurring major costs for critical health care services.[6] I am encouraged to see that more kids will be better prepared for kindergarten, and parents in the workforce will be helped by H.B. 33, getting needed publicly funded child care through expanded eligibility to more working parents.[7] I am also glad to see that Gov. DeWine's budget also proposes a significant new investment in early childhood education, by the addition of early childhood education programs to 11,525 3- and 4-year-old children in families with low incomes.[8] High-quality early care and education gives children a strong start and improves their long-term health and economic opportunities.

With that being said, I am opposed to expansion of private school choice at the cost of our public schools. Providing vouchers (9) and more public funding to private for-profit and religious schools and for publicly-funded but privately-operated charter schools has been proven to be scandalous for Ohio taxpayers. What ever happened to the \$117 million ECOT owes to the state of Ohio? (10) The citizens of Ohio deserve an explanation before more public dollars are paid into these private entities.

HB33 proposes to increase the income eligibility for school vouchers up to 400% of the federal poverty level, which is \$111,000 per year for a family of four. This expansion of school vouchers would cost about \$178 million per year, according to an analysis from the Legislative Services Commission. So vouchers are already available to low-income households and in low-performing districts, which means the only reason to increase the voucher threshold to 400% is for a massive sweetheart giveaway to private interests.

In addition to more money for vouchers, HB33 offers some bonuses for charter schools, such as providing an extra \$3,000 for each economically disadvantaged student and doubling per-student building funding to \$1,000 per student for all charter schools. Why would online charter schools need increased per-student funding for their non-existent school buildings?

Charter schools by Ohio law are referred to as “public schools,” but they are publicly-funded, tuition-free schools, which are privately-operated. Schools should not be profiteering off of Ohio's children. Deceiving the public by mislabeling charter schools as “community schools” in Ohio Revised Code, has allowed these "nonprofits" in name only, to run amuck in Ohio, and allowed these questionable entities to cash in on educating Ohio kids.

Since the pandemic, more than half of all Ohio charter schools are run by for-profit corporations, enrolling 60% of all of our state's charter school students. Many of these corporate operators are located out-of-state, ignoring both federal regulations and Ohio laws that say funding should go to public schools that are nonprofit organizations operated for children, not for personal enrichment.

Accel, the fourth largest for-profit chain in the nation, is rapidly expanding by buying up failing Ohio charter schools (11) owned by other for-profits. While Accel may have offices in Ohio, it is a subsidiary of Virginia-based Pansophic Learning, (12) which is partially owned by an investment company in Dubai. (13) If the reason to get behind charter schools is that they are a better alternative to the failing public schools, then why are charter schools, like Accel, failing?

Accel runs 9 of its 55 Ohio charter schools with sweeps contracts, (14) meaning that nearly every public dollar coming into those schools is “swept” into the for-profit controlled bank accounts. The other 46 schools run by Accel are fee-based, the company said in an email over the weekend after this story was originally published.

The for-profit does everything from hiring employees to managing the bank accounts to leasing the building, often from the for-profit's related corporation.

Accel is hardly alone. For-profit Oakmont Education took over several of the for-profit Cambridge-run schools, whose founder and owner, Marcus May (15), was convicted of fraud and racketeering. Oakmont takes 18% off the top to run its schools with the power to hire the teachers and principal and to direct the educational program.

The Ohio Department of Education included 47 different for-profit operators running charter schools in its 2021-2022 operator report. (15)

As the recently released report, Chartered for Profit II: Pandemic Profiteering, (15) published by the Network for Public Education (NPE) explains how related corporations and real estate companies create webs designed to maximize profitability in Ohio and beyond.

According to a report (16) published by Ohio's pro-charter Thomas B. Fordham Institute, which itself sponsors charter schools, for-profit charter schools graduate students at lower rates and with more adverse academic outcomes as the number of charter services managed by for-profit operators increases.

The NPE report (17) outlines six simple policy changes that could be made to close many of these legal loopholes and ensure public funds end up serving students, not profiteers. These are recommendations that Ohio should adopt, because playing the system to profit off kids is not the “charter school innovation” taxpayers deserve.

When public schools are not being fully funded, taxpayers deserve a full accounting of public funds being diverted into questionable charter schools and private for-profit entities. Fair School Funding which was passed in the last budget but not fully funded,(18) is not fair at all.

Thank you very much for your kind consideration.

William Franklin

3) [3] “February 2023 Supplemental Nutrition Assistance Program Extension Approved,” Ohio: COVID-19 Waivers & Flexibilities, USDA Food and Nutrition Service, accessed on March 8, 2023, <https://bit.ly/3J30GA5>

4) [4] “A Roadmap to Reducing Child Poverty,” National Academies of Sciences, Engineering, and Medicine, 2019, <https://bit.ly/3DIKAKT>

5) [5] Irwin Garfinkel, Laurel Sariscsany, Elizabeth Ananat et al., “The Benefits and Costs of a Child Allowance,” Journal of Benefit-Cost Analysis, Cambridge University Press, September 23, 2022, <https://bit.ly/3Lovga7>

(6) Maureen Corcoran, Ohio Department of Medicaid, Director, Testimony to the House Finance Committee, February 8, 2023, <https://bit.ly/3yhuyE0>

[7] Suveksha Bhujel and Ryan Sherrock, “Redbook, LBO Analysis of Executive Budget Proposal, Ohio Department of Job and Family Services,” Legislative Service Commission, accessed on March 7, 2023, <https://bit.ly/41Um1oc>

8] The State of Ohio Executive Budget, Fiscal Years 2024-2025, Ohio Office of Budget and Management, Jan 21, 2023, Department of Children and Youth, Agency Budget Highlights (pg. 199), <https://bit.ly/3LjWv5X>; Jacquelyn Schreoder and Suveksha Bhujel, “Redbook, LBO Analysis of Executive Budget Proposal, Department of Children and Youth,” Legislative Service Commission, accessed on March 14, 2023, <https://bit.ly/3lbgglv>

<https://ohiocapitaljournal.com/2023/02/10/ohio-cant-afford-to-prioritize-private-and-charter-schools-over-fully-funded-public-schools/>

9)
<https://ohiocapitaljournal.com/2023/01/04/public-school-funding-set-for-court-battle-in-2023/>

(10)

<https://ohiocapitaljournal.com/2022/07/07/ecot-owes-ohio-117-million-what-are-we-going-to-do-about-it/>

11)

<https://www.washingtonpost.com/education/2022/01/14/charter-school-for-profit/>

12) <https://pansophiclearning.com/education-companies/k-12-education/>

13)

<https://www.zawya.com/en/press-release/companies-news/pansophic-learning-acquires-bbd-education-eg7g4awg>

14)

<https://www.propublica.org/article/when-charter-schools-are-nonprofit-in-name-only>

15)

<https://www.beaconjournal.com/story/news/crime/2018/11/15/charter-school-founder-gets-20/8362589007/>

16) <https://networkforpubliceducation.org/wp-content/uploads/2023/01/Chartered-for-Profit-II.pdf>

17) <https://networkforpubliceducation.org/wp-content/uploads/2023/01/Chartered-for-Profit-II.pdf>

18) <https://janresseger.wordpress.com/2023/01/31/37014/>

<https://ohiocapitaljournal.com/2023/02/10/ohio-cant-afford-to-prioritize-private-and-charter-schools-over-fully-funded-public-schools/>