

## CHARTER SPONSOR RATINGS: **WHY THE DELAY?**

### **BACKGROUND**

While Ohio's latest effort to seriously reform Ohio's nationally-ridiculed charter schools has stalled in the Ohio General Assembly, the key to its ultimate success is getting a handle on charter school sponsors. Sponsors oversee charter school operations. They must be non-profit entities, but they can include local public school districts as well as entities that have no connection to education. The state has put them in charge of making sure charter schools do well, keeping up with their financial obligations and effectively educating children.

While Ohio does have an automatic closure law for charter schools, only about two-dozen charters have closed for those reasons since the law was implemented in 2005. It's up to sponsors to police Ohio's charter schools. The results have been lousy.

How bad are Ohio's charter schools? They received more Fs than As, Bs and Cs combined on the state report card.<sup>1</sup> More than \$500 million of the nearly \$1 billion sent to charters last school year came from school districts that performed the same or better on the state report card.<sup>2</sup> New federal data released by the White House shows that charter schools make the state's achievement gap worse, not better.<sup>3</sup> And the Center for Research on Educational Outcomes at Stanford University found that children in Ohio's charter schools lose several weeks of learning in reading and math compared with their local public school peers, with rural Ohio students losing nearly a year of learning.<sup>4</sup>

Needless to say, Ohio needs better charter school cops.

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<sup>1</sup> Ohio Department of Education. *Ohio School Report Cards*. Last Accessed 8/11/15.  
<http://reportcard.education.ohio.gov/>

<sup>2</sup> KnowYourCharter.com, *Analysis: Short Changed Again; How Ohio's Poor-Performing Charter Schools Continue To Cost All Ohio Kids*. 4/14/15. <http://knowyourcharter.com/2015/04/14/kyc-analysis-short-changed-again/>

<sup>3</sup> Dyer, Stephen. *Ohio's Troubling Achievement Gap: Charter Schools Make It Worse*. 7/15/15.  
<http://innovationohio.org/2015/07/15/ohios-troubling-achievement-gap-charter-schools-make-it-worse/>

<sup>4</sup> Center for Research on Education Outcomes. *Charter School Performance in Ohio*. 12/9/14.  
[http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/OH\\_Report\\_2014F\\_j.pdf](http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/OH_Report_2014F_j.pdf)

So the effort to reform Ohio's system has, so far, started with reforming charter school sponsors—holding them more accountable for their failed oversight. That effort relied on the presumption that sponsors needed first to be rated by the state so that high-performing ones may enjoy more benefits and the truly awful ones can't oversee schools anymore.

A new state law, passed in 2012, provides for four categories: exemplary, effective, ineffective and developing, which is for new sponsors. The charter reform legislation creates another category of "poor," which would be a subset of the ineffective rating.

That law required the Ohio Department of Education to start rating sponsors beginning on January 1 of this year. As of July, the department had rated only a few sponsors. However, it was recently revealed that the state's top charter school officer – David Hansen – didn't count the worst grades of the worst performing schools – Ohio's statewide E-Schools – in the new rating system. This manipulation directly benefitted poor performing charters that are run by big campaign contributors.

Here's how.

Sponsors oversee many schools in some cases. Some are E-Schools. The E-Schools are, in turn, run by for-profit "operators", who take in some cases 97% of the state money the school receives to operate the school. It is officials from these operators who give massive political donations.

Because of Hansen's data manipulation, the low scores of schools run by these operators wouldn't harm the performance of their sponsors. As a result, these sponsors wouldn't be as concerned about these schools' poor performance impacting their ability to sponsor additional schools. They could also continue to collect, in some instances, more than \$1 million a year in sponsorship fees to oversee these schools. And the politically-connected operators could keep collecting their large state revenues without fear of losing their sponsorships.

Hansen apparently broke the law, which forced him to [resign](#). However, instead of simply adding the poor grades to its evaluation, State Superintendent Richard Ross took down all the [ratings](#) and said "the department will be seeking input from independent experts to make sure the methodology for evaluating all sponsors, including those already evaluated, is credible, accurate and compliant."

There is no excuse for not having an evaluation system in place before the new school year begins. The department has had nearly 3 years to do it. It should not be this difficult.

We will be providing several ideas to consider on how Ohio’s sponsors could be evaluated using publicly-available data.<sup>5</sup>

## GPA METHOD

The easiest thing for the department to do is simply take the average grade of each charter school it oversees and then average them together for a sponsor grade. This method only includes charters that receive report card grades, so some sponsors wouldn’t be included because they only oversee schools that don’t receive traditional A-F grades on the state report card.

This method reveals that no sponsor that oversees more than 2 schools would receive a grade higher than D+.

