

# The Promised Education Movement

BY STEPHEN DYER  
& MAUREEN REEDY

Over the last 30 years, many things have changed. We saw the internet take over the world. We can close our garage doors from across oceans by simply telling our watches to do so. Kate Bush came and went... and came back again.

But one thing has not changed. Fully funding and strengthening Ohio's constitutional promise of "one system of common public schools" remains the best educational investment for our children.

Yet, that promise remains maddeningly elusive, in no small measure, due to the state's unrelenting commitment to school choice options that have generally produced poor performing schools. This commitment has continuously impeded the state's constitutionally mandated obligations to provide Ohio's 1.5 million students the "thorough and efficient" system of common schools that the Ohio Constitution requires of our General Assembly and Governor.

## School Choice Performance Doesn't Measure Up

The average Ohio charter school has a lower four-year graduation rate than all but one public school district<sup>i</sup>. About 1 in 4 Ohio charter schools have closed within the first five years of opening<sup>ii</sup>. Overall, test scores are consistently higher in Ohio's public schools compared with charter schools and private schools taking taxpayer subsidies through vouchers<sup>iii</sup>. Charter schools spend almost twice the taxpayer dollars on administrative costs while public schools invest our tax dollars more fully in vital resources and programs for educating students<sup>iv</sup>.

So why this investment?

The education reform movement—largely typified by state investment in privately run, sometimes for-profit, charter schools and mostly religious private schools through taxpayer funded tuition vouchers—remains a political, not an education movement.





“ From a purely policy perspective, if you want to find the most efficient way to improve student achievement in Ohio’s schools, the state’s public schools are the best way to do that.

How else can you explain that since 1996, Ohio has spent more than \$18.6 billion on schools that have provided significantly worse academic options for students and helped exacerbate the racial re-segregation of our schools and communities—all while failing to save significant taxpayer dollars and simultaneously producing the state’s largest ever taxpayer rip-off?

Ohio’s school choice movement has earned our state the national nickname of “the Wild, Wild West of Charter Schools.”<sup>v</sup> While there are real questions in other states about whether charter schools or vouchers help or harm students, the scope and scale of the movement’s near universal failure here in Ohio remains unique among the 50 states.

To give you an idea of just how much of a policy disaster these options have been, let’s look at their performance, efficiency and scandal.

## Ohio’s Educational Options are Generally Poor Performing

Since the creation of the state’s A-F report card system (which has since been changed to a five-star system), Ohio’s Charter Schools have received more F grades than A, B and C grades *combined*<sup>vi</sup>.

More than half the time, a student attending a charter school leaves a district that outperformed the charter school on more report card measures. About 1 in 5 charters take *all* their students from districts that outperform them<sup>vii</sup>.



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**EXPERIENCE MATTERS**

That’s bad.

Further proof exists in how charter students fare after graduation.

An amazing 5.4% of those who graduated from an Ohio charter school in 2009 had a college degree within six years of graduation and less than 1 in 4 of them were even *enrolled* in a college within two years of graduation<sup>viii</sup>. In the class of 2014, it’s 11.6% with a college degree and 29.5% enrolled within two years<sup>ix</sup>.

Even in Ohio’s most historically low-performing urban public schools, a student has about a 50% better chance of both enrolling in college within two years of graduation and earning a college degree within six years of graduation than they would if they’d attended an Ohio charter school. In non-urban districts, the rates are far higher<sup>x</sup>.

The news isn’t much better for private schools that take public tuition subsidies through the state’s voucher programs.

The Cincinnati Enquirer ran an investigative story that found that in nearly 9 in 10 cases, a student taking a voucher attended a private school whose proficiency test scores were worse than the district the student left. Even in traditionally ridiculed urban districts like Toledo or Akron<sup>xi</sup>.

In addition, the pro-voucher organization Thomas B. Fordham Foundation found<sup>xii</sup> that

“[t]he students who use vouchers to attend private schools have fared worse academically compared to their closely matched peers attending public schools. The study finds negative effects that are greater in math than in English language arts. Such impacts also appear to persist over time, suggesting that the results are not driven simply by the setbacks that typically accompany any change of school.”

Okay. So maybe they don’t overall outperform even the state’s historically lowest-

performing public schools. But at least they don’t cost as much, right?

Not exactly.

## Private Sector Options are Less Efficient with Taxpayer Money

For the 2020-2021 school year, the average charter school spent \$13,426 per pupil from all sources<sup>xiii</sup>. The average public school district spent \$13,346. That’s right. Ohio’s public-school districts spent *less* than charter schools, even *with* local revenue, and performed far better.

However, the allegedly more efficient private sector education solution—charter schools—on average spent almost 1 out of every 4 dollars on non-instructional administrative costs—nearly \$3,000 per student out of that \$13,426. Meanwhile, Ohio’s public-school districts only spent \$1,856 per student on administrators—about 40% less per pupil<sup>xiv</sup>.

So despite spending *more* per pupil than the average school district, Ohio’s charter schools performed significantly worse on state quality measures. From a purely policy perspective, if you want to find the most efficient way to improve student achievement in Ohio’s schools, the state’s public schools are the best way to do that.

