

OAPCS Testimony before Extended Sub-committee on Primary and Secondary Education
June 28, 2012

Hello, and thank you for providing me with the opportunity to testify on school funding. My name is Bill Sims, and I am the president and CEO of the Ohio Alliance for Public Charter Schools. OAPCS is a nonpartisan, nonprofit membership organization that strives to provide children with greater educational opportunities by improving the quality of and fostering the growth of Ohio's public charter schools.

Ohio has over 340 charter schools serving around 113,000 students, who represent just over six percent of all of Ohio's students.¹ Charter schools are public schools, primarily serving student populations similar to those in Ohio's urban districts. Unlike district schools, however, charter schools that fail to perform adequately are subject to closure. Also unlike district schools, public charter schools generally do not receive any money through local property taxes;² they also lack access to school construction funding through both the Ohio Schools Facilities Commission and locally-approved bonds. The result is that charter schools are asked to do more with less: they are subject to stricter accountability than district schools, while receiving less funding.

On average, Ohio's charter school students receive two-thirds of the funding amount that other public school students receive. As a result of these inequities, most charter schools are forced to raise significant amounts of public and private funds in order to provide their students with the education they deserve. But the time spent searching for and soliciting funds is time better spent on instruction.

In Ohio, public charter schools receive \$5,653 per student from the state's foundation formula. To accurately compare this amount to district schools, one must also include poverty and parity aid. Start-up public charter schools are restricted in Ohio to "challenged" districts—namely, the Big 8 urban districts and those districts that are rated Academic Emergency or Academic Watch or rank in the bottom five percent of all districts. For these reasons, we believe it is essential to compare charter school funding to district schools in similar locations, taking into account any state and local funding, along with poverty and parity aid, thereby making it a true apples-to-apples comparison.³

The result is striking. A comparison of the Big 8 districts and public charter schools yields average per-pupil revenue for community school children of \$7,193 and average per pupil revenue of \$10,477 for district children. In other words, charter school students receive on average 31 percent less (\$3,284) than students attending traditional district schools in similar locations.

Furthermore, funding for public charter schools has remained essentially flat, while it has risen sharply for districts. According to the Legislative Services Commission, from FY 2000 to FY

¹ From Legislative Service Commission, as reported by Paolo de Maria to the House Finance Committee in May 2012.

² Conversion charter schools are eligible for local property taxes. Also, the new Cleveland Plan would allow start up charters who partner with the district to share in the local taxes if voters approve this in a levy.

³ This figure does not include special education funding or federal funding.

2009, state revenue per pupil increased almost 60 percent, from \$3,070 to \$4,861. But for charter schools, funding has remained essentially flat in the same amount of time—a decade ago, charters were getting \$5,612, compared to the \$5,653 they receive now.⁴

Unfortunately, the gap is even larger for two reasons. First, recall that in addition to this basic funding disparity, public charter schools receive no facilities support. While districts have access to allocated facilities funding and institutional resources such as the Ohio School Facilities Commission, they also have bonding authority. Charter schools have none of these. Consequently, public charter schools must use their per-pupil classroom and teaching resources for bricks and mortar.

The lack of support for facilities is unique to Ohio. Many other states engage a variety of different methods to help charter schools obtain suitable buildings. For example, Minnesota provides lease aid to charter schools in the amount of 90 percent of lease costs, so long as it does not exceed \$1,200 per pupil. Pennsylvania reimburse charters schools either their annual rent payable or the product of enrollment times a dollar amount, ranging from \$160 to \$270, depending on the type of school. The District of Columbia provides a per-pupil facilities aid program, which was \$3,000 per pupil in FY 2011.⁵

Ohio does none of these things. In order to provide equal access to quality education and a thorough and efficient system of common schools, Ohio's community schools must have facilities support for purchase, rent, lease, and/or renovation. To require charter schools, without the centralized cost advantages of districts to divert state funding dollars intended for the classroom to pay for facilities is patently unfair.

A second factor that widens the funding gap between charters and traditional schools relates to how funds are distributed. Ohio charter schools report enrollment on a monthly basis and are paid based upon that monthly enrollment figure. If a charter school student leaves the school, the funding for that student stops the following month. District schools are funded differently. They have a single "count" date in October in which they report enrollment and receive per-pupil funding based on those reports. But in many districts, especially in urban ones, student mobility is rampant. Some leave for other districts or even states, and, unfortunately, some students drop out. But because of the single count date, the funding for the districts stays the same, while student enrollment tends to decrease, thus leading to an increase in per-pupil funding. The increase is simply a result of a system that treats charter schools and district schools differently in terms of when they receive payments.

⁴ See <http://www.lsc.state.oh.us/fiscal/ohiofacts/sep2010/k-12schools.pdf>. Note that these figures are for all charter schools and all district schools, not just those in the Big 8, and they are in inflation-adjusted dollars.

⁵ See *Measuring Up to the Model: A Tool for Comparing State Charter Laws*, a database on the National Alliance for Public Charter Schools website, available at <http://www.publiccharters.org/law/>. Pennsylvania reimburses schools the lesser of the amounts described. Ohio ranked 28th on the list, of the 41 states with charter schools. Not surprisingly, Ohio received the lowest possible scores in the funding categories. The National Alliance explains that notes Ohio's primary areas of improvement include "ensuring equitable operational funding and equitable access to capital funding and facilities." See <http://www.publiccharters.org/law/ViewState.aspx?state=OH>.

Ohio's charter schools cannot be starved to quality. But that is exactly what is happening. The current funding system is crippling the ability of charter schools to effectively serve their students. These students are public students who deserve at least the same amount as their peers in traditional districts. OAPCS supports funding formulas that allow for weighted funding, based on the needs of the students, and that allow the funds to follow the students to the public schools they attend. We look forward to working with you to craft a better system that addresses the needs of Ohio's children.