

## Community Schools See Boost In Budget Funding; Accountability Group Seeks Changes In Oversight

Tuesday, February 17, 2015

Ohio's charter school sector would receive \$990 million in state funding annually by the end of the biennium under the governor's budget proposal, according to a Legislative Service Commission analysis.

The school-level funding runs stemming from the budget ([HB 64](#)) are based on current enrollment of 123,517 at the schools, assuming no changes between Fiscal Year 2015 and FY 2017.

Separately Tuesday, backers of a community school accountability initiative said they largely support Republican-sponsored charter overhauls laid out in two pending bills, but not without a number of caveats.

The LSC funding breakdowns for charters are based on the budget's call to increase per-pupil funding from \$5,800 in the current fiscal year to \$5,900 in Fiscal Year 2016 and to \$6,000 in FY 2017. Some add-on categories, such as special education, career-tech and K-3 literacy also see increased per-pupil rates in the bill.

Funding is provided to charters as a deduction from the student's home district based on the base per-pupil amount and any applicable add-ons. One [LSC chart](#) shows those estimated deductions per traditional district.

The \$990.8 million in estimated FY 2017 funding includes \$16.8 million in facilities funding, which is also provided on a per-pupil basis. Without it, foundation funding to the schools totals \$974.02 million in the second fiscal year, according to the [school breakdown](#).

Seeing the most state funding is Electronic Classrooms of Tomorrow, which is slated to receive \$108.4 million in FY 2017 for its 15,112 students. Because it is an online school, it does not receive facilities funds.

Innovation Ohio Education Fellow Steve Dyer, who spoke at a separate event on charter overhaul legislation, said the total estimated to go to charters by the end of the biennium would be a \$43.8 million increase.

"A little over \$2 million of that is going to go to charters that rate above the state average on Performance Index score and almost three times as much is going to go to charters that have a

lower Performance Index score than the worst local public school district," he said. "This is going to be a billion-dollar program in all likelihood."

**Charter Policies:** KnowYourCharter.com, a joint effort of Innovation Ohio and the Ohio Education Association, issued [an analysis](#) of each provision of House Republicans' charter overhaul legislation ([HB 2](#)) and weighed in on certain aspects of [Gov. John Kasich](#)'s budget bill proposals during a Columbus press conference.

Besides denoting "good" found in each HB2 provision and "bad" in most of them, Know Your Charter representatives said they view every proposed change to charter law through the lens of three guiding principles: swifter closure of failing charters, transparency standards equal to district schools, and funding that does not punish districts.

"We know through studies that charter schools that have a track record of failure do not improve and the longer that those charter schools are allowed to operate, the more tax dollars are going to support a failing system, so we need to move more quickly to close failing charter schools," IO President and CEO Keary McCarthy said.

"There's been a history of an adversarial relationship (with districts). A lot of that is predicated on the funding structure that Ohio's scheme of school funding has set up and we need to reform that process and we need to do it now."

Mr. Dyer said the per-pupil amount of funding provided to charters is the same as that calculated for districts, but community school costs are different in large part because of discrepancies in teacher salaries. District teachers on average earn \$58,000 per year but charter educators average \$35,000, he said. He acknowledged, however, that charters cannot raise local levy revenue.

"A system that more accurately reflects the actual costs in charter schools, I think, would be certainly more equitable," he said.

Specifically touching on the provisions in [Rep. Kristina Roegner](#)'s (R-Hudson) and [Rep. Mike Dovilla](#)'s (R-Berea) House Bill 2, Mr. Dyer said he is most excited to see language meant to prevent sponsor hopping whereby a poor performing charter finds a new sponsor each time their overseer ends its contract.

"We urge the legislature to look at ensuring that there is at least some minimal, rigorous standard that they have to go through in order to be allowed to go to another sponsor," he said.

On other provisions, Mr. Dyer said requiring a fiscal officer to be employed by the school rather than by the operator is a positive move but that employee could still be an independent contractor, which could raise an issue.

On a proposal to require governing board members to file annual disclosure statements, he said they should also be filed with the Department of Education so they can be made public.

For operators, Mr. Dyer said he wants to see the proposed report card for them indicate whether they are for-profit or nonprofit and set a minimum benchmark before a school could renew its contract with one.

Looking to the budget, he said language to allow high-performing charter sponsors to receive additional state funding could allow bad schools under those high performers to access the money.

"If you have enough charter schools you can absorb some failures, and we don't want any kids to be in a failed building," Mr. Dyer said.

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