The EdChoice voucher litigation has somewhat removed the spotlight from the fraud-ridden, failed charter school industry. Jan Resseger's September 8 blog sounds the alarm on the existential threat of this nefarious industry on the public common school system.

Jan Resseger's September 8 blog provides a "must read" review of Ohio's commercial educational enterprise. Except for a few authentic education-oriented charters, the Ohio version of chartering is a colossal failure. A major sector of this mostly profit-oriented system is oriented toward profits on the backs of school children.

State officials who control Ohio government know no shame regarding their fiduciary responsibility for this fiasco. These state officials seem to be oblivious to the waste of public resources and an appropriate education venue for school children.

Charters As Well As Vouchers Continue to Threaten Public Education in Ohio

Posted on September 8, 2026 by janresseger

School privatization poses enormous problems for Ohio's system of traditional public schools. In June of 2025, Ohio's legislature failed fully to fund a well-designed and fair new school funding formula whose phase-in was to have been completed in the two-year budget. Ohio's House Speaker explained that the plan is "unsustainable." Policy Matters Ohio documented that the current two year budget abandoned the plan by failing to fund $2.75 billion which would have been required.

The expansion of the state's uncapped private school tuition vouchers is well known and partly to blame. Policy Matters Ohio reports that Ohio is spending $2.4 billion in the current FY 26-FY 27 biennium on its five private school tuition voucher programs. But spending on charter schools in Ohio appears to be as much or more than spending on vouchers, although it is much harder to discern. Because charter schools are technically public schools (despite that they are privately operated and in many cases for-profit), their cost is buried in reports of K-12 public education funding. In February, however, the *Plain Dealer*'s Laura Hancock reported: "Charter schools in Ohio were projected to receive over $1.3 billion this school year, but state payment data shows they are on track to get nearly $1.6 billion."

Today in many ways, charter schools in Ohio have become like the faded wallpaper that nobody notices. They remain almost exclusively an urban phenomenon, many of them online, or quietly occupying vacant office buildings and storefronts, or sometimes closed parochial or shuttered public schools. Of course, over three decades there have been a couple of big, splashy charter school scandals, beginning with David Brennan's notorious White Hat Management charters, founded in 1997. Brennan's company was known for recruiting the specific schools' boards that were supposedly responsible for monitoring White Hat's operation in each school or for demanding "sweeps contracts" in which White Hat raked off 97% of the funds the schools received from the state without much local oversight. And, in the 17-year ECOT scandal that ended in 2018, the Electronic Classroom of Tomorrow's operator, Bill Lager never paid the state back after he charged the public millions of dollars in tuition for students who never attended.

Accommodating charter schools today is, however, challenging for school districts facing budgeting challenges. Here are several current challenges posed by charter schools.

Cleveland's portfolio school reform history poses financial problems. *Signal Cleveland*'s Franziska Wild has been reporting on the Cleveland Municipal School District (CMSD) , which "strapped for cash is closing and merging dozens of public schools as it deals with enrollment declines and an oversaturation of school seats city wide. Currently… the district partners or sponsors eight charter schools… and it's one of the only school districts in Ohio that shares local levy dollars with these schools… The relationship the district has with charter schools dates back to the passage of the Cleveland Plan."

Wild reminds us that in 2012, the legislature passed what was known as a "portfolio school reform" plan for Cleveland to establish universal school choice. "The thrust of the plan at the time was that by collaborating with charters CMSD could… hold them to higher standards while expanding school choice for families. Part of the Plan was the creation of a watchdog for the district and charter schools known as the Cleveland Transformation Alliance, which was disbanded last spring." Under the 2012 Cleveland Transformation Plan several charter schools are sponsored by the district. Other charter schools have applied for partnership status and been approved. Like Cleveland's traditional public schools, these two categories of Cleveland charter schools receive local property tax dollars.

Wild reports that this year school board members have been questioning the demands of the Cleveland Plan at this time when the school district faces severe constraints and school closures due to cuts in school funding by the legislature in the current budget. She quotes two school board members who wondered in April "about how the district benefits from its relationship with charters." The district has been asked to partner with two new charter schools, but "with the additions, CMSD would distribute a total of $9.7 million to charter schools."

