

## LWV of Greater Youngstown Education Committee Report

This report examines the reasons given for establishing charter schools and funding vouchers for students to attend existing private, frequently religious, schools. Vouchers and charters are examined in light of State Constitutional obligations for public education. What has our new way of approaching our Constitutional responsibilities for public education cost us?

Consensus questions: In light of the evidence are vouchers an efficient and effective way to meet our Constitutional obligations for public education? In light of the evidence are charters an efficient and effective way to meet our Constitutional obligations for public education? Is “choice” sufficient reason to support charters and vouchers that “operate independently of any school districts” as options to our public school system?

### Charters and Vouchers and Ohio’s Public System of Education

**Education Reform: What WAS it?** Charters and Vouchers were introduced to save our allegedly failing public schools. The alleged failing schools were located in areas with high concentrations of the poor. State legislators passed accountability standards, mandating “rigorous” standardized high-stakes testing. When students failed to measure up to **standards set by legislatures** on these “proficiency/accountability” tests marketed by education companies, parents were given a choice, leave the failing school and use a voucher to attend a private school, or enroll in a Charter school, a new hybrid of publicly-funded private education endeavors. The mantra was: Freed from regulation and teachers’ unions these schools would be free to innovate and would provide the quality education we sought for our children. **Reform—“we can do it better”—was the battle cry in Washington D.C., New Orleans, Cleveland and Columbus. From “No Child Left Behind” we began “A Race to the Top.”**

**Education Reform: What IS it?:** Charters and vouchers are a “**way to break up public schools and replace them with competition and choice,**” states Michael Petrelli, President of the Thomas B. Fordham Institute and a Stanford University Research Fellow. For him, charters “liberate families from a system in which the government assigns you a public school, take it or leave it. Choice brings free-market dynamics into public education, using the magic of competition to lift all boats.” Basically he states that creating schools of excellence and expanding the educational opportunities for the poor is not what the charter movement is about. **Making the argument for charters “in social-justice terms—promoting charters’ success in closing achievement gaps, boosting poor kids’ chances of upward mobility, and alleviating systemic inequities” is a “progressive” idea and such language should be abandoned in their “marketing.”** Is there “magic” in competition and what would that “magic” be if not in improved education? In actuality it is about profit—using advertising to sell the public on replacing public education (which they say is socialism) with a segregated and separate system.

**Brief History of Public Education in Ohio:** In 1825 the State Constitution of Ohio listed education as a right of citizens and established the first public schools to be funded through property taxes. In 1912 the State Constitution was amended to designate that there should be a “**thorough and efficient system of common schools**” (Article VI.02). These common schools were to advance the common good of the nation, preparing future citizens to participate in our democracy. They were to prepare our children not only for work but also for life. DeRolph Decisions 1991, 2000, 2001, 2002 ruled that too much of the money for education came from property taxes (55% at the time). Today local school district taxes account for more than 57 percent of the cost, an increased and not a decreased reliance on property taxes to fund local schools.

**Charter** (labeled “community”) schools were established in Ohio in 1999 and **Vouchers** were funded in 2007. Public taxpayer dollars are directed to private schools through vouchers and charters directly through deductions from state foundation money due to the public school district in which the student resides. Charter schools and vouchers for private schools were created to serve those in ineffective or “failing” schools; however, **vouchers and charters are no longer limited to the Big Eight districts**. Even the best schools can lose students through choice to ineffective schools. For example, in Mahoning County, Canfield Schools, ranked in FY 2017 the best in the district and number 24 in the state, had \$148,502 deducted from money due to the district sent to charters. All but one were online schools such as ECOT (Electronic Classroom of Tomorrow). ECOT is a for-profit F-rated online company that is being sued by the state for \$60 million collected for students who did not participate in its program. Vouchers now fund students based on income rather than the performance of the school district in which they are enrolled; a Canfield student from a low income family is eligible to receive a voucher. In addition to lost state education dollars, local taxpayers subsidize vouchers with \$105 million in locally raised money.

