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**HOUSE BILL 64 TESTIMONY OF
JOHN ZITZNER
PRESIDENT, FRIENDS OF BREAKTHROUGH SCHOOLS**

Good afternoon, Chairman Cupp, Vice Chairman Derickson, Ranking Member Phillips, and members of the House Finance Subcommittee on Primary and Secondary Education. Thank you for providing me the opportunity to testify today on House Bill 64.

My name is John Zitzner, President of Friends of Breakthrough Schools and one of the original founders of Breakthrough Schools, a nonprofit community school operator that manages 10, soon to be 11 high performing community schools in Cleveland, many of which are sponsored by the Cleveland Metropolitan School District. Breakthrough Schools is the second highest performing network of public community schools in the State of Ohio.

Our network had a unique start, growing out of a collaborative effort by three existing independent community schools each with a distinct educational model. In 2009, they came together to improve their schools' long-term financial sustainability and to enable growth so that they could serve more children. Since that time, Breakthrough has grown rapidly - from 4 schools serving 1,100 students in 2011 to 10 schools serving nearly 3,000 students today. We have plans to grow to 20 schools by 2020 in hopes to serve about 7,000 students across Cleveland.

Our student population is 96% minority and 84% low-income who often arrive at our schools several grade levels behind in educational attainment. Yet for the 3rd year in a row, Breakthrough continues to rank among the highest rated charter networks in the state of Ohio. In 2012-2013, Breakthrough students, on average, outperformed their peers across the city, county, and state in every subject.

Breakthrough commends Governor Kasich for including charter school reform provisions in the administration's as-introduced budget. One of the Governor's first stops after introducing his budget was to our Woodland Hills campus where he highlighted the charter reform proposals contained in his budget and congratulated Breakthrough for our success in educating students and our partnership with the Cleveland Metropolitan School District. Breakthrough and the CMSD are now recognized around the nation and most recently became a Gates Foundation "Compact City"... the only one in Ohio.

Breakthrough Schools supports the majority of reforms contained in HB 64 as they relate to the operations of community school sponsors and operators as currently written. Today we would like to highlight two provisions that we support in concept but would have unintended consequences on high performing networks such as ours as currently written.

(continued)

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First, HB 64 would require every community school to have a fiscal officer that is independent from the community school operator. In creating Breakthrough, one of our goals was to become more efficient. Eliminate duplication. Save money. Operate more efficiently and effectively. To this end, Breakthrough, as an operator, currently has one treasurer that performs fiscal services for each of our 10 schools. That service is performed competently and in a transparent manner. Any one of our schools can request their financial information at any time and receive it instantly. We feel our open, transparent and accountable management of our schools' finances is one of the cornerstones of our network's success. HB 64 would require us to divest of this important responsibility thus potentially weakening the fiscal accountability of our schools. Breakthrough would support alternatives such as a requirement that the contract between a community school and an operator have a separate clause that allows the community school to opt-out at any time from the fiscal services provided by the operator. This would ensure the governing authority has the final say on who performs their fiscal services while also not disrupting those operators who are performing fiscal services in a competent manner that fits the best interests of the community school.

Second, HB 64 establishes a \$25 million building fund that can be accessed by schools sponsored by exemplary sponsors. The concept is much needed and we wholeheartedly support the idea of a building fund. However, the sponsor review process is still just a pilot and it could take a year or more for any sponsor to get any rating, and even longer to be rated exemplary. In addition, there are several sponsors who would not be rated exemplary yet they sponsor high performing community schools. The opposite holds true that a poor performing community school could receive building funds simply because it is sponsored by a sponsor rated exemplary. Neither of these scenarios would be a welcome result. Currently, 7 of our schools are sponsored by the Cleveland School district, which, today, since it is not yet rated "exemplary", would prevent Breakthrough from receiving any of those funds.

We commend the Governor for including this building fund in HB 64 and strongly encourage the legislature to support it. We recommend however that the concept of exemplary sponsor be removed and replaced with a system that focuses on high performing community schools regardless of sponsor. We also suggest the inclusion of a public-private matching concept, whereby community schools that can raise dollars from their local communities can have those dollars matched by this building fund for purposes of acquiring or upgrading a school building. These changes would ensure that money in the building fund would be targeted to highly rated, community supported schools that could also generate savings for the state through providing community matching dollars.

Thank you again for the opportunity to testify today. I am happy to answer any questions you may have.