

Ohio Ethics Commission kills charter school disclosure rules after political pressure from the Speaker of the House and Senate President

A January 29th [article](#) by Laura Hancock indicates that the House Speaker and Senate President essentially overruled an Ethics Commission rule that would have required officials overseeing charter schools to file financial disclosures.

The recent autocratic maneuver by the Senate President and Speaker of the House to arbitrarily overturn a decision by the Ohio Ethics Commission to provide a small bit of accountability to the charter school industry is one of the latest in a long history of state officials shielding school choice program from transparency and accountability.

For those who have followed the charter school history from the beginning, this is no surprise. The original charter school law shielded the charter industry from accountability and transparency by exempting the industry from a large segment of laws and regulations that apply to traditional public schools. As a result, the industry has been rife with fraud, lackluster performance, and dismal student outcomes.

When the initial results of the charter industry were reported in the 1990s by the Legislative Office of Education Oversight (LOEO), the results were dismal. The then-Speaker of the House, Jon Husted, did not like LOEO's report. His advocacy for the charter industry provoked him to force the discontinuance of LOEO. This same public official was honored by the Electronic Classroom of Tomorrow (ECOT) with an [honorary diploma](#) (the only one ever issued). During the 1990 ECOT commencement, an ECOT official stated that without Jon Husted, ECOT would not exist. How did that work out? ECOT swindled Ohio taxpayers out of hundreds of millions of dollars before closing due to the state's attempt to claw back some of the funds ECOT officials stole.

The charter school industry in Ohio has been rife with corruption because certain public officials have refused to allow charters to be adequately regulated. Why, why, why would charters not be regulated exactly the way in which authentic public schools are regulated?

The Senate President and Speaker of the House seem to be okay with the lack of transparency in the charter industry.

This insanity will continue until Ohio taxpayers hold their state elected officials accountable.

[Ohio Ethics Commission kills charter school disclosure rule after political pressure](#)

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By

- [Laura Hancock, cleveland.com](#)

COLUMBUS, Ohio - The Ohio Ethics Commission has put the brakes on a recently passed rule that would have required officials overseeing charter schools to file financial disclosures -- after state legislative leadership objected to the requirement.

Ohio Senate President Rob McColley, a lieutenant governor candidate running with GOP gubernatorial candidate Vivek Ramaswamy, and House Speaker Matt Huffman wrote a Dec. 24 letter to the Ethics Commission, accusing the panel of making changes to ethics rules “by executive fiat.”

Huffman attended the commission’s meeting last Thursday, which is unusual since legislative leadership rarely, if ever, attends these meetings. The Republican lawmakers said if the commission didn’t rescind the charter school rule, the General Assembly would pass a law prohibiting the rule.

The commission voted Thursday to “indefinitely set aside” the requirement, which means it’s dead. The commission receives most of its money from the budget bill passed by legislators, said Paul Nick, director of the commission.

[The rule applied to](#) governing authorities of charter schools, which are similar to school boards in traditional public schools. Charter schools receive public money but are mostly run separately from local school districts.

Charter schools were projected to receive just over \$1.3 billion from the state this school year, according to state budget projections, plus \$90 million in a facility payment to help with building costs, since they don’t raise money through property taxes.

However, state payments to the schools show they’re on track to receive almost \$1.6 billion by the end of the year.

There are 342 charter schools in the state [educating nearly 117,000 students](#).

McColley and Huffman objected to the financial disclosure requirement by saying it was unfair, since traditional public school boards and board candidates only must file disclosures if they serve over 12,000 students.

However, [state law requires](#) all superintendent and business managers/treasurers to file yearly ethics requirements, regardless of district size. The Ethics Commission never required charter school sponsors and operators, two other layers overseeing and running charter schools, to file disclosures.

Stephen Dyer, a former Democratic state lawmaker and charter school critic [who writes about education on Substack](#), said that the public deserves transparency, since the schools receive

billions in state funding and there have been instances in the past in which money may have been misspent by charter schools.

“These folks now collect \$1.6 billion a year in state money,” Dyer said. “We should know who’s running them. It’s pretty simple. I find it incredible that the speaker of the House and the president of the Senate are so concerned about keeping those names and their connections to money-making ventures secret.”

