



Common Sense Initiative

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Business Impact Analysis

Agency, Board, or Commission Name: Ohio Department of Education and Workforce

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Regulation/Package Title (a general description of the rules' substantive content):

Educational Choice Scholarship Program. Rules – 01 Definitions; 04 – Eligibility for program participation; 05 – Application for program participation; 07 Awarding scholarships; 09 Termination of eligibility; 10 – Payment of scholarship amounts; 11 – Participation by chartered nonpublic schools.

Rule Number(s): 3301-11-01; 3301-11-04; 3301-11-05; 3301-11-07; 3301-11-09; 3301-11-10; 3301-11-11.

Date of Submission for CSI Review: _____

Public Comment Period End Date: _____

Rule Type/Number of Rules:

New/ 0 rules

No Change/ 0 rules (FYR?)

Amended/ 6 rules (FYR? N)

Rescinded/ 1 rules (FYR? N)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

- a. ☐ Requires a license, permit, or any other prior authorization to engage in or operate a line of business.
- b. ☐ Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c. ☒ Requires specific expenditures or the report of information as a condition of compliance.
- d. ☐ Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

2. Please briefly describe the draft regulation in plain language. *Please include the key provisions of the regulation as well as any proposed amendments.*

The rules regarding the Educational Choice Scholarship Program are necessary for multiple reasons, for example, they define eligibility criteria, ensure proper use of a scholarship, and explain how the scholarship program is administered by the Ohio Department of Education and Workforce.

Almost all of Chapter 3310 of the Revised Code was either created or amended by H.B. 33 of the 135th General Assembly or later legislation, therefore, changes are necessary to amend language in some of the rules.

- 01: Definitions.
- 04: *Rescinding* - Eligibility for program participation.
- 05: Application for program participation.
- 07: Awarding scholarships.
- 09: Termination of eligibility.
- 10: Payment of scholarship amounts.
- 11: Participation by chartered nonpublic schools.

3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

Authorized by: 3301.17
Amplifies: 3310.01 through 3310.17

4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?
If yes, please briefly explain the source and substance of the federal requirement.

No

5. If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.

N/A

6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

The Educational Choice Scholarship (EdChoice) Program provides students from designated public schools the opportunity to attend participating private schools. The scholarship program also provides students who are entering kindergarten through 12th grade scholarship opportunities based on different eligibility criteria.

7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

The Department tracks the number and processing time of EdChoice and EdChoice Expansion program applications, program awards, and the time necessary to process scholarship award payments.

8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No.

Development of the Regulation

9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

If applicable, please include the date and medium by which the stakeholders were initially contacted.

The Department of Education and Workforce sought feedback on the current rules through an open comment period. On January 24, 2025, the Department published on its website for public comment the current Chapter 11 rules. Notices to stakeholders regarding the posting were sent via the EdConnection and GovDelivery.

10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

The Department posted the current rules on its website for public comment. The Department received 23 comments, the majority of which concerned simplifying the process for receipt of scholarships via electronic means rather than through the regular mail.

- Scholarship payments by mail.

Stakeholders expressed the desire to have scholarship payments conveyed electronically rather than by paper check.

- Notification of award determination or termination by regular mail.

The rules are being amended to update the means of communication from regular mail to email.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

No scientific data was utilized to develop the rules in OAC Chapter 3301-11. Data regarding processing time for payment of scholarship awards, however, was reviewed to determine if the rules could be made more customer friendly. As a result of the review, a decision was made to better clarify timelines for processing scholarship payments.

12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?
Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to

comply.

None.

13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

Through comparing scholarship programs, the Department confirmed that the EdChoice and EdChoice Expansion Scholarship Programs do not duplicate services offered by another scholarship program.

14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Department will implement a communication plan for families and schools, offer information sessions for families and regional and virtual training for schools, and monitor workflow related to review and approval of application and payment of invoices. The Department monitors program productivity measures and requires annual staff training.

Adverse Impact to Business

15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:

a. Identify the scope of the impacted business community, and

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b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a representative business. Please include the source for your information/estimated impact.

N/A

16. Are there any proposed changes to the rules that will reduce a regulatory burden imposed on the business community? Please identify. (*Reductions in regulatory burden*)

may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors).

Clarity to timelines and providing applications and supporting information earlier should help reduce the burden on schools.

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

Implementation of the rules require the ability to track participation at the student level and ensure accuracy of scholarship payments.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

No.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

No fines are levied.

20. What resources are available to assist small businesses with compliance of the regulation?

The Department provides training and technical assistance for schools. All schools are assigned a specific point of contact in the Department to help address any issues and concerns.