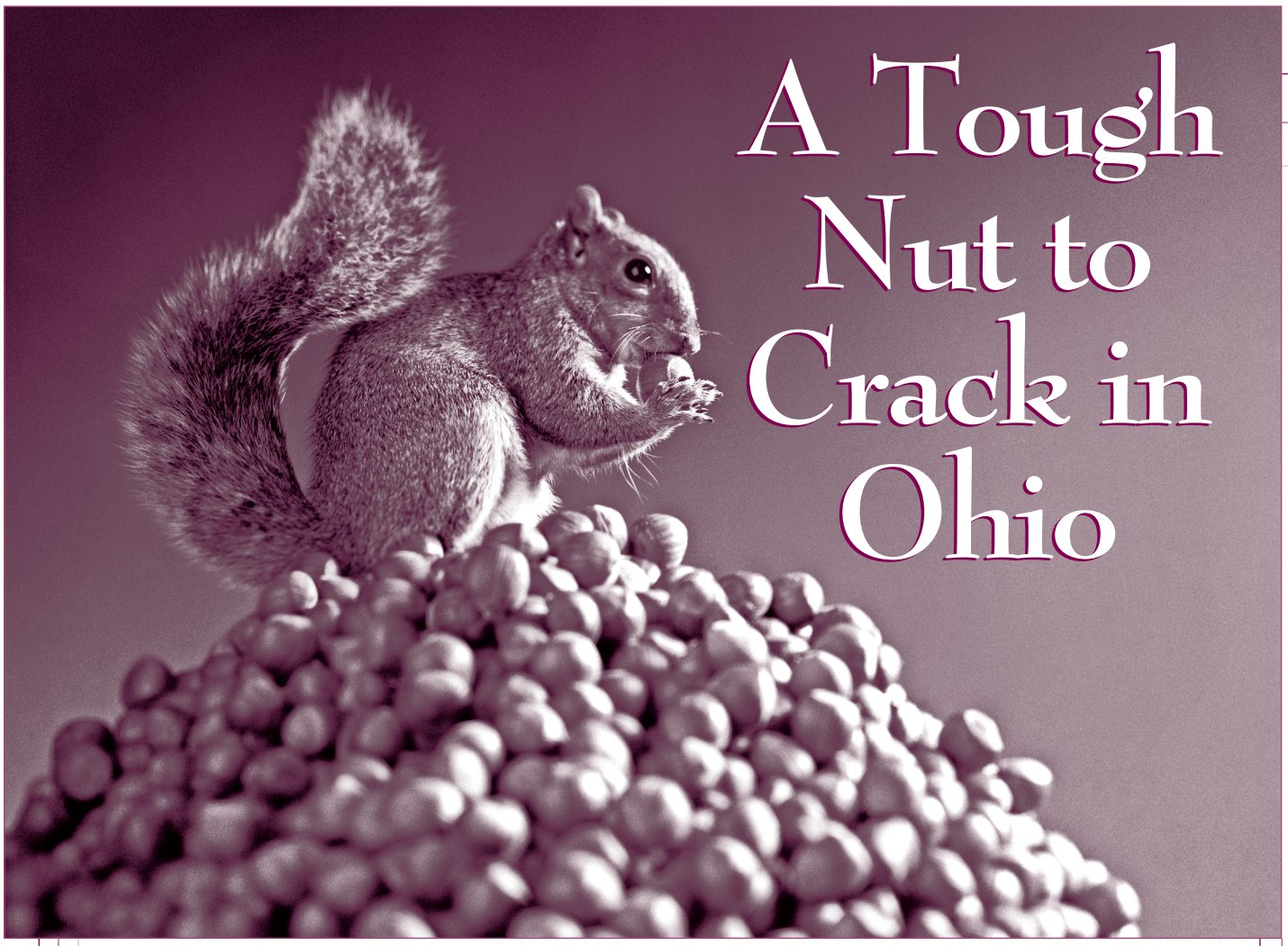

A Tough Nut to Crack in Ohio

Charter Schooling in the Buckeye State

by Alexander Russo

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Preface

In many states with charter laws, the successes of charter schooling far outweigh the failures. In other states, however, the story is more complicated. Ohio first passed its charter school law in 1997 and has subsequently revised it in an effort to address various shortcomings and improve charter school quality in the state. Now, eight years later, the reviews of charter schooling in Ohio are decidedly mixed. While there are many outstanding charter schools in the Buckeye State, there are also ongoing problems that must be resolved.

Charter schooling helps expand educational opportunities for disadvantaged students, therefore it is essential that Ohio and other states get it right. To their credit, many state policymakers and charter school proponents are taking steps to ensure the quality of charter schools.

In this new report for the Progressive Policy Institute's 21st Century Schools Project, Alexander Russo takes a close look at charter schooling in Ohio, examining the history, status quo, challenges, and the future of the charter school effort there. He finds terrific examples of success, but points out that there are some very real challenges, including strong teachers union opposition to charters and uneven quality among charter schools and authorizers that must be addressed to further charter school growth. Russo offers Ohio policymakers several recommendations for overcoming these obstacles and improving their state's charter schooling.

Russo's paper is an important resource for educators, policymakers, journalists, and others with an interest in charter schooling in Ohio and nationwide. This report is the sixth in a series of PPI books that analyze state and urban experiences with charter schooling. Previous reports looked at California, Minnesota, Arizona, New York City, and Indianapolis. The next report in this series will examine charter schooling in Texas.

A generous grant from the Bill and Melinda Gates Foundation made it possible for the 21st Century Schools Project to produce this report. We are grateful to the Gates Foundation for their support of this project and their overall commitment to educational improvement.

The 21st Century Schools Project at the Progressive Policy Institute works to develop education policy and foster innovation to ensure that America's public schools are an engine of equal opportunity in the knowledge economy. The Project supports initiatives to strengthen accountability, increase equity, improve teacher quality, and expand choice and innovation within public education through research, publications, and articles; an electronic newsletter and daily weblog; and work with policymakers and practitioners.

The Project's work is a natural outgrowth of the mission of the Progressive Policy Institute, which is to be a catalyst for political change and renewal. Its mission is to modernize progressive politics and governance for the 21st century. Moving beyond the right-left debates of the last century, PPI is a prolific source of the Third Way thinking that is reshaping politics both in the United States and around the world. Rejecting tired dogmas, PPI brings a spirit of radical pragmatism and experimentation to the challenge of restoring our collective problem-solving capacities—and thereby reviving public confidence in what progressive governance can accomplish.

Andrew J. Rotherham
Director, 21st Century Schools Project
February 2005

Cover photo courtesy of Getty Images

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Introduction

Charter schools have spread rapidly in Ohio. Starting with just 15 schools in 1998, the Buckeye State is now the sixth-largest charter school state in the nation. It had 210 charter schools serving 52,197 students as of September 2004, and an additional 33 schools were scheduled to open in the fall.[1]

Yet, that growth has happened in a combative political environment. The Republican Party, which has dominated state government for the past decade, has been generally supportive of charter schools and other forms of school choice. But Ohio's strong labor unions have organized vocal opposition to charter schools. There are three lawsuits attempting to stop charter schools in the state (most recently a federal lawsuit filed by the Ohio Education Association). And a major public awareness campaign orchestrated by charter school opponents has generated reams of negative press about the charter movement and raised suspicions among many public school educators and Democratic lawmakers.

"What was surprising about Ohio was that they were able to get a charter school law through at all, given how strong the unions are there," says Mike Petrilli, deputy director of the Office of Innovation and Choice at the U.S. Department of Education. "They have been under a steady attack from the unions, more so than in any other place."[2]

Because of that contentious political atmosphere, Ohio's early charter school laws were passed in sometimes contradictory fits and starts. First, there was a pilot project for distressed school districts. That was quickly replaced with a broader program for the state's biggest urban areas. And that program was later broadened again, with rules covering sponsoring authorities changed several times along the way.

Shaped by these and other dynamics, Ohio's charter school sector is somewhat different than in other states: Sixty-six percent of charter school students in Ohio attend schools run by education management organizations; 25 percent of charter school students are enrolled in online schools; and more than one-half of Ohio's charter schools were at somepoint sponsored by the State Board of Education. (A regional education service center and a university-affiliated council of charter schools have sponsored most of the remainder.[3])

Perhaps it is not surprising, then, that the performance of Ohio's charter schools themselves has been uneven. In the aggregate, Ohio charter schools have lower test scores and proficiency rates than Ohio public schools overall. But they also serve much higher percentages of disadvantaged and minority students, who are more challenging to educate. A few noteworthy Ohio charter schools are emerging as promising success stories, and overall charter school performance in the state appears to be improving. A great deal more improvement is still needed, though, because there are far too many cases of charter schools performing poorly.

Many of the structural obstacles to improvement have been removed, however. Kinks in Ohio's early charter laws have now been ironed out, and the charter movement seems poised to move into a period of more stable growth. For many observers, a state of alarm has turned to cautious optimism.

Ohio's charter schools are in a fragile state of transition, to be sure, and ensuring the best results for Ohio's charter school students will require sustained energy and new policy commitments. Specifically, this report recommends ways to build the quality and supply of new charter schools; strengthen accountability and improve oversight; and improve political support and advocacy.

History of Charter School Development and Law in Ohio

Early Attempts

Ohio's charter school experiment began in June 1997, when the state Legislature passed a budget bill that included provisions authorizing what Ohio calls "community" schools.[4]

Opponents had successfully blocked passage of a stand-alone charter school bill for the previous three years. Generally, pro-charter Republicans controlled both houses of the Ohio Legislature, as well as the governorship. But established education interests had managed to stymie progress on charter schools by rallying Democratic lawmakers, along with a handful of Republicans.

As in many other states, the strongest opposition to charters schools in Ohio came from organizations representing teachers and local school districts, and from Democratic legislators in urban districts. And unions play a particularly influential role in Ohio, compared with other parts of the country. So, by calling in the support of other, non-education unions, teachers unions were able to exert an outsized influence in the debate. Along with school superintendents and school boards, they argued that charter schools were unnecessary and potentially destructive to public schools because they would divert funding and siphon off the "best" students.[5]

Yet, the need for charter schools in Ohio was clear. "Charter school legislation was introduced in the state of Ohio because parents, particularly poor parents in urban areas, were fed up with the existing education system and wanted choice and control over their children's education," writes Terry Ryan, state director of the conservative, pro-charter Thomas B. Fordham Foundation. By most accounts, innovation and excellence were secondary priorities in the existing school system.

