

Avoiding Accountability

How charter operators evade Ohio's automatic closure law

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Ohio law requiring the automatic closure of charter schools that consistently fail to meet academic standards has been showcased by the National Association of Charter School Authorizers in its “One Million Lives” campaign, which calls for tougher state laws to close failing charter schools.

The widespread attention given the NACSA campaign has pushed Ohio's closure law into the spotlight as a model of accountability. Unfortunately, loopholes weaken Ohio law. Since the charter-closure law went into effect in 2008, 20 schools across the state have met closure criteria, and all are currently listed as closed by the Ohio Department of Education.

But Policy Matters Ohio has documented that of those 20 schools, seven have essentially remained intact, effectively skirting the automatic-closure law. In some cases, charter management organizations (CMOs) have expanded the charters of other schools to incorporate grade levels served by closed schools. In other cases, CMOs replaced schools facing automatic closure with nearly identical schools, managed by the same company with much of the same staff. An eighth school, Hope Academy Canton, was ordered closed by its sponsor a year before it would have been shut down by the state. Our investigation showed that by closing early and opening a new school in the same location with much of the same staff, Hope Academy's for-profit operator, White Hat Management, bought five additional years of life – and revenue – for a low-performing school. In more than half the cases we examined, the new schools' academic performance remained the same as that of the old schools; five of the eight schools are still ranked in Academic Watch or Emergency, while their management companies and sponsors continue to take in millions of dollars in public funding. For-profit management companies – the Leona Group, White Hat, and Mosaica Education – run six of the schools, the non-profit Summit Academies runs one, and the last is independently operated. The table on the next page provides an overview of these schools.

Key findings

- Ohio law requires automatic closure of academically failing charter schools.
- Loopholes in the closure law allow sponsors and charter management organizations (CMOs) to keep failing schools open despite orders to close.
- Seven of 20 closed schools are still operating, with five run by the same CMOs that first opened them.
- An eighth school avoided mandated closure by shutting down a year early, but reopened with much of the same staff.

Automatic closure

Ohio's charter-closure law, which became effective in 2008 and was revised in 2011, calls for automatic closure of schools rated in Academic Emergency for at least two of the three most recent school years. To be subject to the law, charters serving grades four through eight also must show less than one year of academic growth in either reading or math in that time period.

Ohio law holds charter school boards legally responsible for a school’s academic and financial performance, but places no penalty on CMOs when their schools meet closure criteria, even though these companies are often in charge of hiring and firing teachers, assessing academics, contracting vendors, budgeting, developing curriculum, and providing basic classroom materials. This creates a loophole to keep “closed” schools open and to continue to direct public funds to failing schools.

Ohio charters closed for poor academics, reopened in same location			
Old school	New school	Location	CMO
Hope Academy Canton	Brighten Heights Academy/Garfield Academy	Canton	White Hat Management
W.E.B. DuBois	Cinci Speech & Reading Intervention Center	Cincinnati	Independent
Hope Academy Broadway	Broadway Academy	Cleveland	White Hat Management
Hope Academy Cathedral	Woodland Academy	Cleveland	White Hat Management
Paul Laurence Dunbar Academy	Northpointe Academy	Toledo	The Leona Group
Academy of Arts & Humanities	STEAM Academy of Warren	Warren	Mosaica Education
Eagle Heights Academy	Southside Academy	Youngstown	Independent/White Hat
Summit Academy Community School for Alternative Learners of Youngstown	Summit Academy Youngstown	Youngstown	Summit Academies

Sources: Ohio Department of Education, news reports, and Policy Matters Ohio analysis.

Weak accountability

Since the Ohio legislature first established charters, the state has taken a quantity-over-quality approach to approving new schools and allowing troubled schools to continue. The closure law was meant to deal with the glut of ineffective charters that have for too long betrayed the promise of charters in Ohio. But our investigation shows that despite its seemingly strict closure law, Ohio still falls short of the meaningful oversight and accountability needed to improve the state’s charter sector.

The repeal in 2011 of Ohio’s “highly qualified operator” provision gives new start-up charter schools the option of contracting with management companies that do not meet performance standards. Similarly, aside from losing revenue, sponsors are not penalized when schools are closed under their watch. Sponsors are coming under increasing oversight, and some are now prohibited from authorizing new schools, but the effectiveness of these efforts remains to be seen.

Recommendations

Based on this study, Policy Matters Ohio recommends that legislators revamp the closure law, strengthen ODE’s capacity to oversee charter schools, direct ODE to refuse the kind of expansion of charter contracts that has allowed schools and management companies to skirt the law, and hold charter management companies accountable for the academic performance of their schools.

Charter law in Ohio remains ineffective and weak. Until Ohio gets serious about quality in the charter sector – both by preventing operators with weak track records from opening new schools, and by creating a more meaningful charter-closure law – Ohio will continue to fall short of the goal of strengthening its public education system so that it can serve everyone.