

Carol Burris: Charter school law needs fixed now.

Carol Burris, a former teacher and school administrator, is Executive Director of the Network for Public Education. She is an expert regarding the charter school industry. Her recent [article](#) published in [The Progressive](#) is a great resource for those who follow the charter school industry

In Ohio, the charter school business, as a whole, continues to be a disaster. The Ohio charter school industry has been laced with fraud, corruption, charter school closings, dismal student outcomes, and nefarious operators who put profits ahead of the education of students. The Electronic Classroom of Tomorrow (ECOT) debacle is merely one example of how taxpayers are ripped off and students are harmed by some of the charter school management companies.

The conscientious charter school operators and advocates should rise up and demand that state officials in Ohio enact standards, rules, practices, and monitoring procedures that rid the charter industry of the bad actors in this enterprise, beginning with those who are in the business to turn huge profits on the backs of the students.

State officials will not take action until those within the charter industry demand that the industry be regulated and monitored appropriately.

Why America Must Rewrite Charter School Laws Now

Research shows charter school laws enable mismanagement, profiteering, and instability at the expense of students and taxpayers.

by **Carol Burris** January 6, 2026 5:53 PM

More than thirty years have passed since nineteen states first **embraced** charter schools as laboratories of innovation, and the evidence is clear: The model has broken down. Public trust has sharply **eroded**. School closures are **routine**, leaving students stranded and families frustrated. And nearly every day brings yet another **charter school scandal**.

The second installment of “**Charter School Reckoning: Disillusionment**,” a three-part report by the National Center for Charter School Accountability, reveals that the very structure of this sector—rather than merely isolated bad actors—is what enables mismanagement, profiteering, and instability at high cost to students and taxpayers. The need to rewrite charter laws is no longer a matter of debate; it is a matter of protecting students, taxpayers, and the public trust.

Roughly half of all charter schools by the 2018-19 school year were **operated** by management corporations, both for-profit and nonprofit. In Michigan, for-profit operators run **70 percent** of the state’s charter schools. In Ohio and Florida, for-profits run half.

Nevada's, North Carolina's, and South Carolina's for-profit-run school sectors are quickly increasing. Charter schooling is now an industry, not a public school reform.

This growth in corporate chartering has been accompanied by the expansion of complex real estate and contracting structures. These arrangements are not incidental; they are built into the fabric of many charter school laws. In nearly every state, management companies can own school buildings, set their own lease terms, and collect "management fees" that reach 10 percent to 25 percent of a school's total revenue. Through these related-party transactions, companies maximize profits, siphoning off funding that should be benefitting students.

In every state, authorizing entities that issue charters for schools are responsible for ensuring that the school is fiscally sound, well-managed, and that students are achieving. According to the new report, authorizers "decide who can start a new charter school, set academic and operational expectations, and oversee school performance. They also decide whether a charter should remain open or closed at the end of its contract." Unfortunately, fee incentives, multiple authorizers, and political appointees to state authorizing boards often make the authorization process vulnerable to corruption and mismanagement.

In 25 percent of states with charter school laws, four or more types of organizations—including universities, nonprofits, struggling colleges, junior colleges, school districts, and state agencies—are permitted to authorize charters to collect at least 3 percent of a school's funding. In some states, small and cash-strapped nonprofits and colleges have created charter portfolios that generate millions of dollars. The "Charter School Reckoning" report also documents examples of failing schools that "authorizer shopped" to avoid being shut down, as well as one case of an authorizer who took charter customers on junkets to London and Stockholm.

Charter school board governance also generally remains slap-dash and unaccountable. Only five states require charter school governance to be based on elections. Nearly all other appointments are created by charter school boards' bylaws, with only a handful of states having any requirements around term limits or membership.

Too often, board members have been sought out by the school's operator and serve without term limits or approval beyond the board. The Epic Charter Schools case in Oklahoma shows how boards stacked with associates of the school's founders failed to oversee tens of millions of dollars in questionable spending, with one board member admitting that he was a childhood friend of co-founder David Chaney.

Drawing from news stories published between September 2023 and September 2025, the "Charter School Reckoning" report documented a staggering \$858 million in

taxpayer funds lost to fraud, theft, profiteering, or incompetence. In story after story, board members were asleep at the wheel, claiming ignorance of the theft, fraud, and incompetence occurring on their watch. Only three states—California, Minnesota, and Massachusetts—“expressly prohibit contracts between a charter school board member and a company with whom the school is doing business.”

The consequences of these system design flaws fall heavily on students and families, with more than one in four charter schools **closing** by their fifth year and nearly 40 percent shuttering by year ten. And the funds taken from the public school system and taxpayer pockets are irretrievably lost.

These documented patterns point to a clear conclusion: Charter laws in many states create predictable opportunities for profiteering, opacity, and instability. Reform must therefore address the systemic issues that enable these outcomes. The report concludes with ten concrete legislative changes that, if correctly implemented, will reduce fraud and abuse and bring charter schools back to their original mission to serve as laboratories of educational innovation, deserving of the word “public.” Among the specific changes supported by the evidence in this report are stronger financial transparency rules, clear prohibitions on related-party transactions, limits on authorizer fees, democratic governance requirements for charter school boards, and renewal terms capped at five years.

The report concludes, “We can still incubate good ideas, but we should do so where they belong: inside the public system, with the sunlight, stewardship, and community voice that public money requires. Recommitment to that principle—public dollars for public schools under public rules—is the surest way to move from reckoning to repair.”

Carol Burris

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