The logjam was broken when then-State Rep. Sally Perz (R-Toledo) approached then-Gov. George Voinovich (R) with an idea for a pilot charter school program. The program would be limited to northeastern Ohio and—most importantly—enacted not through stand-alone legislation but as an amendment attached to a comprehensive budget bill, making it much harder to block for procedural and substantive reasons.

Initial Passage

Perz's legislative tactic succeeded, and charter schools were launched in Ohio, albeit on a very small scale. Charter proponents like Perz considered the law an important first step in demonstrating the demand for public school alternatives and in proving the effectiveness of charter schools to the rest of the state. "It gave us the chance to show that charters could work, under highly controlled circumstances," says Perz.

The legislative activity around charter schools was not over, however. Two months after the June 1997 budget bill, a second piece of charter school legislation expanded the pilot program.[6] Proposed by State Rep. Mike Fox (R-Hamilton County), it allowed charter schools to be created in any of the state's eight largest urban school districts, known as the "Big Eight"—Cleveland, Cincinnati, Columbus, Akron, Canton, Youngstown, Toledo, and Dayton—not just the northeastern part of the state.

The motivation behind the two charter laws was similar: They were both expressions of dissatisfaction with the educational standards and performance of most of the urban districts in the state, as well as a desire to give parents more choices that might keep them in the public school system. But the two laws were not closely coordinated, and in some ways they actually contradicted each other. "They didn't have time to rethink the pilot project part of it," remembers John Rothwell, a former State Department of Education official who currently directs the Ohio Charter School Sponsor Institute. As a result, it was unclear how the pilot, which created some rather unique authorizing entities in a specific geographic locale, meshed with the larger statewide program that relied more heavily on the existing state education bureaucracy.

The original pilot program allowed only the Lucas County Education Service Center—a regional, publicly funded, but otherwise independent education service center that provides supplemental services to school districts in the Toledo area—and the University of Toledo to sponsor charter schools, along with the State Department of Education and local school districts. The idea was to conduct a small, carefully monitored experiment to demonstrate what high-quality charter schools would look like.[7]

In contrast, Fox's bill not only greatly expanded where charters could be established, it also gave both the state and school districts in the Big Eight urban districts the authority to create new charter schools. In addition, the law allowed districts in any part of the state to convert existing schools to charter status, theoretically expanding the spread of charters even further.

Most of all, the Fox bill made the state the most readily available and inexpensive sponsor of charter schools—a role many were skeptical would play well. To Perz, who is no longer in the state Legislature, bringing the State Board of Education into the picture as a large-scale authorizer was a big mistake. "I never wanted the State Board of Education to be involved," says Perz. "It was a bad fit from the get-go, having this entrepreneurial type of school housed in a big state bureaucracy."

In her original bill, Perz had proposed creating an independent statewide charter school board, separate from the State Board of Education, to oversee charters. But the Legislature had previously taken away several key oversight functions from the State Board—most notably, its oversight of school construction and school technology—so, the incoming state superintendent specifically asked for the Board to be given a new oversight role with charter schools.

Subsequent Revisions

Ohio's charter school law was amended twice in the next two years. To prevent the possibility that the Big Eight urban districts would block charters, new amendments in 1998 and 1999 permitted additional entities—neighboring districts in the same county, and joint vocational education agencies—to sponsor charters in the Big Eight urban districts.

The spread of districts where charters could be started also continued. A 1999 bill amended the Fox law to allow new charters to be created in any of the 21 urban districts in the state—and, beginning in 2000, any other school district in Academic Emergency under Ohio's state accountability system.[8]

Many observers believe that linking the creation of new charter schools so closely to poor district performance had a long-term negative effect on how charters are seen in the state. While it was an understandable legislative choice at the time, connecting the two may have unintentionally created the impression that charter schools were largely a punitive type of school reform, rather than an attempt to strengthen public education. (This issue is discussed later in this report.)

"Ohio tried to do charters the punitive way, primarily," says Andy Benson, policy director for the

Table 1: *Differences in Early Charter School Legislation in Ohio*

	Perz Amendment (AHB 215)	Fox Bill (SB 55)
What the law did	Established a pilot charter program in the Toledo area	Expanded charter schooling to the eight largest urban districts in the state
Entities eligible to sponsor charter school startups	-Lucas County Service Center -University of Toledo*	-State Department of Education -Big Eight School Districts
Geographic areas where start-up charter schools could be located	Lucas County	-Big Eight urban districts (Cleveland, Cincinnati, Columbus, Akron, Canton, Youngstown, Toledo, and Dayton) -Allowed conversions of existing schools to charter status in any part of the state

*Authority since transferred to the Ohio Council of Community Schools.

SOURCE: "Community Schools in Ohio: Implementation Issues and the Impact on Ohio's Education System," Legislative Office of Education Oversight, April 2003, *http://www.loeo.state.oh.us/reports/PreEleSecPDF/1CS_web.pdf.*

KnowledgeWorks Foundation, a Cincinnati-based education reform group. "If you come to me and say 'I'm going to kick your behind,' I might innovate, but I just as well might decide to fight," says Benson. "The unions fought, the school boards fought, and none of the public schools districts that had the authority chartered schools [in large numbers]."

Former legislator Perz agrees with that assessment for the most part. She says: "We're still operating under the philosophy that if a school district is bad enough, then you get choice, instead of taking the approach that parents should have choices no matter what."

Problems Emerge

Negative reports about charter schools surfaced in 2000, and a series of articles in the *Akron Beacon Journal* criticized the State Department of Education for "rubber-stamping" charter school contracts without adequate review.[9]

In the most prominent case, the state was forced to revoke the charter of the Riser Military Academy in Columbus for not having textbooks, computers, or adequate facilities, and for failing to comply with provisions of the Americans with Disabilities Act. There were also reports of physical abuse at the school. In other press accounts, there were allegations that one school had to hold class in the public library, another virtual school never gave computers to students to use at home, and others had substandard facilities.[10]

"Some charters turned out to be duds," recalls Michael Petrilli of the U.S. Department of Education, who formerly worked with charters in Ohio through his position at the Fordham Foundation. "Everyone was in a rush; another year of planning would have done a lot of good." The quick spread of charter schools in Ohio helped the reform movement grow rapidly, but created significant problems in terms of regulating charter school quality.[11]

Current Law

Concerns about Ohio's charter schools spiked in 2002, when a scathing state audit chastised the State Board of Education for poor monitoring of charter school finances.[12] The audit was conducted in response to the closing of at least eight charter schools for the absence of adequate financial reporting and possible financial mismanagement. It called for strengthening the State Department of Education's role and responsibility in charter school payments, and recommended that charter school operators and personnel be required to receive financial management training and that better monitoring be done of charter school student enrollments, which were frequently in dispute. The audit suggested that the State Board of Education improve oversight of its 92 Ohio charter schools or transfer authority to another entity, and it called for a broader pool of charter sponsors.[13]

Largely in response to the audit's findings, the Legislature made comprehensive revisions to the state's charter school law in early 2003.[14] In essence, the 2003 changes took the Board out of the business of being a charter school sponsor, and refocused it on overseeing other sponsors, conducting training sessions for school personnel, and monitoring the overall quality of charter schools in the state.

To take the state's place in sponsoring charters, the law now permits all of Ohio's public universities to act as sponsors, not just the University of Toledo. The law also allows other county education service centers to be sponsors, not just Lucas County. And it establishes qualifying standards for nonprofit organizations to become sponsors, with state approval.

Table 2: *Progress of Charter School Authority in Ohio*

Year	District Eligibility
1997	Toledo Area
1998	Big Eight
1999	21 Urban Districts
2000	Academic Emergency
2003	Academic Watch

SOURCE: Ryan, Terry, "A Wide-Angle Look at the Charter School Movement in Ohio/Dayton, Circa September 2004," Thomas B. Fordham Foundation, September 2004, *http://www.edexcellence.net/doc/CharterSchools_Dayton_Ohio2004.pdf*.

A "Home-Grown" Charter School: Citizens' Academy, Cleveland, Ohio

Not all of Ohio's charter schools are marked by controversy. A particularly noteworthy success story is Citizens' Academy, established in Cleveland in 1998.

Citizens' Academy is a stand-alone grammar school that is not run by an education management organization. It was co-founded by an experienced public school principal, and its current executive director is a former social worker. Its nonprofit board includes some of the most prominent educators, philanthropists, and community leaders in the city.

The school serves 300 students in kindergarten through 5th grade. Its student population is 95 percent African-American and 85 percent low-income. Its teachers are well paid—roughly $42,000 a year, on average—and executive director Perry White says the rationale for that is pretty simple: "We're not asking our teachers to subsidize their own work."

Unlike many other charters in the state, Citizens' Academy also generates private financial support to supplement state funds. "There is no way we could successfully educate these children without tremendous outside support," says Mr. White. The school recently secured funding for a summer school program, and raised over $100,000 in its first annual drive, according to White.

But Citizens' Academy was not an overnight success. The high ideals that drove the school's founding were tempered by hard realities, including students who were further behind than anyone expected, and the mundane logistics of operating a school. "It took us five years to get it right," says White.

The school was originally founded on ideals of creativity, expressiveness, and problem-solving. But it went through the "roughest start-up you've ever seen," White says. "We started out too high, and assumed basic skills would be in place." But since the students were not prepared academically, the curriculum had to undergo significant revisions. Initial plans to run the school an extra four weeks a year also had to be scrapped.

And yet, the Academy now appears to be making gains. The percentage of 4th grade students passing the state test in literacy went up from 12 percent in 2002 to 81 percent in 2004. The school ranks in the middle rung of the Ohio state ratings categories (indicating that it has made Continuous Improvement), and it has met four of the seven state performance standards for 2003-2004.

Not surprisingly, there were nearly 300 students on the waiting list to get into the school during the fall of 2004. To meet growing demand, White would like to open a middle school and a preschool program as well.

SOURCES: "Ohio State 2004 Report Card Individual School Report," Ohio Department of Education, *http://dnet01.ode.state.oh.us/DistrictRatings/Buildings.aspx*; "Citizens' Academy 2002-2003 Annual Report," Citizens' Academy, 2003.

The changes in sponsoring authority have left many charter schools in need of new sponsors. The new law gives those that had been sponsored by the state two years (until July 2005) to transfer their sponsorship to another entity. After that, the state is only allowed to step in as a sponsor in cases where it has revoked another sponsor's authority.