**Our present system is not efficient!** From 1900 to 1999, the year charters were established, school districts were reduced from 3,000 to 617. The **growth in charters has increased the number of districts (each charter counts as a district) to 987, an increase of over 50 percent**. In addition, charters have four layers of management—sponsors, charter specialists, boards of education, management companies—all of which get paid. **The state has established a charter school management mechanism that, on average, spends more than a quarter of all charter funds for management**. On a percentage basis, the cost of charter management is double that of school districts. This is especially egregious in that charters are exempt from many laws and regulations and thus should have lower administrative costs.

**Vouchers are not providing better educational opportunities for our students.** A study released last year found that in Ohio students in voucher schools are not doing as well as those in public schools. The Fordham Institute study notes that “**public school students who receive**

**school vouchers to attend private schools in Ohio see significant drops in achievement.”** According to the conservative 74million website the Ohio research marks the fourth recent finding that vouchers can lower achievement among students (Louisiana and Indiana are two other states mentioned).

Among the data revealed in a new Innovation Ohio report:

- Vouchers now **affect children in 83% of Ohio's school districts**
- This year, **more than \$310 million in public money will be sent to private, mostly religious schools through vouchers.**
- Including additional direct state payments and reimbursements made to private schools **more than \$568 million in Ohio taxpayer money is going to support these schools**
- **Local taxpayers subsidize vouchers** with \$105 million in locally raised money to make up for districts losing state funding to Ohio's voucher programs
- Students who take vouchers **perform worse than their public school peers** on state assessments
- Some of the **highest performing school districts in the state lose money** and students to vouchers, turning the original intent of the program on its head
- Despite traditional public schools struggling to recover funding since the recession, voucher program spending increased by 352 percent since 2008
- HB200 would create the “Opportunity Scholarship,” which could cost 6.4 times as much annually as the voucher programs it would replace (or \$1.2 billion a year, providing vouchers for three-fourths of Ohio school children)

#### **Charters Fail to Provide Improved Educational Opportunities for Students.**

- **In FY 2017 of the 370 charter schools, 350 schools took their money from better performing districts; 7 from worse and 13 the same.**
- Charters take an even bigger share of education dollars than do vouchers at this point yet **graduates of Ohio Charters are far less likely to earn college degrees than even Urban District Graduates** (Oct. 2017 Innovation report).
- According to the most recent Stanford University Center for Research on Education Outcomes Report, **Ohio has the most failed charter schools**, which close less often than those in other states.

#### **The Cost in Public Education Dollars of Our Dual System Is Staggering.**

- From 2007 to 2017 over **\$1.2 billion has been deducted for voucher programs.**
- “Privately-operated charters will receive about **\$1.4 billion this year via deductions from school districts.**” (See chart in Appendix A for details of funding deducted from public schools and additional state funding.)

- Ohio charters have received millions of dollars in Federal Funding. In a 2016 report titled “Belly Up: A Review of Federal Charter School Program Grants, “At least 108 of the 292 charter schools that have received federal CSP funding (37 percent) have either closed or never opened, totaling nearly \$30 million. Of those that failed at least 26 which ... received nearly \$4 million ... apparently never even opened.””
- Fordham asks for more money for charter schools operating in “low-income communities” which would further reduce the resources of the public schools in those same communities.
- **“A review of 4,263 audits released last year by State Auditor Dave Yost’s office indicates charter schools misspend public money nearly four times more often than any other type of taxpayer-funded agency”** (*Akron Beacon Journal* May 2015).
- Since 2001, state auditors have uncovered \$27.3 million improperly spent by charter schools.
- Estimates are that in the 15 years since ECOT was audited and had to pay a \$1.9 million dollar fine, ECOT has been paid over half a billion dollars for students they did not have.
- Charter Schools use dollars meant for educating our students for marketing. ECOT spent \$30 million for image enhancement after being found to have overcharged the state \$60 million in one year.
- Increased numbers of charters and the audits required have made it necessary for the auditor’s office to issue subcontracts to private companies for completing audits.