Yet lawmakers consistently find ways to invest greater sums of taxpayers’ money in charter schools and vouchers. The only plausible explanation for this continued investment is politics.

## Politics Trump Failure and Scandal

Ohio’s godfather of vouchers and charter schools—David Brennan—admitted from the very beginning that his efforts were purely political.

“This is a political, not education fight,” Brennan said





in a 1999 interview with the Associated Press. “I can’t get anything if the governor doesn’t back me.”<sup>xv</sup>

Brennan is the person most singularly responsible for Ohio’s current infatuation with charter schools and private school tuition vouchers.

A venture capitalist from Akron who made his first fortune buying and selling off companies, Brennan became a fixture in national and state Republican politics thanks to the enormous sums of money he contributed to them. And those contributions paid off as the charter and voucher schools he ran hauled in hundreds of millions of dollars, making him fabulously wealthy<sup>xvi</sup>.

From the 1996-1997 school year until the 2021-2022 school year, Ohio taxpayers have sent more than \$18.6 billion to charter schools and private schools through tuition subsidies<sup>xvii</sup>.

That \$18.6 billion is roughly the size of the worldwide LED panel light market, or the fantasy sports market in 2017<sup>xix</sup>. And it’s more than what Ohio has spent on higher education... for the last 7 years<sup>xx</sup>.

Adding to the size of the commitment to these options is *how* the funding works.

For 24 years, charters and vouchers were funded by deducting their funding from the state aid that was going to the local school district the student would have otherwise attended.

Here’s the problem: The amount deducted for charters (and to a lesser extent, vouchers) was almost always *more* than the student would have received from the state if they had remained in the local public school.

For example, let’s say the state says it should cost \$100 to educate a student in XYZ school district. But the state expects the district to pick up half that cost using local revenue. So, the state would send \$50 to educate the student and XYZ would raise local revenue to cover the remaining amount.

However, if that same student decided to go to a charter school, the state would transfer \$100 to the charter school to cover the student’s costs, even though the state would have provided half that cost to the local school district. It doesn’t take long for that district to really feel the state resource drain, and in fact in some

cases, districts had to make up 25-40% of their state aid with local revenue to cover their losses<sup>xxi</sup>.

Vouchers worked the same way, though, because they tended to be a lower per pupil deduction, but the state aid loss wasn't as egregious.

This funding scheme has changed now that the Fair School Funding Plan was adopted in the 2021 biennial budget, though it has yet to be fully funded.

Now all the funding comes out of the same line item. But if you aren't fully funding the educations of the 1.5 million students attending local public schools, then any additional funding coming out of that pot necessarily impedes the ability of the state to fully meet the needs of the 90% of students who attend local public schools.

While enrollment in private schools overall is down about 15% since 2008<sup>xxii</sup>, and charter school enrollment remains below historic highs from about a decade ago, the money for these school options has exploded. Why?

Because the state legislature has always increased the per pupil funding going to charters and vouchers to the point that the average charter school student now receives \$9,066 in state aid<sup>xxiii</sup>. The average high school voucher student receives \$7,500, and the average K-8 student receives \$5,500.

Meanwhile, the average local public-school student receives \$4,944<sup>xxiv</sup>.

This fiscal disparity is the opposite of what Chief Justice William Rhenquist found in the landmark Cleveland voucher case *Zelman v. Simmons-Harris* that the Cleveland voucher program "in fact create[d] financial disincentives for religious schools, with private, religious schools receiving only half the government assistance given to community schools and one-third the assistance given to magnet schools."<sup>xxv</sup>

It would be one thing if charters and vouchers provided demonstrably better educational outcomes. This funding conundrum would still be an issue, but at least it wouldn't be one of quality.

However, as laid out earlier, charters and vouchers provide demonstrably worse academic options for



the vast majority of students who use them. In some cases, the poor performance is stupefying.

Take the Electronic Classroom of Tomorrow (ECOT). One year I looked at their performance, and I found that of the nearly \$100 million that went to ECOT, all but about \$2,000 of it came from districts that outperformed ECOT on every report card measure<sup>xxvi</sup>.

Yet ECOT collected nearly \$1 billion in taxpayer funding since 2001.

How?

Because ECOT was run by William Lager who, after Brennan, was the largest contributor to Ohio Republicans<sup>xxvii</sup>. In fact, at nearly every graduation ceremony ECOT had, there was a prominent Ohio Republican politician speaking at it. House Speakers. Senate Presidents. Governors. And even Tucker Carlson<sup>xxviii</sup>.

Current Ohio Lt. Gov. Jon Husted was the only two-time graduation speaker and received the only honorary diploma the school ever gave when he spoke the second time<sup>xxix</sup>.

Lager donated \$1.4 million to mostly Republican candidates between 2000 and 2018<sup>xxx</sup>.

ECOT came crashing to earth in 2017 when the Ohio Department of Education actually asked Lager to prove he was educating all the kids taxpayers were paying him to educate. Turned out he couldn't prove he was educating about a third of the students taxpayers were funding him to educate.