Just as important as the changes in sponsoring authority, the law allows new charters to be created in a much broader set of districts, including any that are under Academic Watch or Academic Emergency, the two lowest ratings a district can receive under Ohio law. (Previously, charters had been permitted only in the bottom category.) In 2003-2004, 38 districts were under Academic Watch or in Academic Emergency, representing 6 percent of the districts in the state and a much larger percentage of students.[15] The number of districts under Watch or Emergency status has been much larger in the past, and is expected to rise again in 2004-2005 when the minimum requirements for districts will increase under the federal No Child Left Behind Act.

The new charter law also temporarily limits the total number of new start-up charters that can operate statewide to 225. The cap does not apply to charter school conversions, however, including many district-sponsored virtual schools, and it expires on July 1, 2005.

Also in 2003, the state revamped many of its operational procedures, as suggested by the 2002 audit. Enrollment figures are now updated monthly through

a new online system, and payment schedules are adjusted more frequently as well. The Ohio Department of Education also reconciles enrollment, financial, and other information to ensure that it is accurate and timely. In addition, the law modified charter school funding systems to adjust funding for community schools monthly, based on online reports of student enrollment, rather than on an annual basis, as is the case for public schools.

While not particularly glamorous, these fundamental aspects of the system are "phenomenally better" than they were in the past, according to Steve Burigana, the state department official who oversees charter schools.[16] Burigana credits the efforts of the State Department of Education and the charter schools, spurred by the updated law, for easing many administrative and operational problems. "Before you can have effective education, the fundamentals have to be there," Burigana observes.

The 2003 reforms did not end the legislative or political debate about charter schooling, however, since the reforms were accompanied by continued growth of charter schools around the state and ongoing struggles to improve academically.[17] Charter opponents recently re-introduced charter moratorium bills, which are now pending the Ohio General Assembly.[18] Opponents have also filed a lawsuit against the state in federal court claiming that charter schools in Ohio violate the Equal Protection clause of the U.S. Constitution.

An Emerging Challenge: The Responsibilities of Authorizers

Nationally, charter school authorizers (commonly referred to as "sponsors" in Ohio) have the legal power to charter schools by negotiating performance contracts with the schools' operators. Those contracts grant schools autonomy in exchange for accountability. The entities entitled to act as charter authorizers vary by state, but they frequently include local school boards, state boards of education, public universities, independent chartering agencies, and nonprofit organizations.

Quality authorizers closely monitor schools after they are chartered—evaluating the schools' academic performance, monitoring their compliance with the terms of their charters, informing them of intervention and renewal decisions, and ensuring their autonomy. But the failure of some charter school authorizers to effectively carry out their responsibilities has drawn the attention of policymakers. For example, when Ohio passed legislation in 2003 that broadened the pool of eligible authorizers in the state, some legislators, troubled by previous reports of fraudulent authorizing practices, feared that the law would bring a new wave of unscrupulous nonprofit organizations seeking approval as sponsors just to generate revenue. That concern that has not been validated.

In fact, the bigger challenge has been recruiting new sponsors in Ohio. Unlike previous eligible authorizers (which were all government entities), nonprofits and education service centers wishing to sponsor schools must be approved by the State Department of Education. Some nonprofit organizations have struggled to gain approval because of requirements that they have more than $500,000 in assets and have been in existence for at least five years. In addition, nonprofit organizations are concerned about possible liability issues that may come with being a charter authorizer, and want to make sure that their individual board members and endowments would be protected if schools previously chartered by another authorizer incur substantial debt. Nonprofits are also concerned that they will not be able to raise enough in sponsorship fees to cover the costs of running high-quality authorizing operations, and many lack the resources to cover costly start-up and transition costs.

Over all, approximately a dozen organizations have applied to become sponsors in the year since the new legislation passed. To date, four education service centers have been accepted by the state as sponsors, and three of eight nonprofit applicants have been approved.

Table 3: *Features of Ohio's Current Charter School Law*	
General Statistics	
Number of charter schools allowed	225 start-ups in Big Eight districts, the state's 21 urban districts, and districts reported to be in Academic Emergency or Academic Watch. The cap of 225 start-ups expires in July 2005.) An unlimited number of conversion charters are also allowed.
Number of charter schools currently operating	243 (including conversion charters not counted under the cap)
Approval Process for Charter Schools	
Eligible chartering authorities	- Local school board or joint board in the county in which the community school will be located - State Board of Education (until 2005) - The boards of trustees of the state's 13 public universities, or their designated sponsoring authorities - The governing board of any state-approved educational service center
Types of charter schools	Start-up schools and converted public schools
Eligible applicants	Any individual or group
Formal evidence of local support required?	No
Appeals process?	None
Terms of charters granted	Up to 5 years
Operations	
Automatic waiver from most state and district education laws, regulations, and policies?	Yes, unless specified within the unique charter
Legal autonomy?	Yes
Form of governance	Specified in each unique charter
For-profit organizations	Cannot apply for charters, but can manage charter schools
Facilities assistance	Schools may negotiate with districts to lease public school facilities; charter schools also have access to lease-purchase agreements
Reporting requirements	Annual report cards for parents and sponsors, including academic and financial information; required participation in state's Education Management Information System

Funding	
Path	Funds pass directly from state to schools
Amount	Community schools receive 100 percent of the state-based formula funds, as well as an adjustment to reflect variations in costs among different parts of the state
Autonomy?	Yes
Start-up funds	- New charter schools may receive grants of up to $50,000 in state funds for start-up costs, and may apply for additional federal funds up to $450,000 - Schools may also seek public or philanthropic grants, foundation support, and private financing
Teachers	
Collective bargaining	- Teachers in conversion schools remain part of district collective bargaining agreements for at least one year, unless a majority within a school petitions to organize as a separate bargaining unit - Charter school teachers in new start-ups may work independently or create bargaining units
Certification	- Required, but alternate certifications allowed - Uncertified teachers may teach up to 12 hours per week
Leaves of absence from district	At least three years are permitted, if teachers from district want to work in conversion or start-up charters in that same district
Retirement benefits	Participation in state's retirement system
Students	
Eligible students	All students are eligible
Preference for enrollment	- Previously enrolled students (for conversion charter schools), district residents, and siblings - The racial demographics of the charter school must represent the demographics of the district
Enrollment requirements	- Schools must enroll at least 25 students - Schools may limit enrollment to students in a certain geographic area or at-risk students
Selection method	Random lottery
At-risk provisions	Schools may restrict enrollment to at-risk students
Accountability	Each charter must provide a plan describing academic goals and the method of measurement to analyze student performance; the plans must include statewide proficiency tests

SOURCES: The author; Center for Education Reform *(http://www.edreform.com/index.cfm?fuseAction=cLaw&stateID=33)*; Ohio State Department of Education; updates by PPI researchers.

Distinctive Characteristics of Ohio's Charter School Sector

Number of Schools

The spread of charter schools in Ohio has been steady and strong: The first wave of 15 charter schools was sponsored in 1998 by Lucas County and the State Board of Education. The following year, the number of charter schools more than tripled to 48 schools. By 2000, almost all of the eight eligible districts had at least one charter school.

As of 2003-2004, there were 25 school districts in Ohio with at least one charter school.[19] Some districts, such as Dayton, Cleveland, Toledo, and Columbus, had approximately 20 charter schools each. The Big Eight school districts, which account for roughly 25 percent of statewide public school enrollment, account for more than two-thirds of the state's charter school enrollment.

In all, Ohio's charter schools served approximately 46,000 students last year, or roughly 2.5 percent of Ohio's 1.8 million students.[20] That makes Ohio the sixth-largest charter school state in the nation.[21]

Table 4: *Number of Charter Schools and Student Enrollment by Year*

Year	Charter Schools	Student Enrollment
1998 - 1999	15	2,245
1999 - 2000	48	9,032
2000 - 2001	68	16,717
2001 - 2002	93	22,850
2002 - 2003	134	33,704
2003 - 2004	179	45,880
2004 - 2005	243	60,000*

*Early estimate based on most recent student data.
SOURCES: Ohio Department of Education; Ohio Charter Schools Association.

Student Demographics

Because Ohio's law was sparked by discontent with urban school performance, and expansions focused on high-poverty, low-performing urban school districts, Ohio's charter schools serve higher percentages of poor and minority students than other public schools in the state.

In 2003-2004, the average percentage of minority students in Ohio's charter schools was 75 percent, and the average percentage of disadvantaged students was 63 percent.[22] The median percentages were much higher.

These percentages were much higher than in the rest of the state's public schools, or any of the individual districts, with the exception of Cleveland in which charter schools were located.[23] Statewide, 22 percent of Ohio students are nonwhite (the vast majority African-American), and 31 percent are economically disadvantaged. Figures for disabled students and English Language Learners were not available in time for this report.

Important Trends

❑ *Continued Spread of Charters*

Compared to some other states where the rate of charter school growth has slowed over time, growth in Ohio has been both rapid and sustained. The 1997 laws and subsequent amendments allowed for the creation of charters in most of the highly populated parts of the state. There are also online charters serving students from other areas.[24] Last year, 41 new charter schools were created in Ohio, bringing the 2004-2005 statewide total to 243 charter schools, serving approximately 60,000 students.

❑ *Multiple, Unconventional Authorizers*

Like many states, Ohio allows local school districts to authorize charter school conversions,

and, in certain geographic areas, new charters. Unlike many states, Ohio has also allowed an increasingly broad array of unconventional charter school authorizers, starting with the Lucas County Educational Service Center, the Ohio Council of Community Schools (which began as part of the University of Toledo), and the State Board of Education. Joint vocational agencies and neighboring districts are also eligible as sponsors. And now nonprofit organizations and any of the state's 13 public universities are eligible to sponsor charter schools.

Yet, while local school districts and vocational agencies are allowed to sponsor charter schools, Lucas County, the Ohio Council, and the State Board of Education sponsored the vast majority of new charters in the state before 2005. Individual school districts and vocational education sponsors have tended to sponsor just one or two schools—many of them relatively small ones. Conversions have been few and far between.

Charter legislation passed in 2003 eliminated the State Board of Education as an authorizer, but created an opening for new types of sponsors: education service agencies, public universities, and approved education nonprofits with more than $500,000 in assets. (Ohio and Minnesota are the only two states that allow nonprofit organizations to sponsor charter schools.)

