



OHIO
CHILDREN'S
BUDGET
2022-2023



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ISSUE BRIEF

Issue: EdChoice School Vouchers

According to the National Center for Education Statistics, in 2017, there were 15 voucher programs nationally, and Ohio has five programs, more than any other state. The five voucher programs are the Autism Scholarship, Jon Peterson Special Needs Scholarship, Cleveland Scholarship and Tutoring Program, EdChoice Scholarship Program, and EdChoice Income-based (Expansion) Scholarship. In FY 2019, vouchers participation and costs are as follows:

- Autism Scholarship: 3,500 students at \$87 million
- Jon Peterson Special Needs Scholarship: 6,000 students at \$64 million
- Cleveland Scholarship and Tutoring Program: 42 students at \$23.5 million
- EdChoice Scholarship Program: 23,000 at \$113.4 million (*their voucher programs are deducted from traditional school districts)
- EdChoice Income-based (Expansion) Scholarship: 24,300 FY 2021 at \$121 million (*this program is not paid by the state)

Current law provides up to 60,000 traditional EdChoice vouchers each school year. Under the FY 20-21 biennium budget, if the number of applicants for a school year exceeds 90% of the maximum number of vouchers permitted, the Ohio Department of Education (ODE) is required to increase the maximum number of vouchers permitted for the following school year by 5%. The new maximum number of vouchers is to be used for each subsequent school year until ODE is again required to increase the number of vouchers due to the number of voucher applications.

Policy

In 1995, the Ohio legislature decided to use public funds to pay students to attend private schools. The voucher programs started with Cleveland Public Schools. In 2005, Ohio began expanding the number of voucher programs. Ohio limited vouchers to urban centers initially and then expanded them to buildings deemed low performing for 2 out of the last 3 report cards. However, changes in the state assessments then created three safe harbor years. When voucher buildings were predominantly located in urban centers, it was easy to dismiss calls for reforming the impact the deductions for EdChoice had on school districts. As the number of buildings affected included more districts and higher-performing schools' districts, momentum grew for addressing the problem of reaching back four and five years to determine the performance of a building.

\$347,882,554 is deducted from traditional school districts



Another problem is the flawed state report card policy that deems half of the third-grade buildings as low performing. An elementary school building could be low performing based on the scores of one or two children. One building was even classified low performing because of one student's score. The student passed the 3rd-grade reading portion but did not meet the proficient status for the test's written exam. The result is a building being eligible for vouchers, dramatically impacting the district's financial resources for the students attending the district.

In FY 2020, 30 school districts lost more than 10 percent of their funding due to charter and voucher deductions. These districts transferred more than \$30 million in voucher deductions that paid for students who never attended these schools to go to private schools. Taking \$30 million out of school districts with high poverty and majority-minority school populations prevents these public schools from becoming schools of choice. A new superintendent to one such school district said their desire to focus on improving student achievement was derailed by losing millions of dollars from her budget. Ohio must do better and focus on the 90 percent of Ohio children who attend public schools.

Challenge

There are two challenges. 1. Creating a school funding formula that works for every public school student everywhere. 2. Reforming a flawed report card, so it produces data that accurately reflects what is happening in a school building. A faulty report card has identified numerous buildings eligible for vouchers. In the 2018-2019 school year, there were 255 buildings that were voucher eligible. That number increased to 517 in the 2019-2020 school year. In the 2020-2021 school year, that number could increase to 1,227 buildings in 433 districts. Some of these buildings fall into the school improvement category even though the school district received a grade C or higher on their district report card, and at times because the building data was four to five years old.

Opportunity

The passage of HB 305 or SB 376 in the 133rd General Assembly would have provided Ohio students with a fair school funding formula. HB 305 eliminated deductions for all voucher programs. We need a fair school funding formula to pass in the next General Assembly. Given the FY 2021 foundation, funding for public schools is the same as FY 2019 levels. We need a school funding formula to provide all children with the necessary financing to succeed. The nearly \$350 million that goes to vouchers would sufficiently help the state move towards the \$1.9 billion needed to fund HB 305 in six years fully.

Support Child Well-Being: Budget Recommendation

Ohio must:

- Pass HB 305, or SB 376 to create a fair school funding plan because Ohio has no school funding formula now.
- End deductions for all voucher programs by creating a separate line-item for vouchers.
- Continue funding wraparound services to help students address the non-academic needs of dealing with pandemic and other adverse childhood trauma experiences.
- Focus on making public schools that educate 9 of 10 Ohio children, the first schools of choice.

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