

Legislative committee considers new approach to e-school funding

The newly created Joint Committee to Study E-School Funding and Operator Accounting Categories -- established through legislation (S.B. 216) passed by the General Assembly in June -- held its first meeting last month.

Co-chaired by Sen. Peggy Lehner (R-Kettering) and Rep. Bob Cupp (R-Lima), the committee is tasked with considering a payment system for e-schools "based on student competency" to replace the current system, which is based on student enrollment and participation.

Representatives of the State Auditor's office presented Auditor Dave Yost's recommendation to base state payments to online schools on a "competency or learning based model" -- a hybrid approach that would allow for funding based on performance, while still providing funds to support e-schools' fixed costs.



Committee members were also briefed on Yost's recommendation to expand financial reporting requirements for charter school management companies "to increase transparency, compliance and accountability in our community schools."

Under current law, operator reporting requirements are in place for entities that receive 20 percent or more of charter schools' annual gross revenues. Yost recommends clarifying which management companies would be required to report proposed expanded spending information. The legislature has considered expanding operator reporting requirements to include: communications; advertising; food; books, magazines and films; overhead; in-kind donations; lobbying; accounting; legal services; and, information technology.

The committee is expected to meet every two weeks, with its work extending into 2019, despite the fact that the deadline created in S.B. 216 was Nov. 15, 2018.