



**Testimony on House Bill 59 - Biennial Budget
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Primary and Secondary Education Subcommittee, Representative Bill Hayes, Chair
Finance and Appropriations Committee, Ohio House of Representatives

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Good morning, Chairman Hayes, Ranking Member Lundy and members of the House Primary and Secondary Education Subcommittee. My name is Sue Cosmo, and I am the Associate Director of the Office of Nonpublic Educational Options at the Ohio Department of Education (ODE).

Our office oversees nonpublic educational options, including the oversight of chartered and non-chartered nonpublic schools, home schooled students and implementation of scholarship programs – which includes the Cleveland Scholarship & Tutoring Program, the Educational Choice (EdChoice) Scholarship Program, the Autism Scholarship Program, and, in its first year, the Jon Peterson Special Needs Program.

Overview

I want to take a moment to distinguish the different types of nonpublic education available in Ohio. You just heard about community schools, which are public schools but are sometimes confused with nonpublic (or private) education.

- *Chartered nonpublic (private) schools* are those private schools that comply with the Operating Standards for Ohio's Schools (Ohio Administrative Code 3301-35-12) and have received a state charter. These schools are generally not supported by tax dollars, therefore tuition paid by the parent or guardian is required. Chartered nonpublic schools qualify for state funding from the General Revenue Fund (GRF) through the auxiliary services and administrative cost reimbursement programs. Chartered nonpublic school students qualify for transportation services from the resident public school district. Their high school students take the Ohio Graduation Test and receive Ohio diplomas. There are currently 756 chartered nonpublic schools enrolling about 176,000 students statewide.
- *Non-chartered, non-tax supported schools* are sometimes referred to as "08" schools because they are authorized by rule 3301-35-08 of the Administrative Code. Non-chartered schools are those schools that choose not to seek a state charter because of truly held religious beliefs. Instead of seeking a charter, these schools are required to submit a notice to the parents of their students and to ODE annually that certifies that the school is in session a minimum of 180 days per year, that the school day is no less than five hours, that teachers and administrators have received a minimum of a bachelor's degree or equivalent from a recognized college or university, and that the

courses of study address required subject areas. There are 330 non-chartered, non-tax supported schools in Ohio.

- *Home education* is authorized by Ohio Administrative Code 3301-34. Parents or guardians who elect to home educate their children must have a minimum of a high school diploma or the equivalent and must provide notice annually to their resident public school district that assures that a minimum of 900 hours of home education will be provided. The assurance must also include an outline of the curriculum for the school year and a list of the textbooks and other learning materials that will be used for the year. In the second year of home education and beyond, the parent or guardian must also submit an academic assessment report that demonstrates that the student is performing at a level of reasonable proficiency. There are currently about 24,000 students registered with their district as being home schooled. Please note that students enrolled in internet-based community schools, or “e-schools” are considered public school students even though their parents may view them as still being home-schooled.

State Assistance for Chartered Nonpublic Schools

Auxiliary Services funds are paid on a per-pupil basis to the public school district where a chartered nonpublic school is located. The public school district, upon request of the nonpublic school, uses auxiliary services funding to provide textbooks, diagnostic, therapeutic, and remedial personnel services, educational equipment and other allowable secular services to the nonpublic school students. In FY 2013, the per-pupil amount for Auxiliary Services is estimated to be \$709.75.

The *Nonpublic Administrative Cost Reimbursement Program* provides an annual reimbursement to chartered nonpublic schools for costs related to mandated administrative and clerical requirements. On average, the per-pupil amount for FY 2013 is estimated to be \$320.59.

The Executive Budget proposes to increase amounts for both of these funds from current levels by 5.5 percent in FY 2014 and by 3.0 percent in FY 2015.

Scholarship Programs

Ohio has four scholarship programs that provide state-funded scholarships to students.

The *Cleveland Scholarship & Tutoring Program* has been in place since the 1996-97 school year and provides scholarships to students who are residents of the Cleveland Municipal School District. The scholarships are funded partially from a deduction from Cleveland’s state funding, and partially from a state GRF set-aside. The maximum Cleveland Scholarship is \$4,250 for students in kindergarten through eighth grade and \$5,000 for students in high school. The tutorial portion of the program is now implemented by the Cleveland Municipal School District by redirecting \$1.0 million of this funding to them. For the first time since the 2004-05 school year, new scholarships were awarded to families who are above the poverty guideline, because of an increase in state subsidy funding through House Bill 487 of the 129th General Assembly. Currently there are slightly more than 5,800 students enrolled in Cleveland private schools supported by the Cleveland Scholarship and Tutoring Program. The number of new scholarship awards for the 2013-14 school year is determined by the amount of funding remaining after current students have renewed their scholarship. Priority is given to low income families when issuing first time awards.