Thus far, only a few nonprofits have expressed interest in chartering schools. And only three nonprofits have been formally approved by the state as authorizers: the Thomas B. Fordham Foundation, the Buckeye Community Hope Foundation, and Ashe Cultural Center, Inc.[25] Even so, Ohio has one of the most diverse pools of potential authorizers in the country.

Table 5: *Charter School vs. Statewide Student Demographics (2003-2004)*

Demographic Category	Statewide	Charter Schools
White	78%	25%
Minority	22%	75%
Disadvantaged	31%	63%

SOURCES: Ohio State Department of Education; Ohio Charter School Association.

❑ *Education Management Organizations*

Ohio charter schools may contract with private education management organizations (EMOs) to run their administrative operations. Last year, 73—or 49 percent—of the 148 schools eligible to receive ratings under Ohio's accountability system were operated by EMOs (brand new schools, or those with very few students in tested grades, are not rated under Ohio's

Table 6: *Ohio Charter School Sponsorship, 2003-2004*

Sponsor	Number of Schools	Percentage of Charter Schools Sponsored
Lucas County Educational Service Center	27	15%
Ohio Council of Community Schools	10	6%
State Board of Education*	96	54%
District Sponsored Schools	46	26%
Total	179	100%**

*Prohibited from sponsoring charter schools after July 2005 under HB 364.
**Percentages do not add up to 100 due to rounding.
SOURCE: Ohio Charter School Association.

Achieving Excellence with Disadvantaged Students: W.E.B. DuBois Academy, Cincinnati, Ohio

Located in the historic "Over the Rhine" neighborhood of central Cincinnati, the W.E.B. DuBois Academy is one of Ohio's most recognized charter schools. The school is the only charter in the state to gain national accreditation from the American Academy of Liberal Education (AALE). More recently, the Academy was named a "School of Promise" by the Ohio State Department of Education, an honor that requires schools to serve a high percentage of at-risk students, make adequate yearly progress (AYP) as defined by the federal No Child Left Behind Act, and have at least 75 percent academic proficiency among low-income and minority students. W.E.B. DuBois Academy was the only public charter school in southwest Ohio to be awarded this honor.

W.E.B. DuBois Academy's students are 98 percent African-American and 78 percent of the school's students receive free or reduced-price lunches. In 2003, the Academy, which serves students in grades 1-8, posted the highest 6th grade writing and social studies state assessment scores in Cincinnati, and was rated as Effective by Ohio's accountability system.

The school's successes have been noteworthy, but perhaps not surprising, given the energy and commitment of its founder, Wilson H. Willard, III. While working as a Cincinnati public school teacher, Willard became frustrated that there were not enough high-quality educational options for poor and minority youth in the city, so he vowed to provide new options. After embarking on a door-to-door campaign in the Cincinnati area and other surrounding neighborhoods to build awareness and community support for charter school opportunities, Willard opened the W.E.B. DuBois Academy in July 2000 with 180 students. The school quickly became popular and now serves close to 300 students.

The Academy's overall mission is to provide students a high-quality education and help them thrive as productive learners. To achieve that, it has a longer school year and school day than most traditional public schools: It is open 253 days per year, from 7 a.m. to 5 p.m. Its Core Knowledge curriculum is designed to take full advantage of the extra instructional time and allows students to receive both review and advanced lessons, as well as remedial work, in order to establish the strong academic foundation required for them to succeed and compete on the same level with students in suburban schools. The school's program also has unique extracurricular components. All students must enroll in martial arts physical education classes to help them acquire the traditional martial arts values of self-control and discipline. And the Academy has a "step program" that incorporates traditional African ritual dancing with other gymnastic elements to increase students' balance, awareness, and attention while encouraging teamwork.

SOURCES: W.E.B DuBois Academy (*http://www.duboisacademy.org/*); American Academy of Liberal Education; GreatSchools.net (*http://www.greatschools.net*).

accountability system). Those 73 schools served roughly 28,500 students—or 66 percent of the state's charter school population.

Since EMOs are businesses or networks that operate a number of charter schools, they can offer charters the advantages of economies of scale and accumulated expertise in the business, operational, and educational elements of charter schooling. EMOs can also provide the start-up capital needed to get new charter schools up and running, which stand-alone charter schools often struggle to obtain. Although some EMOs are nonprofit networks of charter school operators, many are operated on a for-profit basis.

But student academic performance does not substantially differ according to whether schools are managed by EMOs or not.[26] Last year, schools run by EMOs scored 62.5 on the state's composite performance index, on average, compared to 60.9 for other schools. And 52 percent of schools run by EMOs met federal adequate yearly progress (AYP) in 2003-2004, compared to just under 50 percent of the schools not run by EMOs.

Nor do schools run by EMOs serve a substantially different student population. Roughly 73 percent of students attending EMO-run schools are economically disadvantaged, compared to 69 percent of students attending other charter schools.

Poor Performance and Strong Parental Support: Hope Academy Broadway, Cleveland, Ohio

Hope Academy Broadway is similar to many other urban schools: The students in grades K-8 are predominantly African-American, and 80 percent of them are eligible for free or reduced-price lunch. Housed in a former Catholic school building, students wear uniforms and make do without some of the amenities that traditional district schools have. For example, there is no gymnasium.

And, as at other urban schools, many of the students at Hope Academy are struggling academically. The school did not meet adequate yearly progress (AYP) in 2003-2004 and is in the state's lowest performance category (Academic Emergency).

What makes Hope Academy different is that it is run by White Hat Management Company, a for-profit education management organizations (EMO) located in nearby Akron, Ohio. Founded by industrialist David Brennan, White Hat has attracted considerable attention and notoriety due to Brennan's high visibility as an advocate for school vouchers in Ohio as well as concerns about the quality and performance of some White Hat schools. In fact, Hope Academy Broadway operated as a private voucher school during its first two years, and then converted to a public charter. Hope Academies is the brand name of 13 elementary-level charter schools run by White Hat, which also runs secondary schools under the name Life Skills Centers.

Because of its relationship with White Hat, Hope Academy Broadway enjoys some benefits that other charter schools lack. For example, there is a new computer lab with 32 workstations, and every classroom has six computers for students and one for a teacher. The school is staffed with a full-time social worker, master teacher, assistant principal, and a teaching assistant in each classroom. Teachers at Hope Academy are paid less than traditional public school teachers, but they receive $10,000 bonuses after five years and for improvements in student test scores. In addition, the school offers an extended school day that runs from 7:30 a.m. to 4:00 p.m.

White Hat Management keeps track of the schools compliance with state and federal accountability requirements, financial management, professional development, among other factors. "I thought I'd died and gone to heaven when I came here," said Principal Lydia Harris. "White Hat does everything for us." White Hat provides curriculum and professional training for its administrators and teachers, and provides "back office" services, such as processing payroll and completing state-mandated achievement reports for each school. The principals of White Hat schools meet monthly to share ideas and have control over hiring and firing teachers.

As an example of White Hat's efficiency, Ms. Harris tells the story of how she wanted a library for the school. She mentioned it to White Hat's managers, who mapped out a plan and quickly leapt into action. "I looked up a few weeks later and I had 72 cases of books," says Harris.

Despite low achievement and poor state accountability ratings, Hope Academy Broadway continues to draw strong parental interest. The school has almost doubled from 274 students when it opened five years ago to 514 students in 2003-2004, gradually taking over more of the archdiocesan facility. "Our phone is ringing off the hook all day," says Principal Harris. The contrast between poor student achievement and strong parental demand may perplex observers who expect that market choice will ensure accountability for charter schools. Yet, there are other reasons besides academic achievement that parents may want to send their children to Hope Academy Broadway. Parents are drawn to its safety, orderliness, and family atmosphere—factors Harris cites as contributing to its appeal. Parents may also be drawn to the Hope brand, since other schools in the network, including the Hope Academy Canton in Canton and Hope Academy Cuyahoga in Cleveland, are performing much better, making AYP under the No Child Left Behind Act, and earning Continuous Improvement ratings under the state accountability system. Another important factor may simply be that many of the educational alternatives available to parents in the Cleveland area are themselves low-performing.

But Ms. Harris believes Hope's poor performance must be seen in context. "Expectations are higher for us than for other schools," she says. "We get kids who are multiple grades behind when they arrive, and we are not given credit for the progress that they make."

While EMOs may be either nonprofit or for-profit companies, under Ohio law, only nonprofit organizations are eligible to apply for charters or to create charter schools. But once schools are chartered, they may use either for-profit or nonprofit EMOs to run their operations.

Nonprofit EMOs outnumber for-profit EMOs in Ohio. But nearly 30 percent of the 243 charter schools expected to open this fall are managed by for-profit companies, according to the Ohio Federation of Teachers.[27]

The major EMOs serving charter schools in Ohio include White Hat Management, K-12 Inc., National Heritage Academies, and Altair, which are all for-profit, and Summit Academies Inc., which is nonprofit.

❑ *Virtual Schools Serving Suburban Students*

Another distinctive feature of the charter school environment in Ohio is the widespread presence of virtual charter schools. Also known as online or electronic schools, virtual charter schools have been in existence since Lucas County Education Service Center sponsored the Electronic Classroom of Tomorrow (ECOT) in 2001.

By 2003-2004, Ohio's virtual charter schools had enrolled 12,000 students—roughly one of every four charter school students in the state. Although many of them are quite small, Ohio has the greatest number of virtual charter schools in the country, according to the Ohio Charter School Association (OCSA). Statewide, more than 40 Ohio charter schools are Internet-based.

Academic achievement in online charter schools appears to be similar to that of other charter schools, though data are limited by the number of small online schools that do not have enough students in each grade to receive a rating from the state.

In some cases, performance data also reflect the schools' difficulties getting 95 percent of students to

An Innovative Approach, With a Few "Bugs": The Electronic Classroom of Tomorrow

Headquartered in a renovated strip mall at the southern edge of Columbus, Ohio, the Electronic Classroom of Tomorrow (ECOT) is a statewide virtual charter school whose modest facilities belie its prominent role and extensive reach.

Founded in 2001 with Lucas County Education Service Center as its sponsor, ECOT is the first and largest virtual charter school in the state. It serves roughly 6,000 students in grades K-12, 4,000 of whom are in secondary school. It graduated its fourth class of high school students last year.

The school employs 57 full-time teachers. ECOT students talk to their teachers at least once a week, but otherwise do all their work online at their own pace. Home visits are provided for students with special needs. Progress is closely monitored—those who do not log on or do not make sufficient progress are dropped.

