

Jan Resseger: Ohio Charter School Sector Epitomizes All the Reasons Why the Federal Charter Schools Program Must Be Reformed

In an April 24 blog Ohio's Jan Resseger uses the Ohio charter school dismal track record as reason for reform of the federal charter school program fund.

The federal government has been tossing out \$400 million annually to expand the fraud-ridden charter industry. The funds would be better spent to clean up the fraud and corruption inherent in the charter scheme.

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In its new report, [Public Schooling in America: Measuring Each State's Commitment to Democratically Governed Schools](#), the Network for Public Education (NPE) grades the 50 states and the District of Columbia on their commitment to the institution of public education, or alternatively in some states, their commitment to privatized marketplace school choice at the expense of their public school districts.

Implicit in the report is an understanding of the decades-old role of public education in the United States. Public schools—publicly funded, universally available, and accountable to the public—are essential for ensuring that over 50 million U.S. children and adolescents are served. Public schools are the optimal way to balance the obligation to meet the needs of each particular student with the public responsibility for creating a system that secures the rights and addresses the needs of all students.

The Network for Public Education documents that some states are abandoning this public purpose: “Not only do we grade the states based on their willingness to commit exclusively or primarily to democratically governed public schools open to all, but their willingness to put sufficient guardrails and limits on publicly-funded alternatives to ensure that taxpayers, students, and families are protected from discrimination, corruption and fraud in the programs they have.”

Ohio ranks third from the bottom, according to the Network for Public Education's new report. Its legislature's commitment to the expansion of both publicly funded private school tuition vouchers and to the growth of an unregulated charter school sector sets it on a path toward becoming “a publicly-funded, uncoordinated, free-for-all parading as an education system.”

Earlier this month, the expansion and oversight of charter schools took center stage in the policy debate as the U.S. Department of Education proposed to tighten up oversight of the federal Charter Schools Program (CSP), founded in 1994 to spur innovation by expanding charter schools. The program [has been shown by the Network for Public Education](#) and [by the U.S. Department of Education's own Office of Inspector General](#) to be poorly regulated, and in early April the Department proposed to strengthen its own rules and regulations. When a period of public comment was initiated, the charter school lobby stimulated a storm of comments opposing regulations. Public school supporters submitted a mass of comments supporting better oversight.

[Piet van Lier submitted a comment on behalf of Policy Matters Ohio](#) which caught my attention because it speaks so profoundly about the reasons why NPE's new report awards Ohio an "F" for its lagging support for the public schools that serve 1.8 million of our state's children.

First, the comment from Policy Matters Ohio speaks to the need for much stronger rules and regulations to rein in the for-profit charter management companies that have been ripping off Ohio's taxpayers for two decades:

"As a state policy research institute, Policy Matters believes that public education is an essential public good and must be fully supported at every level of government, from local to state, to federal. For decades now we have been tracking the growth of charter schools in Ohio, and for that reason we are encouraged by the proposed changes to rules governing the federal Charter Schools Program (CSP)... We strongly support the proposed change that charter schools receiving CSP funding must provide assurance that they have not and will not enter a contract with any for-profit charter school management organization.... More than 10 years ago Policy Matters began tracking abuses by for-profit management companies operating schools in Ohio. We documented abuses by Imagine Schools, which had a poor record of performance in our state and a business model driven by elaborate school real estate transactions, high management and operations fees paid by nonprofit schools to the corporation, overlapping business relationships, low spending on classroom instruction, and tight control of school finances and business relationships."

Van Lier continues: "Our subsequent research found additional problematic practices by management corporations including: hand-picking board members of charter schools that are by law responsible for school operations; preventing schools from hiring their own independent attorneys, accountants, and auditors; binding schools to them contractually and financially, making it impossible to seek new management; controlling school revenue from public sources; (and) claiming ownership of school equipment purchased with public funds and loaning money to schools well above market rates. We also documented the practice of management corporations pretending to comply with Ohio law mandating school closure for poor academic

performance by simply changing the names of schools and re-opening them in the same location with largely the same staff. These practices continue today.”

Policy Matters also supports a second rule the U.S. Department of Education has proposed. To qualify for federal funds, the new charter school would be required to conduct and report on a community impact study to demonstrate the need for the new charter school.

Van Lier writes: “We strongly support new rules that would require charter schools receiving CSP grants to demonstrate need for the proposed schools and locations and to provide evidence that they engaged with residents in planning for the schools.” Policy Matters summarizes Ohio’s very different experience with charter school startups: “Examples abound... of charter schools opening simply because they have access to a building and want the public funding that will flow to the school, even if they cannot meet enrollment targets and have no evidence that they have talked to families and other stakeholders in the community about what kinds of schools are needed. Requiring schools and operators to demonstrate community need and interest in their models is simply good policy and will prevent the over-saturation of charter schools many urban areas already face.”

Of course, many of the appalling practices [Policy Matters describes](#) will not cease even if the new federal rules are formally adopted and enforced. The federal Charter Schools Program provides only a fraction of the funds fueling a rapidly growing and poorly regulated charter sector in Ohio. But strengthening the federal rules would set an important precedent which just might help increase public pressure on a legislature like Ohio’s, which, as the Network for Public Education’s new report explains, seems bent on expanding publicly funded school privatization at the expense of the public schools. Remember, [NPE ranks Ohio](#) third from the bottom in its support for public schools—ahead of only Florida and Arizona.

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