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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 262  
133<sup>rd</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Williams

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### SUMMARY

- Requires the Department of Education to pay state funding for students enrolled in community schools and science, technology, engineering, and mathematics (STEM) schools directly to those schools.
- Requires the Department to pay scholarships under the Educational Choice Scholarship Pilot Program, the Autism Scholarship Program, the Jon Peterson Special Needs Scholarship Program, and the Pilot Project (Cleveland) Scholarship Program using funds appropriated specifically for that purpose.
- Makes an appropriation.

### DETAILED ANALYSIS

#### Direct payment of community and STEM school funding

The bill requires the Department of Education to pay state funding for students enrolled in community schools and science, technology, engineering, and mathematics (STEM) schools directly to those schools. Under current law, these funds are first paid to the students' resident school districts, then deducted from those districts' foundation funding, and transferred to the students' community schools and STEM schools.<sup>1</sup>

The school funding system in existing law provides the following per-pupil payments to community schools and STEM schools: (1) an opportunity grant equal to the formula amount (currently \$6,020), (2) targeted assistance funds, (3) special education funds, (4) kindergarten

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<sup>1</sup> R.C. 3314.08, 3314.085, 3326.33, and 3326.41; Sections 265.10, 265.170, 265.220, 265.230, and 265.235 of H.B. 166 of the 133<sup>rd</sup> General Assembly, as amended in Section 4 of the bill; conforming changes in numerous R.C. sections.

through third grade literacy funds, (5) economically disadvantaged funds, (6) English learner funds, and (7) career-technical education funds. However, if a community school is an internet- or computer-based community school (e-school), the funding system provides per-pupil payments for only the opportunity grant, special education funding, and career-technical education funding.<sup>2</sup>

Additionally, a community school receives a payment if it chooses to transport its own students who are in grades K-8 and live more than two miles from school (rather than the resident district or districts of the school's students providing that transportation).<sup>3</sup>

## **Direct payment of state scholarships**

The bill requires the Department to pay scholarships under the Educational Choice (Ed Choice) Scholarship Pilot Program, the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program using funds appropriated specifically for that purpose. Currently, these scholarships are deducted from the foundation funding of the resident school districts of the scholarship recipients.<sup>4</sup>

The bill also requires the Department to pay scholarships under the Pilot Project (Cleveland) Scholarship Program using funds specifically appropriated for that purpose. Existing law provides for these scholarships to be paid using a combination of funds appropriated specifically for that purpose and an amount deducted from the Cleveland Municipal School District's foundation funding.<sup>5</sup>

## **Background on current scholarship programs**

### **Educational Choice Scholarship Program**

The Ed Choice Scholarship Program operates statewide in every school district except Cleveland to provide scholarships for students who (1) are assigned or would be assigned to district schools that have persistently low academic achievement or (2) are from low-income families. Students may use their scholarships to enroll in participating chartered nonpublic schools.

The amount awarded under the program is the lesser of the tuition charges of the school, minus certain tuition discounts, or the maximum scholarship award. The maximum scholarship award is \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12.

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<sup>2</sup> R.C. 3314.08 and 3326.33.

<sup>3</sup> R.C. 3314.091.

<sup>4</sup> R.C. 3310.08, 3310.41, 3310.51, 3310.54, and 3310.56; Sections 265.10, 265.170, 265.210, and 265.220 of H.B. 166 of the 133<sup>rd</sup> General Assembly, as amended in Section 4 of the bill; conforming changes in numerous R.C. sections.

<sup>5</sup> Sections 265.10, 265.170, 265.210, and 265.220 of H.B. 166 of the 133<sup>rd</sup> General Assembly, as amended in Section 4 of the bill.

For students who qualify based on the performance of their resident districts' schools, the scholarships are deducted from the districts' state aid accounts. For students who qualify based on family income, the scholarships are paid from a specific appropriation of the General Assembly.<sup>6</sup>

### **Autism Scholarship Program**

The Autism Scholarship Program provides scholarships to autistic students in any of grades preK-12 whose parents choose to enroll the student in an approved special education program other than the one offered by the student's school district. The scholarships are the lesser of the total fees charged by the alternative provider or \$27,000. Each Autism Scholarship student is included in the student count of the student's resident district for purposes of the state funding formula. The amount of the scholarship is then deducted from the resident district's state aid and paid to the alternate provider.<sup>7</sup>

### **Jon Peterson Special Needs Scholarship Program**

The Jon Peterson Special Needs Scholarship Program is similar to the Autism Scholarship Program except that it is available to all disabled students in grades K-12. Funding for the program is provided in the same way as that of the Autism Scholarship Program, through a transfer of state aid from the resident district to the alternate provider. Likewise, scholarship students are also counted in their district's count for the purposes of the state funding. Under current law, the amount of the scholarship cannot exceed \$27,000 and is the lesser of the tuition charged by the alternate provider or the special education funding calculated for the student, which is the formula amount plus the applicable special education amount used to calculate funding for the student under the formula for traditional school districts.<sup>8</sup>

### **Pilot Project (Cleveland) Scholarship Program**

The Cleveland Scholarship Program allows students who are residents of the Cleveland Municipal School District to obtain scholarships to attend participating nonpublic schools. The scholarships are the lesser of the tuition charged by the alternative provider or the maximum scholarship award. The maximum scholarship award is \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. In general, scholarship students are not counted in Cleveland's average daily membership (ADM) for funding purposes. A portion of Cleveland's state aid has been earmarked in the state operating budget to be used to help fund this program. The rest of the funding for the program comes from the state general revenue funds (GRF) without any deduction from Cleveland.<sup>9</sup>

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<sup>6</sup> R.C. 3310.01 to 3310.17, none in the bill except for R.C. 3310.08.

<sup>7</sup> R.C. 3310.41 to 3310.43, none in the bill except for R.C. 3310.41.

<sup>8</sup> R.C. 3310.51 to 3310.64, none in the bill except for R.C. 3310.54 and repealed R.C. 3310.55.

<sup>9</sup> R.C. 3313.974 to 3313.979, none in the bill.

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## HISTORY

Action	Date
Introduced	01-27-20

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