**“Ohio should serve as a cautionary tale for charter proponents on: How an unregulated charter sector can amass so much money and influence that it can fail students without consequence; thwart attempts by elected officials to curb mismanagement and corruption; and keep parents—the agents of choice in a free market system—in the dark,”** writes a reporter in 2015 for a conservative, pro-charter website (the 74million). The conservative *Columbus Dispatch* states in an August 2017 editorial “Chartering in Ohio, by design, funnels money to adults via sponsorships and management companies—money that should be used to educate students.” To foster development of Charters, the Ohio Department of Education (ODE) was in the business of creating charters. As former State Auditor Jim Petro stated: The ODE “did nothing to investigate applications (for running a school)... **because they were under political pressure** not to do so” (bolding mine). Politics in control of education is not serving Ohio and the nation well. **Government flouts the Constitution of the State and calls it “freedom and choice.”**

## **Government Schools: Why Ohio Is Known as the Wild West of Charters**

**Governance of Charters in Ohio is structurally unsound—too complex, too tied to making money, too opaque, and too independent of public or educational oversight.**

- **Qualified 501C(3) tax-exempt entities who sponsor community schools (Ohio’s name for charters chosen to disguise their actual nature)—are private and do not have to operate under Ohio’s open meeting or ethics laws. These laws apply to all other governing bodies of Ohio Public schools**—elected school boards or appointed academic distress commissions (ADC), whose 5 members include individuals appointed by local elected officials (school board and mayor) and state superintendent of education (3), or in the case of Cleveland a board appointed by the mayor from those names forwarded by a nominating panel.
- **Sponsors of a charter receive 3% of the state funding, may operate anywhere in the state, and hire the individuals and companies who will oversee and operate the schools.** The sponsors are supposed to provide oversight and technical assistance and ensure schools adhere to their contracts. They have the right to establish a community school in any district in Ohio regardless of its academic performance and need no educational experience. The financial incentive has turned some sponsors into profitmaking machines: Buckeye Community Hope Foundation sponsors 48 schools, St. Aloysius Orphanage 44, Ohio Council of Community Schools 48, and one Educational Service Center, ESC of Lake Erie West—the renamed Lucas County ESC operator—authorizes 56, more than all other school districts and ESCs combined. **Sponsoring has become a business “too big to fail” (see ECOT scandal). Each community school has four levels of management, none of which is accountable to the community in which the school operates and all are paid out of tax dollars:** (1)Sponsors/authorizers hire (2)charter school specialists to provide services for them such as acting as treasurers, (3) appoint a paid Board to oversee the school, and hire (4) Charter Management Operator (CMO) to run the schools, which frequently subcontract specific management services. **More than 80 percent of CMOs are for-profit.**

### **Legislative Attempt to Bring Charters into Public Accountability**

**In 2015 the legislature passed a bill to gain some control over the school system it had created. Sponsors would be evaluated on the performance of their charter schools and thus the system would gain a measure of public accountability in theory. The Sponsor Bill (HB2) guidelines and their application include:**

- **Boards are now required to hold open meetings and be identified on the school website;** limited in compensation for meetings; required to have ethics training (*Columbus Dispatch* noted ECOT’s ignoring the requirement this fall). The sheer number of additional districts and lack of connections to the community make it unlikely this can be enforced.