Its academic offerings, most of which are off-the-shelf commercial software programs, are administered through an extensive intranet that students usually access through computers provided by the school. The school also has 32 physical sites around the state where some classes are taught and testing is administered.

ECOT Superintendent Jeffrey Forster estimates that, at most, 10 percent of students are right for online education. "We don't get the homecoming queen or the football captain," he says. The school prides itself on being able to take older high school students up to age 21 who might otherwise drop out or be pushed out of a traditional high school.

The school has gone through a number of challenges during the past four years. The online delivery model, with its lack of traditional classes and schedules, has troubled many traditional educators and created numerous administrative obstacles. Disputes with the state about how to count students have been a chronic problem that, according to school officials, hurt the school and angered the districts.

Conflicts are lessening somewhat as districts start their own online programs and as the school and the state work out administrative procedures. However, the school is still rated as in Academic Emergency and did not make AYP in 2003-2004. The challenges of virtual charter schools are discussed in greater detail later in this report.

SOURCES: Trotter, Andrew, "Ohio Audit Reveals Difficulties Of Tracking Online Students," *Education Week*, December 5, 2001, *http://www.edweek.org/ew/newstory.cfm?slug=14cyber.h21*. "Ohio Department of Education 2004 Report Card," September 2004, *http://dnet01.ode.state.oh.us/DistrictRatings/Buildings.aspx*.

take state assessment tests, as required by the federal No Child Left Behind Act (NCLB). State assessments are not offered online and schools have no way of forcing students to take the tests. Although the virtual charter schools provide locations around the state where students can take the tests, as few as one-half of virtual charter school students in some programs such as ECOT utilize these approved locations.

Additionally, online charter schools—especially large, statewide operations—generally have lower percentages of African-American and disadvantaged students than do bricks-and-mortar charter schools.

Achievement Data

Available academic achievement information on charter schools in Ohio presents a mixed and incomplete picture, but one that should worry charter school supporters.

Unlike charter schools in some states, Ohio's charter schools have not been the subject of extensive research and evaluation by academic and outside researchers. Further, neither the state nor the Ohio Charter Schools Association provides direct, current comparisons of charter and district school performance for schools with comparable populations. The most ambitious evaluations of charter school characteristics and performance in Ohio come from a series of reports produced by the state's independent Legislative Office of Education Oversight (LOEO) from 2000 to 2004. LOEO's most recent report, issued in December 2003, specifically focused on academic performance and accountability of charter schools, and found that many Ohio charters fall significantly short of meeting their promise to improve academic achievement. By and large, LOEO found that charters were doing no better than traditional public schools, and that a large minority were doing substantially worse than comparable district schools.[28]

The LOEO compared Ohio charter schools' performance on the 2001-2002 state proficiency tests for 4th and 6th grades with state goals and with similar traditional public schools in the state. It found that both charter and comparison schools fell short of the state goal of 75 percent proficiency in 4th and 6th grade in all subjects tested (reading, math, science, writing, and citizenship). At the 4th grade level, traditional schools outperformed charter schools in all subjects tested. At the 6th grade level, traditional schools performed better in math and citizenship, charter schools performed better in writing, and there was no statistically significant difference between the two groups in reading or science. Although the differences between charter and traditional school performance were statistically significant and generally favored traditional schools, the "effect size"—the practical impact of statistically significant differences—was small, leading LOEO to conclude that charter and traditional schools in Ohio are performing similarly on academic measures.[29] However, because charters were compared not to all schools in the state but to comparable public schools, which themselves fell short of state goals, this is hardly a ringing endorsement of charter school performance in Ohio.

The final LOEO report also provided a more detailed view of charter school performance in Ohio by comparing individual charter schools in the state with similar traditional schools located in the same school district. In roughly two-thirds of these comparisons, LOEO found no statistically significant difference between individual charters and comparable schools. But in the majority of the 30 percent or so of cases where differences were discovered, traditional public schools were outperforming charters, with effect sizes ranging from medium to large. In addition to these troubling conclusion that a substantial share of Ohio charter schools are significantly underperforming, LOEO also identified a small number of charter schools that are excelling, but these were a distinct minority of Ohio charter schools.[30]

Perhaps most troubling, a large number of schools—more than one-third of those that should have been included—were excluded from at least part of LOEO's analysis because they did not provide the state sufficient data about their test performance or other characteristics.[31] While charter advocates and sponsors assert that these data problems have since been corrected, the failure of a significant share of the state's charter schools, particularly at the high school level, to provide adequate assessment data raises red flags about the efficacy of Ohio's charter accountability system as well as the performance of many state schools.

It is also important to note that LOEO limited its analysis to charter schools that had been in operation two or more years when the data was collected. Many analysts evaluating charters argue that newly opened charter schools should be excluded from evaluation because research shows start-up charters are more likely

to have achievement problems in their early years and that charter achievement tends to rise after three years in operation. Because the LOEO analysis excluded first-year charters and overrepresented third- and fourth-year charters relative to their actual share of the charter population, however, this could mean the report overestimates the performance of charter schools in Ohio.

On the other hand, since the LOEO report could not include later-year data for a number of the charter schools it studied, and did not look at fourth-generation and fifth-generation charters opened in 2001-2002 and 2002-2003, it is possible that the actual performance of charter schools today is stronger than the LOEO report finds. That could be true if second-generation and third-generation charters included in the LOEO report are now reaping the gains of greater operating experience, or if fourth- and fifth-generation charter operators and sponsors have learned from the experience of previous generations and are more prepared to create quality schools. Overall, LOEO's analysis and state test data indicate that older charter schools in Ohio are more likely to be in academic emergency and to serve populations with higher percentages of disadvantaged students. However, counter to the findings of national studies that have concluded charter school achievement improves with time, these results make sense in Ohio, as the evolution of the law may have ensured that the oldest schools were established in some of the state's most challenging communities.[32]

❑ *State Accountability Ratings and Adequate Yearly Progress*

Ohio's accountability system assigns schools and school districts one of five ratings: Excellent, Effective,

Ohio's Accountability System Ratings

Definition of Ohio Accountability System Designations

- **Excellent**: 94% - 100% on state report card indicators (RCI), or Performance Index Score (PIS) of 100 to 120; may or may not make adequate yearly progress (AYP)
- **Effective**: 75% - 93% on state RCI, or PIS of 90 to 99; may or may not make AYP
- **Continuous Improvement**: 50% - 74% on state RCI, or PIS of 80-89, or made AYP
- **Academic Watch**: 31% - 49% on state RCI, or PIS of 70-79, and did not make AYP
- **Academic Emergency**: Below 31% on state RCI, PIS of 69 or below, and did not make AYP

Components

- **Report Card Indicators**: 21 test indicators in 7 grades (3rd through 8th, and 10th) and 5 subject areas (reading, writing, math, science, and citizenship*); attendance and graduation rates
- **PIS**: Weighted index of performance on state assessments; gives greater weight to advanced scores
- **Growth Calculation**: Allows schools to advance one ratings scale (Academic Emergency to Academic Watch, or Academic Watch to Continuous Improvement) if they have improved PIS by 10 points in past two years and at least three points in past year**
- **AYP**: Based on federal No Child Left Behind requirements: a certain percent of each school's students, as well as students in each subgroup (major racial and ethnic groups, disadvantaged, English Language Learner, and special education) must score proficient on state assessments; 95 percent of students in each subgroup must be tested; school must meet standards for attendance and graduation rates

* Not all grades are tested in all subjects.
** This is a temporary growth calculation that will be replaced with a value-added measure when Ohio has fully implemented annual assessments in reading and math in grades 3-8.
SOURCE: Ohio Department of Education.

Continuous Improvement, Academic Watch, and Academic Emergency. In 2003-04, 112 of 148 Ohio charter schools eligible to receive ratings under the system received them. (Charter schools with extremely small enrollments and those open less than two years were not given ratings.[33]) Overall, 58 percent received one of the two lowest ratings. Thirty-eight percent, or 43 schools, were rated as being in Continuous Improvement, the state's middle rung, and only six schools (5.5 percent) were rated Effective or Excellent. Charter schools performed far below district schools and did not improve their position relative to them.

Table 7: *Academic Status and Schools Making Adequate Yearly Progress (AYP)*

	Charter Schools (2003-2004)	District Schools (2003-2004)
Percentage of schools making federal AYP	52%	83%
Percentage of schools on academic watch or in academic emergency status	58%	10%
Percentage of schools rated by the state	76%	n/a

SOURCES: Ohio State Department of Education; Ohio Charter School Association.

Between 2002-2003 and 2003-2004, the percentage of both traditional and charter schools making AYP under NCLB rose. Fifty-two percent of charter schools made AYP in 2003-2004, compared to 45 percent in the previous year. However, a substantial share of these schools received AYP status solely on the basis of non-test indicators (attendance and graduation rates), because they either did not submit test data or had too few students tested in the grades covered by Ohio's testing system. As AYP targets increase in coming years, the numbers of both charter and traditional schools not making AYP—and the percentages on Academic Watch or in Academic Emergency—will likely increase, unless both types of schools improve performance significantly.[34]

In comparison, 83 percent of district schools met AYP in 2004.[35] Again, it is important to remember that these are not apples-to-apples comparisons because of differences between the overall state demographics and the demographics of charter school students. A further discussion of these issues follows.

❑ *National Analyses*

The conclusions of state-level analyses and assessments of charter student performance—that charter schools overall are doing no better or possibly worse than comparable district schools, and that a significant minority of individual charter schools clearly are inferior—are corroborated in a national charter school study by economist Caroline Hoxby.[36]

Hoxby used state assessment tests to do a nationwide comparison of charter school students and students in the nearest comparable schools. She found that charter school students outperformed students in comparable district schools in most states. But in Ohio, she found no difference in reading, yet found that charter students were approximately 9 percent less likely to be proficient in math, compared to similar district students. When charter mathematics results were compared to the nearest public school with similar racial compositions, there was no significant difference in performance.[37] Regardless, if Ohio charter schools are going to help close the achievement gap, they will need to do better than simply hold even with other public schools that are not serving poor and minority students very well themselves.

❑ *Other Indicators*

Student achievement, measured by standardized tests, is important. But it is not the only criterion by which schools should be judged. Charter schools in Ohio show slightly higher attendance rates than comparable traditional public schools. The 2003 LOEO report found that two-thirds of the charter schools were meeting the state's 93 percent attendance rate goal, and that charter schools averaged 93 percent attendance compared to 91 percent for a comparable set of traditional public schools. But while the difference is statistically significant, the effect size is very small.