The *Educational Choice Scholarship Program* (EdChoice) has been in place since the 2006-07 school year and has historically provided scholarships to students from public school buildings that have been rated in Academic Watch or Academic Emergency for two of the past three years. House Bill 153 of the 129th General Assembly made students eligible in public school buildings ranked in the lowest 10 percent of all public school buildings statewide in two of the past three years. It should also be noted that House Bill 555, approved this past December, established a new local report card for schools and districts that will not have composite ratings in 2013 and 2014. Therefore, transitional criteria are outlined to determine buildings for which students are eligible for EdChoice scholarships. Once the new report card is fully implemented, the criteria will once again be based on a composite rating.

Currently, EdChoice scholarships are funded through deductions from each student's resident public school district. The maximum EdChoice scholarship is \$4,250 for students in kindergarten through eighth grade and \$5,000 for students in high school. Approximately 15,700 students attend private schools throughout the state supported by the EdChoice Scholarship Program.

The Executive Budget proposes two additional scholarship opportunities through the EdChoice Scholarship program:

- The first would make students eligible for scholarships in public school buildings not making sufficient progress in K-3 literacy. More specifically, students in public school buildings that receive a grade lower than a "C" for the new K-3 Literacy Progress Component of the new report cards for two of the last three school years would be eligible for an EdChoice scholarship. Due to this report card component not being available until August 2014, students will not be eligible through these new criteria until the 2016-17 school year.
- The second would allow students in families below 200 percent of poverty to be eligible for a scholarship regardless of the public school building the students are enrolled. In FY 2014, these scholarships would be available to students entering kindergarten. In FY 2015, scholarships would also be available for first graders. Unlike the other EdChoice scholarships, this pilot would be paid directly rather than through a deduction from the resident school district. Funding totaling \$8.5 million in FY 2014 and \$17 million in FY 2015 is provided (from line item 200666) from the Lottery Profits Education fund.

The *Autism Scholarship Program* gives the parents of children with autism the choice to send their child to an alternative special education program to receive the services outlined in the child's individualized education program (IEP). Generally, any student who has been identified by their public district of residence as autistic and for whom the district has created an IEP qualifies for the Autism Scholarship Program. The scholarship amount, which is capped at \$20,000 per student, may be used to pay for the services specified in the child's IEP or other educational needs identified by the parent or provider. There are approximately 2,400 students currently participating in the Autism Scholarship Program.

The Jon Peterson Special Needs Scholarship Program provides scholarships to students who are eligible to attend kindergarten through 12th grade and have an IEP from their district of residence. The number of scholarships available cannot exceed five percent of the statewide population of students identified with a disability, which currently represents about 11,700

scholarships. Two applications periods are held annually with 1,335 full year scholarships being funded and 473 half year scholarships funded for this first year. The current amount of each scholarship is the lesser of 1) the per pupil formula amount plus per pupil weighted funding, 2) 20,000, or 3) the actual cost of fees charged by the provider. Current award amounts range from \$7,100 to \$20,000 depending on the severity of the disability. The average scholarship amount disbursed for full year scholarship awards for 2012-13 is \$8,650.

The Executive Budget proposes to fund each Jon Peterson Special Needs scholarship at the lesser of 1) the per pupil amount of the opportunity grant plus the categorical per pupil amount aligned to the severity the disability, 2) \$20,000, or 3) the actual cost of fees charged by the provider.

Scholarship Programs Budget

The overall funding for administration of the four scholarship programs is combined with the administration of the Office of Community Schools (in line item 200455) and is proposed to be increased by 10.8 percent in FY 2014 and by 2.2 percent in FY 2015. To streamline operations over the past few biennia and live within budgetary reductions, the Office of Nonpublic Educational Options has been responsible for migrating paper intensive scholarship processes into streamlined electronic applications, reducing the number of ODE staff required for program implementation. As parental choice programs have expanded and eligibility options have increased, not only is additional staff needed for program implementation, but parent mentoring and training has become a focus of the office. This parental support consists of assisting parents with identification and selection of programs best fitting their child's individual need.

Chairman Hayes, Ranking Member Lundy and members of the subcommittee, thank you for this opportunity to appear before you. I would be pleased to answer any questions that you may have.