- Unchanged is the fact that, as a former State of Ohio Auditor observed, “**community-school boards are made up primarily of employees and board members from management companies and are not representative of the particular community.**” (Also not changed is the authority of the CMO to remove the board and appoint another if they are dissatisfied with members.)
- The maximum compensation for board service has been reduced from \$425/meeting to \$125/meeting to match compensation structure of district boards.
- **The Sponsors Rating System is based more upon filling out paperwork than academic performance of their schools (only 1/3 based on academic performance of schools sponsored):** for example, Scioto County Career Technical School, the only dropout recovery school to receive an A for academic performance, may be forced to close because its sponsor received an F due to paperwork incorrectly filed. On the other hand, St. Aloysius continues as sponsor of White Hat Management’s failing Life Skills dropout and recovery schools and failing online Academy of Arts and Sciences (ODHELA) simply because they had good paperwork (and perhaps lots of schools and political influence). St. Aloysius that operates 12 charters in Cleveland was rewarded with an “effective” rating (next to the highest) but not because of the schools it sponsors or its educational expertise, the lack of which the Cleveland Alliance called attention to when they tried to deny St. Aloysius request to sponsor a new Cambridge-Newpoint charter (a CMO with questionable qualifications including links to racketeering charges brought in another state). OBE and Superintendent overruled the Cleveland Alliance demonstrating once again the unqualified support of charters from the education overseers at the State level.
- **ODE and State Superintendent have been ineffective in controlling independent sponsors** as evidenced by subsequently siding with ECOT and ESC of Lake Erie West that they should be trusted to confirm their own compliance requirements for ECOT to become a dropout recovery school. So ECOT has been allowed to become a dropout and recovery school which has even lower standards than online schools. Dropout and recovery schools such as Life Skills have also been found to vastly inflate enrollment numbers and graduate few students. They use a combination of on-site instruction and online (blended learning). They do not have to drop students from their rolls for absenteeism as do public schools. They continue to avoid closure while making a large profit for their CMOs because they need only graduate 8 percent of their students to meet standards for such schools. Virtual or online schools have demonstrated the same ability to collect for students not participating in the education they are supposedly offering. Staffers for GOP state Auditor David Yost made surprise visits to charters to see if they are padding attendance records and concluded that White Hat’s dropout recovery schools were among the worst. **There is a financial incentive for corruption is seemingly too great:** \$900,000 was ESC Lake Erie West’s sponsor share of the \$60 million overcharge

ECOT was paid for students not participating in FY 2015-16. If ECOT is forced to close, Lake Erie West will suffer a loss of \$1.5 million income from just the closing of one of the 56 charters it sponsors. The Toledo Blade reported in 2006 that Lucas County ESC (now Lake Erie West) and OCCS had collected \$3.4 million in sponsorship fees for that year. See also Rating System.

- **Sponsors are to lose the right to be authorizers if their schools are failing. The State Board and State Superintendent, however, are as unwilling to close poor sponsors as they have been to close failing CMOs.** In order not to end the Ohio Council of Community Schools (OCCS) right to sponsor schools and shut them and the schools they operate down, they changed their designation to CMO. This was done in spite of OCCS being listed as a sponsor by the ODE on its website and on its \$71 million dollar falsified grant written by David Hansen who headed the ODE's office of charters at that time. The latest list of authorizers/sponsors published by the Ohio Alliance for Public Charter Schools also includes OCCS as one of eight 501(C)3 sponsors. OCCS was to lose its authorization rights because the schools it sponsored were failing. The ODE, however, decided to agree with OCCS officials that the University of Toledo was the actual sponsor (UT had created the Council (OCCS) in 2002 to serve as a sponsor). The fall 2017 sponsor effectiveness list drops OCCS and instead lists U of Toledo, erasing 15 years of history. OCCS will become a "newly designated" sponsor. Therefore, OCCS continues to collect fees (\$1.5 million from ODHELA and Ohio Virtual Academy), and the failing schools continue to operate.
- **The bill includes a supposed fix for CMO owning physical good purchased with public dollars, the so-called White Hat rule:** In September 2015 in a case brought by 10 school boards of closed charters against White Hat Management for goods purchased for their schools, the State Supreme Court sided with White Hat. Who knows if this rule will prevent another loss of taxpayer dollars?
- **The bill limits CMO rent payments to fix the problem of CMOs paying exorbitant rents.** In 2015 Imagine (CMO) accused of mismanagement because their rent took too much of their \$1.3 million budget paid to a subsidiary: they paid \$58,000 a-month for a lease with a subsidiary of Imagine Schools or \$700,000 for the year