Charter school parents also appear to be much more satisfied than their traditional public school counterparts, according to the 2003 LOEO report. Ninety percent of

charter school parents were satisfied or very satisfied with their children's school, according to the report, compared to 81 percent of traditional public school parents. Charter schools also enjoy broad support among all parents. For example, a 2003 survey of Dayton-area parents showed that 80 percent of parents in the Miami Valley area surrounding Dayton favor retaining or expanding charter schools.

The combination of lower student achievement and higher parental satisfaction for charter schools—in some cases very low scores, but still strong parental support—poses a quandary for policymakers and researchers, in Ohio and elsewhere. Some observers argue that parents are more likely to express satisfaction with a school that they have chosen, since those unhappy parents have been free to leave. Another possible explanation for this difference emerges from the 2003 LOEO report, which found that parents of charter school students were most likely to have chosen their schools because of "individual attention" to their students, while those in traditional district schools were more likely to prioritize "high standards." This suggests that perhaps charter school parents are selecting these schools for "soft," environmental characteristics, such as smaller classes, safety, or a caring environment, that may be valued by parents, students, and teachers, but not directly reflected in academic results.[38]

❑ *Selection Effects*

Debate rages about whether charter school students are more or less academically proficient when they enter a charter school—a factor that largely determines how well schools look on the state report card.

According to the OCSA, charter schools are serving students who are severely behind before they even walk in the door: Eighty percent of entering 3rd grade charter school students scored below proficient in reading, compared to 53 percent of all public school students. In 4th grade, the results are even more dramatic: 14 percent of charter school students passed fall reading proficiency tests last year, compared to 55 percent statewide. Common to all public schools across Ohio, there is a significant achievement gap between white, nonwhite, and poor students.

The spread of charter schools serving predominantly low-income and minority children, ironically, may unintentionally make traditional schools look better on state report cards. "If you take a high percentage of the lowest performing students out of your district schools and cluster them [by their own choice] in charter schools … the scores of the district should pop up," says former state legislator Sally Perz, because "a whole layer" of low-performing students is "not there anymore."

A more balanced long-term assessment comes from the Thomas B. Fordham Foundation's Terry Ryan, who wrote in a September 2004 report, "Charter schools have not yet made the achievement gains across the board that their supporters seek, and clearly some of the Buckeye state's charters are chronic underperformers that should be shut down (and perhaps should never have been opened)." And yet, Ryan points out that charter school students in the Dayton area on the whole outperformed traditional public school students on 4th and 6th grade proficiency tests.[39]

Challenges Faced by Charter School Operators in Ohio

Political and Legal Opposition

The Coalition for Public Education, a powerful statewide network of education groups, has become extremely active in opposing charter schools in Ohio.[40] The coalition's members include the state Parent Teacher Association, the Ohio School Boards Association, the Buckeye Association of School Administrators, and the Ohio chapter of the AFL-CIO. The Ohio Federation of Teachers (OFT) affiliates in Cincinnati, Cleveland, and Toledo have joined the coalition, as have the independent Akron Education Association, the League of Women Voters, and other organizations.

This coalition was originally created to fight for school finance reform and urge the state to provide more funding for public education, particularly for poorer school districts. The coalition has pressed that cause through the courts, joining in the long-running lawsuit *DeRolph v. Ohio*, which remains unresolved.[41] The case has created a highly charged atmosphere in Ohio around school funding issues. The state's recent budget crisis has also raised temperatures in the statehouse and among school districts. Districts are under pressure to remain a part of the coalition to ensure that they will have seats at the table when the state's funding system is eventually revamped.

Aside from the *DeRolph* case and those funding issues, the coalition has pressed for a moratorium on charters during the past three years, and it has filed lawsuits against the State Board of Education for allegedly failing to administer charter schools adequately. It threatens to organize a statewide referendum on charter schools if the lawsuits fail. The coalition's efforts are led by OFT president Tom Mooney, with support from the national American Federation of Teachers (AFT), which once cautiously supported charters. The AFT reversed its position on charters in 2002, calling for a national moratorium on their further expansion, and has since become an increasingly vocal charter opponent.

The Coalition for Public Education and its various members have brought several lawsuits challenging Ohio's charter school laws, which remain unresolved. In August of 2004, a state appeals court found that charter schools were allowed by the Ohio constitution. But another lawsuit against the state—challenging the way it funds charter schools—is making its way through the courts, and a new federal suit was filed during the summer of 2004.

The federal lawsuit, filed by the largest teachers union in the state, the Ohio Education Association, charges that the state's charter school law violates the equal protection clause of the 14th Amendment because students in traditional public schools are not receiving their full share of state funding. The suit also alleges discriminatory treatment of minority students who remain in traditional public schools.

In August of 2004, the 10th District Court of Appeals allowed the continuation of parts of the state-based lawsuit against charter schools, overturning a lower court's decision to dismiss the lawsuit entirely.[42] The appeals panel upheld parts of the dismissal that dealt with questions of whether charter schools are part of the constitutionally required system of common schools, but overturned the aspects of the decision that dealt with the economic impact of charter schools on district funding, and different academic standards for charter and traditional schools.[43]

Thus far, Ohio's charter schools and their supporters have had to raise $1.2 million for their collective legal defense, according to the Fordham Foundation's Terry Ryan. Most of these funds have been paid by individual charter schools rather than outside contributions.

"There's a very heavy political component to all of this," says Clint Satow, consultant to the Ohio Charter Schools Association. "The attitude of some people has always been that charter schools were punishment to urban districts from suburban Republicans." This year, according to Satow, Ohio public charter schools will divert more than $400 million in funds from the traditional public school districts. While that funding stays in public education overall, the reallocation is an issue. "That's real money," says Satow. In the meantime, urban districts and their allies are eager for school finance reform, which would give them more access to tax revenues from suburban school districts.

Lack of Funding

As the number of charter schools in Ohio has risen, they have drawn a steadily increasing stream of students and state education dollars. That has stoked animosity toward charters from members of established education groups in the state, and deepened divides between charter supporters and opponents. Yet, even as districts complain they are loosing funding to charters, charter school funding remains problematically low and significantly less than what traditional public schools receive.

❑ *Access to Local Funding*

Ohio charter schools receive the same state funding per pupil as do traditional district public schools, as well as federal funding for Title I and other programs. But charter schools do not have access to local tax-generated funding. As a result, charter schools operate with two-thirds of the funding available to traditional public schools.

In early 2004, the Thomas B. Fordham Institute released a report on charter schools in Dayton that highlighted this problem. "The ten charter schools included in this analysis received $7,510 per pupil in 2001-2 while the Dayton public school system received $10,802, not counting capital funds."[44]

❑ *Capital Funding*

There are at present no funds allocated for purchase or renovation of facilities in Ohio for charter schools. So charter schools must spend state education funds on rents or leases. As a result, charter schools continue to face serious challenges in affording classroom space. The three-year-old International Academy of Columbus is located on the grounds of a former go-kart track. The main offices of the Electronic Classroom of Tomorrow are in a former shopping mall. Mosaica Education is located in a former JC Penney building.[45]

According to the Fordham Institute analysis, district schools in Dayton receive 44 percent more operating funds than charter schools.[46] With facilities revenue included, it is a total of 56 percent.

❑ *District-Based Funding*

The funding mechanism set up by the state's charter school law has created a constant source of friction.[47] Procedurally, charter schools are not funded directly from the state. Instead, per-pupil funds are deducted from district allocations. Thus, for districts, the experience of looking at monthly financial reports is not unlike seeing their wages garnished. Per-pupil state funding follows students who transfer from district schools to charter schools, meaning that districts that lose students to charters also lose funding. "It would have been a whole different world if the state had paid for this out of a different pot of money," says Andy Benson, of KnowledgeWorks Foundation, the Cincinnati-based education reform group.

Not surprisingly, the financial impact of charters on district schools has become a primary lightning rod. News accounts regularly cite the amount of funding received by charter schools as if these funds were being stolen from the system. Charter school opponents track the figures closely, and suggest that current budget shortfalls and layoffs are at least partly the result of charter schools. For their part, charter school proponents argue that the current accounting system sometimes results in a windfall for the traditional districts when students drop out and do not enroll in charter schools.

❑ *Funding for Online Schools*

While Ohio's original charter school law did not specifically authorize online charter schools, neither were they specifically prohibited. As a result, there have been few limits on where statewide online charter school students could come from, compared to the stringent limits on where bricks-and-mortar charter schools could be located or who could sponsor them. Under Ohio's charter law, for administrative purposes, charter schools must be physically located in an eligible area, but the law does not limit schools to drawing students from only these communities. As a result, online schools were able to attract students from suburban areas.

The fact that online charter schools initially began without specific statutory authorization is the subject of some controversy. Republican lawmakers, many of whom are from the suburbs, did not initially imagine that charter schools would be an option outside of the designated at-risk districts. Indeed, there were no statewide charter schools for the first four years of Ohio's charter school movement.

Now that virtual schools exist and serve students who reside outside the originally designated urban districts—and since they receive the same amount of

per-pupil funding from the state as brick-and-mortar charters—a wide range of interest groups are rankled. These include many traditional educators, some lawmakers, and even some charter school officials who cannot imagine that the costs of running an online school could compare to those of running a fully staffed school building.

❑ *Stand-Alone Charter Schools*

Stand-alone or "mom-and-pop" charter schools—those that operate independently without support from a larger network or education management organizations (EMO)—can be laboratories for educational innovations that districts can emulate.

Stand-alone charter schools, however, pay a price for operating without the help of a network of other schools, or the help of management companies. They often have limited revenue streams, and must struggle to cover initial capital costs and unforeseen bills. They do not benefit from economies of scale. And they frequently lack business expertise. "The for-profits [EMOs] with their economies of scale are far better able to serve kids in this environment and actually grow," says Chester Finn, president of the Thomas B. Fordham Foundation. "From a serving kids standpoint, the for-profits have a better shot at being viable" over time in Ohio than stand-alone charter schools.

Sponsorship Issues

According to many of those most familiar with the situation, some Ohio charter schools have experienced quality and accountability problems due to inadequate oversight and insufficient technical support from the state's most prominent authorizers. Moreover, many potential alternative authorizers—some with more resources to offer than existing sponsors—are reluctant to become involved in chartering.