Sponsor	Average GPA of Sponsored Schools	Average Letter Grade of Sponsored School	Number of Schools
Summit County ESC	3.33	B+	1
Bowling Green State University	3.00	B	1
Dayton City	2.57	C+	1
Field Local	2.17	C	1
Newark City	1.75	C-	1
Cleveland Municipal	1.56	D+	7
Tri-County ESC	1.55	D+	2
Lima City	1.50	D+	1
Thomas B. Fordham Foundation	1.49	D+	10

<sup>5</sup> Ohio Department of Education. *Annual Reports on Ohio Community Schools*. Last Modified 3/30/15. <http://education.ohio.gov/Topics/Quality-School-Choice/Community-Schools/Forms-and-Program-Information-for-Community-School/Annual-Reports-on-Ohio-Community-Schools>

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ESC of Lake Erie West	1.46	D+	58
Educational Resource Consultants of Ohio	1.34	D+	15
St Aloysius Orphanage	1.29	D	28
ESC of Central Ohio	1.27	D	7
Reynoldsburg City	1.25	D	4
Ohio Council of Community Schools	1.22	D	43
Portage County ESC	1.20	D	7
North Central Ohio ESC	1.13	D	14
Kids Count of Dayton, Inc.	1.06	D	5
Buckeye Community Hope Foundation	1.06	D	44
Mansfield City	1.00	D	1
Warren County ESC	1.00	D	1
Richland Academy	0.78	D-	10
Office of School Sponsorship	0.75	D-	10
Marion City	0.71	D-	1
Lakewood Local	0.67	F	1
Mercer County ESC	0.50	F	1
Lorain City	0.40	F	1
Graham Local	0.38	F	1
Mahoning County ESC	0.33	F	1
Maysville Local	0.33	F	1
Scioto County Career Technical Center	0.33	F	1
Cincinnati City	0.17	F	1
Lawrence County ESC	-	F	1
Southwest Licking Local	-	F	1

If one were to use the same simple GPA methodology on local school districts, taking the average GPAs of the buildings they oversee, then the average GPA of an Ohio school district would be C+/B- (depending on whether you would round up from a 2.47 to a 2.5 or not). The state’s urban districts would have an average grade of D+.

## NUMBERS OF STUDENTS IN HIGH PERFORMING BUILDINGS

This methodology would create an index that takes into account how many students are in each sponsor’s buildings that are rated C or higher on the state report card for overall student growth, proficiency, student growth among the school’s lowest performing students and the schools’ achievement gaps. There are several other school ratings on the report card, but many of those – like gifted student growth and even graduation rates – do not apply to many charter schools.

The methodology we developed to analyze data from the 2013-2014 school year would do several things:

- 1) Double count student overall student growth
- 2) Slightly reduce the weight given to the proficiency grade
- 3) Grant a weight for overall numbers of students in higher performing buildings in each category

Overall Value Added	Performance Index	Lowest 20% of Value Added	AMO
(1+(% of all C or higher rated students in buildings sponsored by the entity) *(2*(% of Students in buildings rated C or higher))	(1+(% of all C or higher rated students in buildings sponsored by the entity)*(.75*(% of Students in buildings rated C or higher))	(1+(% of all C or higher rated students in buildings sponsored by the entity) * (% of Students in buildings rated C or higher)	(1+(% of all C or higher rated students in buildings sponsored by the entity) * (% of Students in buildings rated C or higher)

The index, essentially, tells the public which of the D+ overall GPA sponsors are better than the others.

The reasons these three factors are weighted are because charter school advocates have generally stated that student growth is the most important measure of a charter school’s success and that

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proficiency is less indicative of school’s success. So our methodology doubles the grade weight of growth while reducing the importance of straight proficiency by 25 percent.

Our approach also gives additional weight for sponsors that have a particularly large percentage of the overall number of charter students in high-performing buildings in each category. If a sponsor had 35,000 students graded in student growth, but only 10,000 of them were in high performers, that wouldn’t be a very good percentage. However, if those 10,000 students represented half of all charter students in high-rated charters in student growth, we wanted to give the sponsor at least *some* credit for having half of the state’s high-performing students.

We also didn’t want to overrate sponsors of one or two schools, where the overall results may be much easier to achieve than a large-scale sponsor.

For the record, here is the list of the state’s charter school sponsors by highest to lowest performing, using the Ohio Charter School Accountability Project (OCSAP) index<sup>6</sup>:

Sponsor	Overall Enrollment	Sponsor Rating Index
Lima City	54	0.940
Dayton City	628	0.825
Bowling Green State University	660	0.713
Field Local	193	0.695
Educational Resource Consultants of Ohio	5,760	0.694
Thomas B. Fordham Foundation	2,844	0.692
Summit County ESC	118	0.689
Lakewood Local	49	0.688
St Aloysius Orphanage	10,978	0.678

<sup>6</sup> Here is the formula OCSAP used to create the index, which was normalized to the highest performers in each category, and the final multiplier was inserted to place it on a 0-1 scale:  $[[1+(\% \text{ of overall student growth grades C or higher})] * [(2*(\% \text{ of sponsored students in C or higher Performance Index buildings}) * [0.75*(\% \text{ of sponsored students in performance index buildings graded C or higher})/1]) + [(1+(\% \text{ of overall students in buildings rated C or higher on growth of lowest performing 20\% of students})] * [(\% \text{ of sponsor students rated C or higher on the state report card}/1)]] + [(1+(\% \text{ of overall students in buildings rated C or higher on the state report card for AMO})] * [0.25*(\% \text{ of sponsored buildings rated C or higher for AMO}/1)]]]$