**A Charter Management Company is private and so are 501C(3) sponsors. The legislature must pass special legislation in order to exercise control over the public money these private entities receive.** In cases outside Ohio—Illinois Pennsylvania, Florida and New York—rulings by courts and the NLRB declared that charters are private not public. Only three out of four charter schools or 80 of 294 charter schools willingly gave all the requested information to the Akron Beacon Journal (2014) when asked the following questions: Who runs the building? Who is that person's supervisor? Who is the management company in charge? How does one contact the school board? When does the board meet? Such basic and minimal information

would be available from a publicly held company. Todd Zierbarth of the National Alliance for Public Charter Schools in “When Public Charter Schools Are Private” states: “The idea behind charter schools is to innovate and improve outcomes free of what some see as burdensome and unnecessary rules within traditional public schools” (the74million). But the traditional, so-called unnecessary rules speak to professional and ethical standards, fiscal and operational accountability and the absolutely necessary rules that govern public institutions, their employees and the spending of public money. A *Columbus Dispatch* editorial: **“To date, some large companies have been paid millions of tax dollars and made no accounting to the public or, in some cases, even to the charter-school boards that hired them”** (bolding mine).

### **Corruption: Mixing Politics, Profits and Public Education**

**Political contributions and pressure from individuals and groups have succeeded in shifting control of education from the hands of the educators to politicians.** Public education has become a way to make money for hedge funds and entrepreneurs such as David Brennan (White Hat) and William Lager (ECOT) in Ohio. From 2001 to 2016, ECOT took in more than \$1 billion from Ohio taxpayers, and of that total paid more than \$170 million to Lager’s companies to run the day-to-day operations of the school and provide it with educational software. During that time Lager amassed millions in real estate holdings and made \$2.1 million in political contributions to influential state officials (as reported in Ohio newspapers in Aug. 2017) for schools that were failing. David Brennan’s gifts to Republican legislators in Ohio have been much greater and included 2 PACS that were found illegal; Brennan and Lager combined have contributed about \$6.4 million to Ohio politicians and committees.

**The ECOT history illustrates the corruption that results from the connection between Ohio’s government and the charter system of education it has created.** ECOT is rated F on the State Report Card (a failure to graduate even 4 out of every 10 students); yet one district alone has lost \$1.22 million to ECOT since it began. As a failing school, shouldn’t it have been closed? Shouldn’t claiming and collecting \$60 million more than it should have, based on the number of students actually participating in its online education program, be considered fraud? In the audit for the next year (2017 FY) State Auditor Yost found that claiming students who were not active meant that an additional \$19 million was owed by ECOT. Nor is this a new story. **Problems with ECOT surfaced in 2001, immediately after they opened for business: State Auditor Jim Petro determined that ECOT received \$1.7 million in state funds more than it should have after a review of attendance records.** Instead of the 2001 audit of attendance identifying a need for greater oversight of charters—and ECOT in particular—there were no audit reports of ECOT until Yost, the State Auditor, found they owed \$60 million for students who did not participate in their program for the FY 2016 alone. Instead of more oversight, the **State Legislature acted to limit oversight: Rep. John Husted (2003) created a buffer**

**between ODE and charters by placing control in the hands of Sponsors. Next Rep. Husted (2005) inserted into the budget bill a provision ending the LOEO (Legislative Office of Education Oversight), which had proved effective in its role. Five former Republican legislators have filed an *amicus brief* in support of ECOT's case before the Supreme Court of Ohio;** ECOT claims that they don't owe the money, not because the auditor's report is wrong, but because they don't have to keep track of participation. The story of ECOT illustrates well how our elected officials in Ohio have not sought to end the theft of our money to protect the educational opportunities of our children. When in office, they benefit from political donations. When they leave office, they are employed as lobbyists or in other capacities by the charter industry they have fostered.

**Another example of the seamless connection between the legislature and the charter industry it has created is the Ohio Council of Community Schools. Former legislator Sally Perz,** sponsor of Ohio's original charter school bill, helped the U of Toledo to set up the OCCS as a sponsor. Then she served as a lobbyist for the group that her daughter was selected to head. She has also served as a lobbyist for White Hat Management. Sally Perz is Founder and President of Cardinal Learning, a school services and consulting company. Previously she headed The Capitol Link, an Ohio based public affairs and government relations consulting firm. She is also a founding member of JVS Group, LLC, which helps charter school boards and authorizers seeking to expand and build on increasing success. She founded Ohio's first statewide charter school resource center, the Buckeye Charter School Boards. OCCS will be allowed to once again become a sponsor (see sponsor legislation).