❑ *Too Few Viable, Motivated, or Active Sponsors*

Until very recently, most school districts and vocational education agencies eligible to be sponsors did

Recruiting Authorizers: Ohio Charter School Sponsor Institute

New charter school laws in 2003 broadened the pool of entities permitted to act as charter school sponsors in Ohio. To help recruit and support a new generation of charter school sponsors, a group of charitable foundations and education policy groups created the Ohio Charter School Sponsor Institute.

Created in August 2003, the Institute is a $1 million, two-year project of the Ohio Foundation for School Choice and the Thomas B. Fordham Institute, supported with funding from the Bill and Melinda Gates and Walton Family Foundations. The National Association of Charter School Authorizers pledged to provide expertise and assistance as well. John Rothwell, a former State Department of Education official who had also overseen the creation of charter schools in Cincinnati, was tapped to lead the effort.

During the past year, the Institute has conducted a number of outreach and informational sessions, focusing in particular on the potential role of nonprofit organizations as charter school sponsors. The Institute works to address challenges facing prospective authorizers in Ohio, which include:

- ❑ Recruiting and training new sponsors;
- ❑ Instructing prospective nonprofit and education service center sponsors about the state's sponsor approval process; and
- ❑ Helping fund sponsors during initial start-up and transition phases, during which sponsors face significant costs but receive no revenue.

So far, the Institute has recruited a dozen sponsor candidates, seven of which—four education service centers and three nonprofit organizations—have been approved to begin authorizing schools. And, continuing its focus on recruiting strong sponsor hopefuls, the Institute is completing a comprehensive resource guidebook for Ohio authorizers that outlines the charter application process, charter evaluation and accountability requirements, funding and fiscal oversight procedures, as well as other issues of monitoring charter compliance.

not warm to the task, leaving most potential charter school operators in Ohio with just three real authorizer options—one of which was available only to EMO-run schools.

One of the original charter sponsors in Ohio, the Lucas County Educational Service Center, works with both stand-alone and management-run charters, including online charter schools. Its clients include Electronic Classroom of Tomorrow (ECOT), the state's largest online charter.

The second original sponsor, the Ohio Council of Community Schools, began as the University of Toledo Charter School Council and now works only with management-run charter schools.

"We tried to get a new sponsor, but it was too controversial for them," says Perry White, executive director of Citizens' Academy in Cleveland, a stand-alone charter school. "Having just two sponsors to choose from is not healthy," he says.

❑ *State Education Department: Authorizer and Charter School Monitor*

The State Department of Education was a particularly attractive authorizer during the early years in Ohio because it was able to sponsor charter schools in any part of the state and worked with both EMO-managed schools and independent schools. It also did not charge fees for services related to sponsoring, as some sponsors did.

But the Department was quickly overwhelmed with its contradictory duties as both sponsor of individual charter schools and monitor for overall program quality in charter schools. Frequent problems included the lack of sufficient staff, lack of experience monitoring charter schools, and lack of sufficient knowledge of the systems for managing student information and school finances.

Even as the state transitions into a new role, concerns remain about the quality and quantity of assistance provided through the State Department of Education. According to Ohio Charter Schools Association (OCSA) head Stephen Ramsey, there has never been enough capacity to provide adequate technical assistance, and there remains too little help with start-up activities.

Indeed, the Department may still be playing catch-up. Until it is up to speed, the charter school community will be largely on its own in learning the state's student information management system and financial procedures, and making sure that its schools are reporting the right data, at the right time, and in the right form, among other things.

❑ *Weak Contract Renewal Process*

As of December 2003, 13 charter schools had opened and closed, according to the 2003 Legislative Office of Education Oversight (LOEO) report, almost all of them for financial rather than academic reasons (although these issues are often intertwined, and authorizers around the country often use financial problems as a more expeditious way to close low-performing charter schools).

Of the 15 charter schools that have come up for renewal, nine have been renewed and six have been given conditional renewal. But several accounts, including the 2003 LOEO report, suggest that the contract review and renewal processes are not yet fully functional. For example, academic considerations were a key part of the decision in just one of 15 renewals reviewed in the report. In some cases, academic goals in the contracts were vague or otherwise unenforceable. In the others, financial considerations dominated. Two schools that were not renewed simply went to another sponsor.

❑ *Too Few District Sponsors*

Whether districts will—or should—become more active charter school sponsors is a controversial issue in Ohio and elsewhere.

To some charter proponents, district-based sponsorship creates enormous problems by undermining independence and stifling innovation in charter schools. They argue that the distribution of authorizers in Ohio simply reflects the fact that outside authorizers are more willing and able than districts to be effective charter school sponsors. Without the three main outside authorizers, charter school development would have proceeded much more slowly, to be sure.

Yet, others fear the lack of enough internal or district authorizers limits the charter school movement's ability to maintain quality and accountability, and contributes to public perception and legitimacy problems. In addition, they argue, hesitancy by district officials to charter new schools or convert existing ones to charter status prevents districts from taking advantage of an important strategy for improving their educational performance and also limits the expansion of charter opportunities in non-urban and affluent parts of the state.

Giving Students Something Extra: The Toledo School for the Arts

The Toledo School for the Arts (TSA) is a college preparatory public charter school for students in grades 6-12 that focuses on experiential and career-oriented arts programming in dance, music, theater, and the visual arts. Authorized by the Toledo Board of Education, the school opened its doors in September 1999, and has since grown to serve nearly 300 students. This year, TSA will graduate its second class of seniors.

The TSA offers a "traditional education in a non-traditional environment." It combines core academic subjects with dance, music, theater, and visual arts electives and gives its students opportunities to work with professional artists in the area. These "ARTnerships," as TSA calls them, give students a chance to work in some of Toledo's major cultural institutions to expand their artistic experiences and knowledge. The school's partners include the Performing Arts Council of Toledo, Toledo Ballet, Toledo Opera, Toledo Repertoire Theatre, the Toledo Symphony, WGTE-TV, Trinity Church, the Toledo Zoological Gardens, and the Toledo Museum of Art, as well as the Center of Science and Industry (an interactive museum), the Valentine Theater, and the Toledo-Lucas County Public Library.

Students at TSA come from 12 area school districts. The school serves slightly higher percentages of poor and minority students than the state average, but it has fewer disadvantaged and minority students than the average Ohio charter school.

Not surprisingly, TSA's proficiency scores are some of the highest in Ohio. The TSA has met adequate yearly progress with an index average of 83.4 percent, far exceeding the state's passing standard, and has received a Continuous Improvement rating under Ohio's state accountability system.

The TSA is a prime example of a public charter school providing high-quality education while still ensuring its students get a one-of-a-kind, innovative, high school experience. In addition, schools like this help broaden support for public education by providing art-focused options within the public system. As TSA Director Martin Porter writes in the welcoming letter on the school's website, "TSA is truly Arts, plus a whole lot more."

SOURCES: Toledo School for the Arts, *http://www.ts4arts.org*; Legislative Office of Education Oversight, 2003 Final Report; *www.greatschools.net*.

In any case, the continued expansion of charter schools as a tool to improve education in Ohio will require districts to play a greater role both in chartering new schools and converting existing schools to charter status. This already appears to be taking place, as observers report school districts, including Dayton and Columbus, are actively competing to become sponsors of state-board-sponsored charters that need new sponsors by July of 2005.

❑ *Ongoing Difficulty Recruiting New Sponsors*

Transitioning the State Department of Education out of its authorizing role and recruiting a new wave of sponsors is by all accounts a necessary step, but it remains a challenge. It has been a lame duck sponsor for the past one and one-half years. New sponsors have been slow to apply in large numbers, and the list of viable sponsors for existing charter schools has stagnated. Currently, three nonprofits and four education service centers are approved sponsors, although nonprofit sponsors were prohibited from authorizing new schools until 2005.

Data Problems

❑ *Lack of Timely, Useful Data*

Policymakers need student achievement data that can be disaggregated to control for factors such as race and poverty, and then used to compare charter schools to each other and to traditional public schools. Unfortunately, such data are still not available in Ohio. According to the OCSA, the state has not published aggregate student demographics across all of the state's charter schools for the past two years, making these comparisons impossible to conduct. At present, the state issues report cards on individual schools, but does not know (and will not calculate) the aggregate percentages of charter school students who live in poverty (that is, across all charter schools in the state), or break down student populations by race. There are also no data with which to compare

the academic achievement levels of students entering charter schools with those entering other schools. In addition, though some data exists, it is not definitively known whether charter school performance varies by the type of sponsor or by the location of service (i.e., online or bricks-and-mortar schools).

The situation is increasingly problematic, as highlighted in an August 27, 2004 *Cincinnati Enquirer* editorial: "The absence of objective data to show who attends charter schools, why they enroll, and how they're performing when they enter is an inexcusable flaw in this reform effort … The charter school experiment is too important—and too costly—to be hung on conjecture."[48]

The most recent State Department of Education report on charter schools in Ohio was issued in December 2003, covering the 2002-2003 school year, but it provided only limited data. The 2003 LOEO report, which was independently conducted by the state's legislative office, is the most definitive source of information to date—however, it covers only 59 schools, is based on insufficient data from charter schools, and, insiders say, was outdated even by the time it was published. Analysis conducted by the OCSA lacks any official imprimatur and suffers from not being published at the same time as the rest of the performance data for the state.

Politics and Privatization

❑ *Perceptions of Education Management Organizations*

Management companies provide a number of benefits to both charter schools and sponsoring organizations. First, EMOs are able to help start and keep schools afloat if and when the schools run into funding problems with the state—a fairly common occurrence in the early years, according to those in the charter school community. The backing of a larger organization, such as a management company, can help schools make payroll, for example. In addition, most EMOs have at least some experience with curriculum development and operational issues that stand-alone charter school operators may not have.

To some lawmakers and members of the public, however, management-run charter schools have much less appeal than the organic, independent efforts that are more common in other parts of the country. The "cookie-cutter" look of schools operated by some EMOs creates worries that teachers' creativity and individualized learning for students might be stifled.

"They are very much into the franchising idea in Ohio," says the University of Minnesota's Joe Nathan, a national expert on charter schools. Not surprisingly, he says, traditional educators who are not familiar with charter schools loath the notion of franchising.

The fact that some of the EMOs are also for-profit companies raises some concerns about operators putting profit ahead of achievement, especially when it comes to poor or minority children.