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Sponsor	Overall Enrollment	Sponsor Rating Index
ESC of Central Ohio	1,741	0.676
Cleveland Municipal	2,391	0.674
North Central Ohio ESC	1,551	0.655
Tri-County ESC	246	0.615
Portage County ESC	1,166	0.593
Marion City	298	0.575
Newark City	417	0.563
Buckeye Community Hope Foundation	13,234	0.539
Kids Count of Dayton, Inc.	1,847	0.536
Tri-Rivers	1,912	0.515
Richland Academy	1,670	0.509
Warren County ESC	1,052	0.508
New Philadelphia City	664	0.505
Toledo City	615	0.505
Margaretta Local	427	0.503
Mid-Ohio ESC	348	0.503
London City	227	0.502
Montgomery County ESC	203	0.502
Groveport Madison Local	187	0.501
Lorain City	184	0.501
Lakewood City	164	0.501
Findlay City	159	0.501
Fairborn City	150	0.501
Pleasant Local	150	0.501
Cuyahoga Falls City	124	0.501
Mount Gilead Exempted Village	119	0.501
Zanesville City	103	0.501
Massillon City	95	0.501
Youngstown City Schools	91	0.501
Oregon City	84	0.501
Scioto County Career Technical Center	83	0.501
Franklin Local	79	0.501
Miamisburg City	79	0.501
Pickerington Local	78	0.501

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Sponsor	Overall Enrollment	Sponsor Rating Index
Auglaize County ESC	77	0.501
Lawrence County ESC	71	0.501
Van Wert City	48	0.500
Mercer County ESC	46	0.500
Hamilton Local	46	0.500
Jackson City	44	0.500
Lancaster City	43	0.500
Coshocton City	38	0.500
West Carrollton City	37	0.500
Urbana City	37	0.500
Northmont City	36	0.500
Rittman Exempted Village	33	0.500
Southwest Licking Local	30	0.500
Ridgedale Local	30	0.500
Cardington-Lincoln Local	28	0.500
Reynoldsburg City	2,079	0.446
ESC of Lake Erie West	31,956	0.440
Ohio Council of Community Schools	29,262	0.435
Mansfield City	135	0.434
Maysville Local	372	0.347
Mahoning County ESC	543	0.312
Office of School Sponsorship	2,407	0.293
Cincinnati City	209	0.143

The sponsors can then be rated using the state’s three ratings: “exemplary”, “effective”, and “ineffective”. A fourth designation – “poor” – is currently proposed in House Bill 2, which has stalled in the Ohio House of Representatives. The designations should not be evenly distributed, but be based on index scores. So, for example, no sponsor would be exemplary unless they scored at .8 or above – the equivalent of an A or B on a report card. Effective would be above a .6, or the equivalent of a C or D on a report card. And Ineffective would be below a .6, or the equivalent of an F on a report card. If Poor becomes a category, then apply it to any index score below .5. This is just an example of how to distribute the grades or designations. It is not meant to be definitive – just for use as a guide.



However, using this example, more than 77% of children in Ohio charter schools would be in schools sponsored by ineffective sponsors.

**This is not the only way to grade the performance of charter sponsors.** Other factors that could be considered are how well they keep their schools' finances in order, whether they shut down poorer-performing schools even if the state law doesn't say they have to, and whether they adhere to public records laws. But, again, once the index is built, it's just a matter of choosing which elements to include.

While this method may be slightly more complicated, it didn't take much time for the OCSAP to develop its index. It just comes down to which of the 9 graded-report card categories the state wishes to use.

### **The "Don't Reinvent the Wheel" Method**

The state could also choose to judge charter school sponsors based on the same overall grade methodology as districts. Charter school sponsors are, in many ways, like school districts – responsible for many buildings and students in some cases. The state is supposed to develop an overall grade for a district based on the nine graded categories on the state report card beginning with the most recently completed school year.<sup>7</sup> So the overall grade should appear on the new report cards issued in the coming weeks.

It is not clear what particular methodology will be used by the state to determine the overall GPA for school districts, so the Ohio Charter School Accountability Project (OCSAP) cannot replicate the position of each charter school sponsor by using that methodology. But it would seem to be a less labor intensive way to arrive at an overall grade for charter school sponsors.

### **Bottom Line**

Figuring out how charter sponsors are judged should not require any significant delay in issuing the all-important sponsor ratings. Any delay would further postpone the implementation of needed reforms of Ohio's nationally ridiculed charter school system.

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<sup>7</sup> ORC 3302.03(C)(1)

Any way you cut it, the Ohio Council of Community Schools (OCCS), which received an “exemplary” grade under the now-withdrawn system, oversees schools with among the worst performance metrics of any Ohio charter sponsor.

Even though OCCS has many students in its schools, it should be just as accountable as any large school district would, such as Youngstown, for instance. Yet while Youngstown is being taken over by the state because of its poor performance, OCCS had the system rigged by political appointees to make it look far better than the data suggest it should be.

Interestingly, the OCSAP methodology listed above would rate Youngstown a more successful charter school sponsor than OCCS.