**Those holding political office in Ohio seem less able than others to pursue cases of fraud.** Partners in the CMO Cambridge-Newpoint have been charged with theft, money laundering, and other crimes in Florida. Yet their 20 charters in Ohio have received nearly \$30 million from local districts. Buck-passing is the name of the game. Ohio Auditor Yost: We are monitoring. Attorney General Mike DeWine: the auditor's staff must sound the alarm. He says his office only tries to recover mismanaged money. The Summit County prosecutor disagreed: RICO Racketeer Influence and Corrupt Organization cases do come under the Attorney General. Ohio officials have also failed to act in the case of the Gulen Schools (operating under the Sponsor name of Concept), linked to a Muslim cleric exiled in Pennsylvania. **Concept's Horizon Science Academies and Noble Academies have received a total of \$7.6 million of Ohio's Federal Charter School (CSP) Grants.** The chain is the subject of an ongoing FBI investigation. They have received visas for Turkish teachers and administrators, some of whom cannot speak English. In June 2014, 19 of its schools were raided by the FBI, including four in Ohio. The Ohio schools also have been dogged by allegations of test-tampering, teachers using racial slurs in the classroom, unqualified teachers, sexual misconduct in the classroom. ODE

investigated allegations raised by teachers who witnessed the problems but found no wrongdoing.

## **Cost of Charters to Public Education**

**Public education has lost billions of dollars of state and federal funds intended to educate Ohio's children to ill-conceived projects and outright fraud.**

- **David Hansen, then Head of ODE's office of school choice and community schools, wrote a successful federal CSP grant for \$71 million dollars using false data.** It made national news when the grant was impounded. Hansen falsely reported the number of poor performing charter schools in Ohio as 6. In fact the actual number was 59. Likewise he inflated the number of high performing by 38% to benefit Ohio's politically connected eSchool operators. Hansen did have to resign; however, there were no calls for legal prosecution such as public school personnel experienced for tampering with student test scores.
- **Other questionable CSP (Charter Schools Program) Federal Grants "to incentivize the startup and expansion of charter schools" made by the U.S. Department of Education to Ohio and Ohio charters were reviewed by Innovation Ohio and the Ohio Education Association in a report called Belly Up (May 2016):** "At least 108 of the 292 charter schools that have received federal CSP (Charter Schools Program) funding (37 percent) have either closed or never opened, totaling nearly \$30 million. Of those that failed, at least 26 Ohio charter schools that received nearly \$4 million in federal CSP funding apparently never even opened and there are no available records to indicate that these public funds were returned.... A recent state audit of 44 Ohio charter schools found a 15 percent attendance discrepancy. Of these 44 charters, 17 had received CSP grants totaling \$6.6 million in federal funding and one of these schools—the London Academy—had only 10 of 270 students in attendance.
- **Imagine Schools received a total of \$5.9 million in CSP Grants and their financial and academic performance has been poor.** The chain has been under fire nationally for saddling schools with exorbitant leases paid to its subsidiary, SchoolHouse Finance. Imagine recently lost lawsuits in Indiana and Missouri over the same type of abusive leases seen in Ohio. A federal judge in Missouri ordered Imagine to pay \$1 million and called the lease arrangement "self-dealing." One of the chain's worst-performing Ohio schools, Romig Road in Akron, is among the charters that closed—but received federal grant money. All of Imagine's Ohio schools received a D or F on the most recent state report cards.
- **White Hat Management, also with a terrible academic and financial record, has received a total of \$1.4 million in CSP Grants.** Owner David Brennan has been the most powerful and influential of Ohio's charter school operators, described on Frontline