Over the last three years of the school's existence, Lager was found to owe Ohio taxpayers \$117 million<sup>xxxi</sup> despite him trying to block the finding in *Electronic Classroom of Tomorrow v. Ohio Department of Education*. And that was just in three of its 16 years of existence. Not only that, but in the school's very first year of existence, a state audit

showed the school couldn't prove it was educating about 3 of every 10 kids it was getting paid to educate<sup>xxxii</sup>.

Since its inception, the school was always doing the very thing that eventually shut it down – billing the state for educating kids it couldn't prove it had. Yet because of Lager's powerful political friends, it was only ever ordered to repay taxpayers for this scheme in 3 of its 16 years. As a reminder, over its lifetime, the school collected more than \$1 billion in taxpayer money.

The Auditor of State who caught ECOT in 2001—Jim Petro—became the single largest recipient of Lager money. Lager would write in his self-published book<sup>xxxiii</sup> that Petro “offered incredible oversight in making the Ohio Department of Education do its job.”

Again, politics, not policy, allowed Lager to rake in more than \$1 billion in taxpayer money. Even more outrageous? At least the state could audit Lager's school to see if it was actually educating students. Since 1996, more than \$3.6 billion has been sent to Ohio private schools through the state's voucher programs. Not a single penny has ever been audited by the state. Not a penny.

## Now What

One would think that the ECOT scandal—the largest taxpayer rip-off in the state's history—would chasten lawmakers into cracking down on charters and the Cincinnati Enquirer story and other data would give them pause to keep pouring money into private school tuition subsidies.

However, in the last year, Republican lawmakers have introduced a universal voucher bill<sup>xxxiv</sup> that would give money to parents to spend anywhere—a local public school, charter school, private school, home school, whatever. And at an additional potential cost to taxpayers of \$1.2 billion<sup>xxxv</sup>.

A lawsuit filed this year in Franklin County<sup>xxxvi</sup>, *Columbus City School District v. State of Ohio*, seeks to have the courts declare the state's EdChoice voucher program as unconstitutional under the state constitution. If successful, the lawsuit would stop efforts to siphon billions more tax dollars away from students in public schools and give them as a tuition subsidy to parents who already have chosen to send their kids to private schools.

The Ohio Legislative Service Commission has found that as many as two thirds of voucher recipients never attended a public school before taking a voucher<sup>xxxvii</sup>.

In a nutshell, the lawsuit says vouchers are a separate system of schools, take money away from the 90% of students who attend public schools, create greater racial segregation, allow religious organizations to control public school money (which is forbidden in the Ohio Constitution) and violate the Fourteenth Amendment of the Ohio Constitution.

Perhaps the most concerning outcome of Ohio's voucher program has been how it has clearly led to White Flight. Of the 95 Ohio school districts that had more than 10 students take vouchers, 76 (accounting for 87% of all vouchers) saw higher rates of White students take them than the district's percentage of White students overall<sup>xxxviii</sup>.

On average, a student taking an EdChoice voucher is about 57% more likely to be White than the district they leave. And about half of all EdChoice vouchers this year come from districts whose voucher recipients are 75% more likely to be White than the district overall<sup>xxxix</sup>.

In some cases, the racial disparity is stark. For example, Princeton City Schools near Cincinnati is only 22% White, yet 92% of the 265 voucher recipients from that district are White.

When Policy Matters Ohio looked at the Cleveland voucher program in 2002, they found almost the exact

same racial breakdown then as there is now<sup>xl</sup>.

Lawmakers have known for 20 years that voucher programs are helping to re-segregate our schools, in open violation of *Brown v. Board of Education*. Yet they've unhesitatingly increased state voucher investment by several hundred percent<sup>xli</sup>.

The state's top privatizer, Senate President Matt Huffman has said that moving a universal voucher bill will be his top priority in next year's budget<sup>xlii</sup>.

It is absolutely critical this lawsuit succeed, or at least inspire some legislative introspection.

There is hope. I've seen it before.

In 2011, Ohio's legislative leaders let David Brennan re-write charter school oversight law so he could defeat a lawsuit filed against him by schools he ran, *Hope Academy Broadway Campus v. White Hat Management, LLC*. Two years later, failing charters like the ones Brennan ran got big state funding boosts, infuriating high-quality charter school proponents<sup>xliii</sup>.

Advocates from both sides worked on a reform package that reigned in much of the state's egregiously lax charter school oversight. For example, before House Bill 2 passed in 2015, the Ohio Department of Education didn't keep track of which for-profit charter school operators ran which schools. Now they do.

House Bill 2 wasn't perfect. And it certainly wasn't cutting edge. But it fixed some things. All because the politics of the issue finally enraged the sector's policy wonks enough to leave their ideological entrenchments, wander through no-man's land and work with the other side on legislation that made a difference.

One can only hope similarly brave and indignant people once again venture over the top to save our kids' educations. The Land Ordinance of 1785 set aside the heart of every township in the Northwest Territory for

