



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 368
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. O'Brien

Allison Schoeppner, Research Analyst

SUMMARY

- Expands eligibility for Educational Choice scholarships to all students beginning with scholarships sought for the 2023-2024 school year.
- Ceases operation of the Pilot Project (Cleveland) Scholarship Program on July 1, 2023.
- Increases the amount of homeschooling expenses that a taxpayer can claim as an income tax credit each year, from \$250 to \$2,000.
- Entitles the act the "Parent Educational Freedom Act."

DETAILED ANALYSIS

Ed Choice scholarship eligibility

Beginning with Educational Choice (Ed Choice) scholarships sought for the 2023-2024 school year, the bill qualifies for a first-time scholarship all students entering any of grades K-12 statewide. To conform current Ed Choice law to the bill's changes, the bill does the following:

1. Ceases qualification for a first-time scholarship under the performance- or income-based or other eligibility criteria;
2. Eliminates a prohibition against a Cleveland resident receiving an Ed Choice scholarship;
3. Eliminates a requirement that any student eligible for both a performance-based and income-based scholarship take a performance-based scholarship.¹

¹ R.C. 3310.03 and 3310.032(A)(2); R.C. 3310.035 and 3310.05 (both repealed); and conforming in R.C. 3310.031, 3310.033, 3310.034, 3310.036, and 3310.07.

Finally, the bill permits a student who received a performance-based scholarship for the 2022-2023 school year to renew that scholarship until the student completes grade 12 without meeting the current law renewal requirement to remain in the same resident school district or to transfer to a new district and be assigned to an Ed Choice designated, district-operated school. That student still must, however, meet state testing and absences criteria under continuing law.²

Cleveland Scholarship Program sunset

The bill requires the Superintendent of Public Instruction to cease operating the Pilot Project (Cleveland) Scholarship Program on July 1, 2023, and relieves the Department of Education of any duty regarding that program on and after that date.³

The bill further requires the Department to award an Ed Choice scholarship for the 2023-2024 school year to each student who received a Cleveland scholarship for the 2022-2023 school year.⁴

Background on scholarship programs

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 school buildings that have persistently low academic achievement (known as “traditional” or “performance-based” Ed Choice), (2) are from low-income families (known as “income-based” Ed Choice Expansion), or (3) meet one of the other prescribed eligibility criteria. Students may use their scholarships to enroll in participating chartered nonpublic schools.

The Pilot Project (Cleveland) Scholarship Program allows students who are residents of the Cleveland Municipal School District to obtain scholarships to attend participating nonpublic schools or public schools in adjacent districts.

Homeschool expense tax credit

The bill makes two changes to an existing income tax credit for homeschooling expenses. The nonrefundable credit allows taxpayers who homeschool one or more of their dependents to claim a credit for expenses like books, supplies, and computer software.

First, the bill increases the amount of credit that a taxpayer can claim per year, from \$250 to \$2,000. Second, the bill specifies that this cap applies to the total expenses paid by both the taxpayer and the taxpayer’s spouse, if the two file a joint return. Both changes apply to taxable years ending on or after the bill’s 90-day effective date.⁵

² R.C. 3310.03.

³ R.C. 3313.975.

⁴ R.C. 3313.975.

⁵ R.C. 5747.72 and Section 4.

HISTORY

Action	Date
Introduced	11-29-22