as “Ohio's largest operator of a publicly funded, for-profit school business.” Brennan’s schools also are routinely among the lowest performing. While Ohio’s historically lax regulations make it difficult to close even the worst schools, several of Brennan’s schools have been shut down for academic reasons or contractual non-compliance. In 2007 a state audit accused White Hat Management of abusive business practices and complained of repeated difficulties securing necessary documents; In 2008, “The Ohio Department of Education ... paid White Hat Management \$1.5 million to teach 264 students enrolled at the Columbus school.” But a headcount by Scripps Howard News Service at the school found that “only 122 teenagers and young adults actually went to class on May 1, a typical school day. ... Similar checks at Life Skills Center campuses in Akron and Cleveland also found that less than half of enrolled students actually went to class.” In 2010 the Ohio auditor’s office found “extensive mismanagement” at Eagle Heights Academy, Youngstown’s largest charter school, including the failure of the school to pay more than \$450,000 in federal taxes; plus \$707,507 in questionable costs or errors resulting in costs being overstated or understated on federal reports.

- **Newspapers have been reporting the cost to taxpayers of widespread fraud and profiteering in Ohio. So why have we continued to allow these schools to operate?** State auditor Yost found that of the 17 new charters that opened in 2013 in Columbus 9 closed within months “costing taxpayers at least \$1.6 million and leaving hundreds of students without schools” (*Columbus Dispatch*). In the same year *Dayton Daily News* reported **\$24.7 million in findings for recovery were being written off because of the 6-year statute of limitation.** Losses result from schools never opening (or closing soon after) and enrollment discrepancies. An audit of Legacy Academy in Youngstown led to a finding of \$309,704 in unsubstantiated payments of state funds and nearly \$90,000 in unpaid taxes. In Cleveland CASTLE (not to be confused with C.A.S.T.L.E.) schools management practices led to a 33-count indictment that included shell companies which received payments not documented or not performed. A few years later NBC4 in Columbus reported that of the “\$31 million owed the state by operators of charters that have been closed and have been referred for collection to Attorney General Mike DeWine’s office, \$30.5 remains uncollected.”
- **Millions of dollars flow out of state to operators such as K12, Inc.,** which have very poor academic records and have faced charges of fraud. In Ohio they are the operators of Ohio Virtual Academy. In 2016 California fined them \$168.5 million for faulty attendance claims and misleading advertisements. In Florida they were found guilty of using unqualified teachers and inflating student numbers. The executive chairman is paid \$6,905,832, and the five people who report to him all are paid between \$1 and \$4.5 million each.

## What are the accomplishments of charters and vouchers if not a better education for our students?

**Segregated Schools:** “America’s public schools—62 years after the Supreme Court's historic *Brown v. Board of Education* decision—are increasingly segregated by race and class,” according to U.S. Government Accountability Office (GAO). What’s more, “GAO investigators found that charter schools, a key strategy in improving education for such students, may take minority and poor students from larger more diverse public schools and enroll them into less diverse schools.” The article also notes that “Such schools . . . offered disproportionately fewer math, science and college-prep courses and had higher rates of students who were held back in ninth grade, suspended or expelled” (May 17, 2016 *USAToday*). The effect, in other words, is to decrease the opportunities for learning that the poor and disadvantaged had in the allegedly failing public schools. The NAACP at its 2016 annual convention passed a resolution asking for a moratorium on the expansion of charter schools because of perpetuating de facto segregation in terms of ability as well as race. Included as well in their list of problems were those mentioned in this report: lack of transparency and accountability, and public funds diverted to charters at the expense of the public school system. In addition they noted that charter schools expel students at a very high rate. **In Ohio two decades into the “choice” movement Ohio’s schools are so segregated by race that in 2015, more than 5,000 minority students attended 25 charter schools that didn’t have a single white student—even though 72 percent of Ohio’s students are white.** Iris Rotberg, a research professor of education policy at George Washington University who has studied school segregation, states: “There’s no question that charter schools tend to increase segregation. . . . To have people in separate schools, even though they’ve presumably chosen those schools, is not a plus for society.” The *Columbus Dispatch* comments: **“Not only are charters creating new segregated schools, but they’ve also done so without delivering on the promise that free-market forces would drive better educational results.** Originally envisioned as a cure for poorly performing urban districts, charters have performed poorly as a group on Ohio’s school report cards.” They point out that for this last academic year scores of 266 charters that were graded on the number of students who passed state tests and how well they performed on them, 85 got a D and 165 an F. Only 16 schools, about 6 percent, could boast at least a C.