When public schools are closed due to financial problems or enrollment declines, Ohio law says the school district must sell the buildings to charter schools. The *Plain Dealer*'s Laura Hancock reports that the current law "allows up to two years to evaluate unused buildings" before offering to sell them to charter schools. While a law tightening this requirement has been passed by the Ohio Senate, "State Senator Kent Smith, a Euclid Democrat, noted that district needs can shift over time—citing his own district's history of closing then later reopening elementary schools as enrollment fluctuated—and warned that current law already limits that kind of flexibility." Clearly today's GOP legislative majority is incentivizing the growth of charter school competition with traditional public schools.

In the context of nearly 30 years of Ohio's experimentation with charter schools, Future Ready Cleveland arrives to promote the expansion of charter schools in Cleveland. *Signal Cleveland*'s Franziska Wild reports on the emergence of Future Ready Cleveland, a well funded nonprofit that is part of a multi-state effort to expand charter schools: "Over the past two years, the organization has quietly stepped up efforts to reshape Cleveland's education landscape… Future Ready says its… goal is to make sure Cleveland children have access to high-quality schools in every neighborhood, regardless of who operates them… It's primary funder is City Fund, a national organization that has made big investments to expand and improve charter schools. City Fund gave Future Ready a combined $1.7 million of its $2.5 million in revenue during the first year of operation in 2024…"

Wild provides some history. "City Fund launched in 2018 and is among the largest philanthropic spenders on K-12 education nationwide. Its big backers include the Netflex founder Reed Hastings and Texas philanthropist John Arnold. Donors with a Cleveland connection include the Haslam 3 Foundation, run by Jimmy and Dee Haslam, who own the Cleveland Browns." School quality is to be measured purely by test scores: "Future Ready is defining high quality with the Ohio state report card ratings, specifically, they consider 4-and 5-star schools to be high quality." This fall, with support from Future Ready, FORWARD Girls Leadership Academy will open in Cleveland's Union-Miles Park neighborhood. Future Ready's campaign is a well known "portfolio school reform" effort making its way to Cleveland. Wild reports that the organization began in Indianapolis and has been involved in other cities like Gary, Indiana and Baton Rouge, Louisiana.

The Ohio Department of Education and the Workforce (Ohio DEW), which today reports only to the governor and is neither controlled by the legislature nor Ohio's state board of education (which is itself now all appointed by the governor), has just submitted a waiver proposal to the federal government asking for permission to "improve low scoring public schools" by transforming them into charter schools. Responding to Education Secretary Linda McMahon's effort to "return education

to the states," the U.S. Department of Education is offering states the opportunity to repurpose federal dollars. In July, Ohio DEW submitted to the U.S. Department of Education a proposal for a federal waiver for relief from federal requirements for the use of federal funds. The *Columbus Dispatch*'s Jessie Balmert outlines some of what Ohio DEW has requested the U.S. Department of Education to permit: "Chronically struggling public schools could be converted into charter schools, have their leadership replaced or be forced to close… The proposal lists 16 ways to improve the state's lowest-performing schools, which include high schools where at least a third of student do not graduate. But Ohio school leaders worry the changes go too far and weren't properly vetted."

Balmert quotes State Rep. Patrick Brennan (D-Parma) confronting the violation of the democratic process in the federal waiver application, submitted from Ohio DEW without any input from the Ohio Legislature: "Decisions as significant as school closures, charter conversions, staffing mandates and curriculum requirements should be debated openly through the legislative process—not implemented administratively through a federal waiver request."

Ohio's punitive school experiments—including nearly 30 years of publicly funded but poorly regulated charter schools—have failed to change the trajectory of test scores in Ohio's communities with concentrated poverty. However, as the Heights Coalition for Public Education recently documented, one of the areas Ohio has abandoned as it failed to institute the new Fair School Funding Plan is adequate state investment in the public school districts serving concentrations of low-income students. Currently, Ohio's per-pupil Disadvantaged Pupil Impact Aid is "$422, a far cry from the $3,300 extra spending that state research says is appropriate."

With a longstanding GOP gerrymandered majority and three decades of solid investment in and poor regulation of charter schools, Ohio is vulnerable to the efforts of the City Fund and its billionaire funders along with other charter school entrepreneurs to expand charter schools across its urban areas. The leaders of Ohio DEW and the legislative GOP majority also remain ideologically committed to the idea that school choice and competition—rather than full funding for public education—are the key to what they define as the sole measure of school quality: rising test scores.

Update: Check out Franziska Wild's new backgrounder on portfolio school reform theory—published this morning, September 8, 2026.