



## Legislation Text

---

**File #: R-245-18, Version: 1**

---

Councilman Delaney

### **Supporting the Toledo Public and Washington Local School District Boards of Education in their efforts to recover funds lost to ECOT's fraudulent practices.**

WHEREAS, The Toledo Blade published a story on June 10, 2018 entitled, *Report: Area school districts lost almost \$16.5 million to defunct ECOT* that stated Innovation Ohio “released a breakdown that shows how much each Ohio school district transferred to the Electronic Classroom of Tomorrow in the past six years, showing districts from Lucas and Wood counties transferred close to \$16.5 million to the charter school since 2012”; and

WHEREAS, it is the statutory duty of the Ohio School District Boards of Education to deliver the educational programs and services to the school children of they serve; and

WHEREAS, the members of the Ohio School District Boards of Education are elected by each school community to ensure an effective, efficient, vibrant and productive system; and

WHEREAS, the elected members of the Ohio School District Boards of Education have a legal responsibility to the community, including taxpayers, parents, and other patrons, as well as the state; and

WHEREAS, the Ohio Department of Education has determined that the Electronic Classroom of Tomorrow (ECOT) overbilled the State of Ohio by at least \$80 million for the previous two school years, and there is now a criminal investigation into potential fraud by the now-shuttered online charter school; and

WHEREAS, the non-partisan think tank Innovation Ohio has calculated that ECOT diverted \$591 million from local school districts from 2012 through the present; and

WHEREAS, it is reported that the Toledo Public School District lost a total of \$9,590,036.00 and the Washington Local School District lost a total of \$1,913,354.00 in funding to ECOT since 2012; and

WHEREAS, a 2016 investigation found that ECOT had the worst four-year graduation rate in the nation, and the school received an F grade from the Ohio Department of Education for its last full year of operation; and

WHEREAS, the Ohio School District Boards of Education have received zero dollars in repayment from the State of Ohio for ECOT's fraudulent overbilling; and

WHEREAS, there has been no recent investigation into ECOT going back beyond the most recent two years, even though then-Auditor Jim Petro found evidence of ECOT's overbilling practices as far back as 2001; and

WHEREAS, in the wake of ECOT's closing there have been reports from local superintendents that students ECOT claimed were enrolled had not attended the online charter school for several years; and

WHEREAS, the Ohio School District Boards of Education have a fiduciary responsibility to the students and taxpayers of each District, NOW, THEREFORE,

Be it resolved by the Council of the City of Toledo:

SECTION 1. That the Toledo Public and Washington Local School District Boards of Education have the full support of this Council in their efforts to conduct a complete and thorough audit of students residing in the district that ECOT claimed as enrolled students, submit those findings to the Ohio Department of Education and Auditor Dave Yost and invoice the Ohio Department of Education for funds lost to ECOT's fraudulent practices.

SECTION 2. That it is ordered and directed that, once adopted, the Clerk of Council shall send a copy of this Resolution to the Toledo Public and Washington Local School District Boards of Education, the Office of the Ohio State Auditor and Attorney General.

SECTION 3. That this Resolution shall be in full force and effect from and after the earliest date allowed by law.

Adopted: \_\_\_\_\_ : yeas \_\_\_\_\_, nays \_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor

I hereby certify that the above is a true and correct copy of a Resolution adopted by Council

\_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council