**The high-stakes testing industry developed to answer the calls for accountability of public education is costly in terms of money, loss of control by educators of what is to be taught, and the effect upon student learning by reducing it to memorizing what is to be on a test.** Rather than learning to think independently or critically the testing has created high levels of anxiety and stifled creativity, curiosity and a love of learning. Common Core tests, just one of the many high-stakes tests that even include ones for kindergartners, were estimated by the Fordham Institute (May 2012) to cost between \$3 billion and \$12.1 billion nationally depending

on various implementation approaches, not including technology improvements. Those numbers represent budget increases of between 1 and 3 percent for kindergarten through 12th grade. **The legislature in Ohio determines the tests to be taken; these tests drive the curriculum (Isn't this taking our schools out of the hands of educators and turning our schools over to the government, making them overseers of content rather than the legislature fulfilling its Constitutional role to fund an efficient system of public education?).** Daniel Koretz, the Lee Shattuck Professor of Education at Harvard University, titles his newly released book: *The Testing Charade: Pretending to Make Schools Better*.

**State-required transportation for students to private and charter schools represents an additional cost for public school districts.** Since 2010 the cost of purchasing new buses must be paid for out of local funds and operating costs are covered by the state now at only 50% and will be reduced by FY 2019 to 25%. In other words, public school districts must do more with less. They have money deducted for students in their district attending other schools—an inefficiency since buildings were constructed to house all the students in their district—and local taxpayers must also support additional services to these private schools.

**The impact of less money from the state for public schools and additional expenses has severely impacted the programs and education they can offer our children.**

- No money for 5 of 8 rule (music, art, physical education, counselor, librarian, nurse, social worker, visiting teacher).
- Extra-curricular activities not available or only as “pay for play.” Extra pressure to raise money through local levies.
- Financial necessity to adopt open enrollment, another destructive assault on actual “community” schools.
- Larger class sizes.
- Demoralized teaching staff.
- No money for supportive services needed by students coming from disadvantaged areas, the very areas which lose the most to the charters and vouchers through having their schools labelled failing. Ironically Fordham Institute wants the sponsors in such areas not to close but to be supported with more money: “Sponsors with many high-poverty schools in their portfolio will find it nearly impossible to earn an overall Exemplary rating, undermining the incentive structure established in HB 2. It also discourages sponsors from authorizing schools in Ohio’s disadvantaged communities—the very parts of the state most in need of excellent schools.” Fordham does not support public schools. Rather they advocate for “choice” and “freedom” at the expense of providing excellent public schools.

“The public school advocacy message is simply—**public money for public schools**, period. All other education entities are private and thus should be funded privately,” states Jan Resseger.

Resources:

Ohio Department of Education website: [education.ohio.gov](http://education.ohio.gov)

Ohio Alliance for Public Charter Schools: [oapcs.org](http://oapcs.org)

Ohio Education Association/Innovation Ohio: [knowyourcharter.com](http://knowyourcharter.com)

The Thomas Fordham Institute—Ohio Gadfly Daily: [edexcellent.net](http://edexcellent.net)

[10thperiod.blogspot.com](http://10thperiod.blogspot.com) Steve Dyer, Education Policy Fellow Innovation, Public School Advocate

The [74million.org](http://74million.org) cofounders Campbell Brown and Romy Drucker—school-choice advocates

Ohio public school advocate blogs: [janresseger.wordpress.com](http://janresseger.wordpress.com) (public school advocate formerly chair of National Council of Churches on Public Education); [ohiocoalition.org](http://ohiocoalition.org) (William Phillis, Executive Director of Ohio Coalition of Equity and Adequacy in School Funding, the organization along with LWV of Ohio brought the suit against the state of Ohio that led to the DeRolph decisions)

National Public School Advocate: [Dianeravitch.net](http://Dianeravitch.net) /author/dianerav and author of numerous books including *The Death and Life of the Great American School System: How Testing and Choice are Undermining Education* and *Reign of Error: The Hoax of the Privatization Movement and the Danger to America's Public Schools*