The letter McColley and Huffman wrote to the Ethics Commission said that if the rule was rescinded, the legislature could study the legality and efficacy of such disclosure requirements.

Cleveland.com | The Plain Dealer asked spokespeople in the Ohio Senate and House whether an informal or formal study of requiring the disclosures is underway.

Olivia Wile, Huffman’s spokeswoman, said that larger changes may be in store for the Ethics Commission.

“We are continuing to have discussions with a range of stakeholders following the commission’s action, which may need to include reforms to its current process, which is unclear and undefined,” she said. “The speaker remains concerned that a ruling of this magnitude was made without the involvement of the legislature or stakeholders in the field.”

“The ethics commission made a premature decision resulting in a letter from both the Senate President and Speaker of the House that raised several concerns and additionally was serious enough for the Speaker to attend and comment at the recent meeting,” said John Fortney, McColley’s spokesman. “Moving forward it would be helpful for the General Assembly to be part of that discussion.”

This isn’t the first time that Republican leaders in the General Assembly have been sympathetic toward school choice.

In 2024, [a legislative committee gutted](#) a bill that would have required private schools receiving publicly funded vouchers to submit a report each year showing how they spent the state money. Schools with at least 20% of their student body receiving vouchers would have had to disclose the total number of scholarship recipients and share with the state the number of students coming from families at different income levels.

The bill would have required the voucher students to take Ohio’s State Tests each spring and eliminated the 40 alternative assessments they’re allowed to take.

Private school and church leaders objected to the bill.

After the committee gut the bill to require very little information be submitted to the state, it advanced the legislation. But it never proceeded to the House or Senate floor for a full vote.

Charter school governing authorities are [currently required under state law to file](#) an ethics disclosure providing some information to the school sponsors. However, there's no centralized location for the public to find this information.

If governing authorities would have been required to file disclosures, they would have been required to report sources of income, investments and gifts, Nick said. They would not have been required to disclose the amounts of their income.

McColley and Huffman accused the Ethics Commission of not engaging with the charter school community when writing the rule.

They wrote that "what engagement there was primarily occurred with the Ohio School Boards Association, an organization that does not represent community schools and which frequently opposes community schools in their advocacy efforts. We further understand that the Commission did not seek out or receive public testimony during its deliberations on this matter, and decisions were made without the knowledge or input of the state legislature or community-school administrators."

Nick, the commission director, said the commission never reached out to the School Boards Association. Commission employees searched the association's website for information.

"They have all kinds of primers and explanations about different schools," he said. "We were trying to get an understanding of the lay of the land. Then we also contacted primarily the Department of Education and Workforce. That's who we actually communicated with the most, and got most information from staff over there."

Merom Brachman, the Ethics Commission chair, wrote in a Dec. 30 letter to McColley and Huffman that the commission valued their input.

"Meanwhile, kindly know there was no condemnatory purpose in our work (and no "gotchya" or hidden action, and certainly the commission will give ready attention to your concerns," he wrote.

Dyer, the charter school critic, said he found it amusing that Huffman took time out of his busy schedule to attend an Ethics Commission meeting.

He also was critical of McColley.

"It's awfully interesting that the lieutenant governor candidate is trying to make sure that a \$1.6 billion program can remain in the dark from Ohio taxpayers," he said. "During an election year, that's certainly a choice."

At least two charter schools serving thousands of students closed mid-year due to possible improper use of state funds. This left students scrambling to continue their education.

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The most scandal-ridden, the Electronic Classroom of Tomorrow, or ECOT, closed in 2018. The founder of the school, William Lager, [owned three companies that did business](#) with the online school. The state has been in yearslong litigation with Lager, trying to claw back [over \\$100 million in public funds](#). The [school and state dispute](#) how the school should have been paid to educate students.

More recently is the closure of the Dohn Community High School, [which closed its doors March 31, and is being investigated](#) by the Ohio State Auditor's Office.

A lawsuit alleges a former superintendent used school money to award construction contracts to his business partner, including on a building that the school didn't own. There are allegations the work was never completed. The spending may be responsible for the school's poor finances and closure, [according to the Cincinnati Enquirer](#).