The presence and influence of for-profit management companies has legal ramifications as well. A nonprofit organization holding a charter is legally supposed to be independent from a management company hired to run the school. However, critics have challenged the functional independence of many charter school boards, suggesting that some charter boards are selected by management companies or have given inappropriate amounts of control to the management companies. This issue is part of the 2001 lawsuit filed against the state by the Coalition for Public Education.[49]

❑ *Private School Vouchers Concerns*

Another challenge facing the charter movement in Ohio is the strong connection between charter schools and vouchers in the state.

Ohio is one of just three states to currently have a publicly funded voucher program in place. The state's private school voucher program is currently limited to Cleveland, though a privately funded voucher program is flourishing in Dayton. A broader voucher initiative may be considered by the state Legislature in 2005.

Historically, some of Ohio's most prominent voucher advocates are the same people who have championed charter schools. Several of the state's charter schools were originally created as voucher schools or are run by organizations that advocate vouchers.

Most prominent among these all-purpose school choice advocates is David Brennan, the president of White Hat Management Company in Akron, Ohio. Brennan, the single most visible proponent of charter schools in the state, is a lightning rod for charter school opponents.[50] White Hat currently operates 33 charter schools, including 19 Life Skills Centers, 13 Hope Academy charter schools, and one online charter school. Brennan is also a highly visible voucher advocate, and several White Hat schools were converted from private voucher schools.

As a result, charter schools and vouchers are often referred to in the same breath. "Cleveland is losing $43 million to charters, and another $18 million to support the voucher program," says OFT President Tom Mooney. He calls what has happened to charter schools in Ohio and other places "a great idea for smaller more autonomous schools that has been hijacked by people whose idea is to privatize public education."

Not everyone believes that the presence of voucher initiatives is necessarily an obstacle for charters. In some cases, voucher programs have over time become less controversial. And some charter proponents argue that these initiatives help charters by starkly illustrating the differences between charters and vouchers, and making public charter schools seem like the less radical and more acceptable form of school choice.

The charter-voucher connection in Ohio could become even tighter during the 2005-2006 legislative session. According to Sally Perz, charter school issues are much more partisan now than they were seven years ago when charters were first created. Republicans, who still retain control, are by and large much more conservative than in the past. And Perz thinks that a voucher bill may be seriously considered by the Legislature during the upcoming session.

Policy Recommendations

Build the Quality and Supply of Charter Schools

❑ *Increase Funding*

Some important progress is being made to increase state aid for charter schools. Charter schools recently became eligible for state compensatory education aid under a parity aid program designed to help schools with substantial percentages of low-income children.

However, more is needed. Some of the legislative solutions that have been investigated include initiatives that would fund charter schools directly from the state, give charter school students a share of local property tax funds that are currently unavailable, create a charter school start-up fund, and dedicate a certain percentage of state facilities funding to charter school purchases, leases, or renovations.

❑ *Protect and Promote "Mom and Pop" Charter Schools*

While nonprofit and for-profit education management organizations (EMO) have many advantages, growth of these options should not come at the expense of "mom and pop" charter schools. The political and practical importance of stand-alone charter schools is apparent to many charter school advocates, especially in the area of encouraging new educational innovations and community involvement. Stand-alone teacher- and community-created charters are a core expectation of educators and the public.

In part, better funding would help address this need, as will better charter school authorizing practices. Other strategies at the state or local levels include: creating special programs to train newcomers to the charter school movement; supporting efforts by current independent charters in training newcomers; creating incubators for new, independent charter school organizations; expanding outreach to community-based organizations; and providing enhanced technical and practical support. A project of the Thomas B. Fordham Foundation, Dayton-based Keys to Improving Dayton Schools, Inc.(KIDS), provides technical support and "backroom" services (such as payroll, financial services, and marketing support) to charter schools on a fee-for-service basis. That allows small, independent charter schools to benefit from economies of scale as districts do. Eleven Dayton-area schools now use KIDS' services, but additional providers are essential for meeting the needs of a wider range of Ohio charters and creating a competitive market for backroom services.

❑ *Allow Charter Schools to Spread Statewide*

Ohio's charter law currently allows conversion charter schools throughout the state but limits new charters to academically distressed areas. The state Legislature should amend the law to allow for the creation of new charters anywhere in the state. "There's an appetite to open charters in other places," says Clint Satow, a consultant to Ohio Charter Schools Association (OCSA), "but the students [just] don't have access." He cites the dwindling number of eligible districts and the dangers of saturation in some places while others have no charter school options at all.

❑ *Encourage Proven Charter Schools Models to Enter the State*

Another promising step would be to recruit more model charter schools such as KIPP (Knowledge is Power Program) Academy from other parts of the country. These proven models could bring added legitimacy and expertise to the Ohio charter school movement.

Steps toward achieving this goal include inviting successful national charter school programs to visit the state, recruiting model charter school networks to consider applying for a charter, or directly supporting development of model charter schools in several areas of the state.

❑ *District-Sponsored Charter Schools*

Support and acceptance of charter schools has grown in some states where districts have become

directly involved in successful charter school efforts. Already, some observers in Ohio believe that the growing number of traditional districts and education service centers that are now becoming sponsors will help improve collaboration. The continued availability of federal start-up funding will also promote district involvement.

Charter supporters should actively recruit local school districts to sponsor established charter schools in their districts. Many schools need new sponsors due to changes in the 2003 law. To sweeten the pot, the state can provide ongoing or additional incentives to districts that sponsor charter schools past the length of the federal start-up funding.

❑ *Encourage Outside Support*

Historically, there has been little outside involvement or support in expending the charter school movement in Ohio. Education groups, think tanks, and universities in the state have not focused on charter schools, participated in creating charter schools, or supported them in large numbers. In addition, until very recently, few major national foundations or research organizations have been involved in charter schools in Ohio.

Increased support from the private sector is an area that many observers cite as necessary to the ongoing health of charter schools in Ohio. The presence of these organizations would provide a combination of legitimacy, expertise, and additional funding. Education organizations could be recruited directly as sponsors or more indirectly as providers of assistance and support in various areas of the state. The Ohio Charter School Sponsor Institute, established by the Thomas B. Fordham Institute and Ohio Foundation for School Choice, with support from the Walton and Gates foundations and National Association of Charter School Authorizers, is a promising step toward leveraging greater outside philanthropic and nonprofit support for Ohio charter schools.

Strengthen Accountability and Improve Oversight of Charter Schools

❑ *Require Timely, Useful Data and Research*

Better and more transparent performance data is a must for Ohio. The lack of information about the quality of charter schools in Ohio is cause for serious concern. Lack of data makes it easy for charter opponents to attack charters, but also leaves policymakers ill-positioned to ensure high-quality charter schools. The state is already required to provide an annual report on charter schools. (The most recent one was submitted in December 2003.[51]) Those requirements should be enhanced. The state should provide aggregate information on all charter schools in the state along with the individual school report cards it provides each fall for all public schools to comply with the federal No Child Left Behind Act. This report should include a comparison between charter school demographics and performance, and the demographics and performance of traditional districts of similar nature. Funds should also be set aside for quality independent evaluation and research based on that data.

As it stands, very little is known about the real financial impact on school systems. "We don't have any strong neutral analytical ability in the state," says former Cleveland Foundation program officer Bill McKersie. "We need better information," he says. This type of research and policy recommendation function could come from the state, the OCSA, or an independent research center a university or think tank.

❑ *Attract High-Quality Sponsors*

"So much of it comes down to making sure that the people who are sponsoring the schools have the capacity and motivation to do it well," says the U.S. Department of Education's Michael Petrilli about the importance of recruiting and screening sponsors. "What's important is that the authorizers do that job, take it seriously, and have the resources to do it well."

Simply generating more sponsors does not necessarily mean better sponsorship. In fact, competition among sponsors can create some perverse incentives, including limited school oversight by sponsors and low-ball fee structures that make substantive technical assistance all but impossible. Multiple sponsors also create opportunities for schools to game the system by pitting sponsors against each other.

Hopes remain high that the 2003 law will prompt a new wave of sponsoring organizations to replace the state, and that the screening process for nonprofits that want to become sponsors will foster innovation and excellence. The recently created Ohio Charter

School Sponsor Institute is providing a national model for efforts to build a class of high-quality authorizers. But it may take additional steps to juice the process. Statutory changes may be needed to entice more nonprofits into the sponsorship business. Possible fixes include start-up funding for new sponsors, setting sponsorship fees so that nonprofits can afford to participate, and creating liability limits for nonprofits to protect their endowments and board members. Some amendments to the state law have already been proposed and await further action.

Improve Political Support and Advocacy

The Ohio Charter Schools Association is clearly struggling with the need to develop and maintain the capacity to fight a political battle in addition to carrying out its other roles. In addition, the association may need to consider changes in strategy that would allow it to respond more forcefully to the charges made against charter schools in the state. Specifically, OCSA has been reluctant to highlight the challenges of educating disadvantaged and minority students for fear of stereotyping them or suggesting lowered expectations.

Increased financial and institutional support would strengthen OCSA, which currently represents less than one-half of the charter schools in the state and has struggled to persuade policymakers and the public to support the charter school movement. With additional support, the association could be a more forceful advocate for charter schools and engage more substantively in accountability and quality issues, while providing a unified voice for charter schools in the state. "Charter schools are popular with parents and deserve more support from powerful friends than they have thus far received," writes Terry Ryan of the Thomas B. Fordham Foundation.[52]

Conclusion

"After going through some predictable growing pains, the charter school movement has been established in the state," says Ohio Department of Education charter schools director Steve Burigana. "The schools are much better established. They are starting to show some real promise. A larger number of traditional districts have now engaged [in the charter school movement] as sponsors, which will strengthen the educational value of charters and also allow for a collaborative approach."

Burigana hopes that the Legislature will let the new law, now entering its second full year of operation, run its course before making any additional changes. "There is a much greater level of compliance and success," he says. The Department of Education has implemented an online reporting system, which allows the schools and the state to monitor key attendance, financial, and other data, and it conducts document audits to catch any errors before they turn into large problems.

Burigana is not alone in his optimism. "Charter schooling is on as firm a ground as it's ever been," says Rep. Jon Husted (R), noting that the 2003 law was the first freestanding charter school law passed in the state. School districts like those in Dayton and Columbus are actively courting charter schools that might need new sponsors, according to Husted. "This shows our success," he says. "Now they want to be a part of it."

The overall success of charter schools in Ohio, however, lies somewhere between claims of the most diehard supporters and opponents. Policymakers in Ohio should continue to support these schools, which have the potential to expand educational opportunity for disadvantaged students, but they must also actively work to ensure that these schools are as much about quality as they are about choice for parents.

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