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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Office

H.B. 567  
135<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Robinson and Brennan

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### SUMMARY

- Revises the operation of the Ed Choice Scholarship Program, including regarding student eligibility, prioritization of awarding of scholarships, scholarship amounts, certification of student family income, and applications.
- Requires the proration of Ed Choice and Cleveland scholarship amounts based on a recipient's application date, rather than date of enrollment as under current law.
- Permits the Department of Education and Workforce to require an Ed Choice or Cleveland scholarship applicant to submit a complete state or federal income tax return to determine a student's family income.
- Permits the Department to require income verification for a traditional Ed Choice scholarship recipient or as part of the Cleveland, Autism, or Jon Peterson Special Needs scholarship programs.
- Restores former law that limits which private schools may register to participate in the Cleveland Scholarship Program based on the school's grade levels and location.
- Entitles the bill as the EdChoice Fair Fiscal Responsibility Act.

### DETAILED ANALYSIS

#### Ed Choice Scholarship Program

The bill revises the operation of the Ed Choice Scholarship Program. Under current law, the program operates statewide in every school district except Cleveland to provide scholarships mainly 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) or (2) entering any of grades K-12 (known as "income-based" Ed Choice Expansion). Continuing law also qualifies for traditional Ed Choice scholarships certain other categories of students as well, including foster children.

Students who qualify for a traditional Ed Choice scholarship or who have a family income at or below 450% of the federal poverty level (FPL) and qualify for an Ed Choice Expansion scholarship receive full scholarship amounts. Students with a family income above 450% FPL and qualify for an Ed Choice Expansion scholarship receive scholarship amounts that are prorated based on family income. Students may use their scholarships to enroll in participating chartered nonpublic schools.<sup>1</sup>

### **Traditional Ed Choice eligibility**

The bill limits eligibility for a traditional Ed Choice scholarship by eliminating the performance-based eligibility criteria for a first-time scholarship sought on and after the bill's effective date. The bill does not affect the eligibility of a student who received a scholarship under the performance-based eligibility criteria prior to that date to renew that scholarship. Nor does the bill affect the eligibility to receive a first-time traditional Ed Choice scholarship, or renew such scholarship, under the other eligibility criteria established under continuing law to receive a traditional scholarship (for example, students who are eligible on the basis of being a sibling of a scholarship recipient or on the basis of being a foster child).<sup>2</sup>

### **Ed Choice Expansion changes**

#### **Eligibility**

The bill limits eligibility for an Ed Choice Expansion scholarship by restoring former law, in effect prior to the enactment of H.B. 33 of the 135<sup>th</sup> General Assembly (effective October 3, 2023), that qualified a student for a scholarship only if:

1. The student had a family income at or below 250% of the FPL; or
2. The student's sibling received a scholarship for the school year for which the student is seeking a scholarship or the immediately prior school year.<sup>3</sup>

#### **Priority order**

The bill also addresses how the Department of Education and Workforce must prioritize awarding scholarships if the number of eligible students who apply for a scholarship exceeds the number of scholarships available based on appropriations. Specifically, the Department first must award scholarships to renewing scholarship students. The Department then must award scholarships to other eligible students in rank order of family income according to FPL. Lower income students must have priority over higher income students.<sup>4</sup>

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<sup>1</sup> R.C. 3310.01 to 3310.17, some of which are not in the bill.

<sup>2</sup> R.C. 3310.03; conforming in R.C. 3310.035, repealed.

<sup>3</sup> R.C. 3310.032(A).

<sup>4</sup> R.C. 3310.032(D).

## Scholarship amount

The bill eliminates current law enacted in H.B. 33 of the 135<sup>th</sup> General Assembly regarding Ed Choice Expansion scholarship amounts. First, it eliminates the law that establishes specific scholarship amounts for first-time scholarship recipients with a family income above 450% FPL in the 2023-2024 school year. It also eliminates the law that establishes a logarithmic function formula to determine scholarship amounts for students with family incomes above 450% FPL in the 2024-2025 school year and each year thereafter.<sup>5</sup>

In addition, the bill prorates a student's scholarship amount, or disqualifies a student from receiving a scholarship, based on whether the student's family income rises above the 250% FPL income eligibility threshold for a first-time scholarship. Under the bill, if a student's family income is:

1. Above 250% FPL, but at or below 300% FPL, the student's scholarship amount is 75% of the full amount;
2. Above 300% FPL, but at or below 400% FPL, the amount is 50% of the full amount;
3. Above 400% FPL, but at or below 450% FPL, the amount is 25% of the full amount;
4. Above 450% FPL, the student is disqualified from receiving a scholarship.<sup>6</sup>

Prior law prorating scholarship amounts based on rising family income was eliminated by H.B. 583 of the 134<sup>th</sup> General Assembly (effective September 23, 2022).

## Methods to certify income eligibility

The bill requires, rather than permits as under current law, a student's parent or guardian to certify income eligibility by submitting to the Department an affidavit affirming eligibility, proof of income eligibility under another state or federal program, or other evidence determined appropriate by the Department.<sup>7</sup>

## Name

The bill renames "Ed Choice Expansion" scholarships as "Ed Choice Voucher" scholarships.<sup>8</sup>

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<sup>5</sup> R.C. 3310.08, repealed, and Sections 265.275, 265.277, and 265.571 of H.B. 33 of the 135<sup>th</sup> General Assembly, repealed; conforming in R.C. 3317.022(A)(10)(a).

<sup>6</sup> R.C. 3310.032(E).

<sup>7</sup> R.C. 3310.032(A)(2)(b).

<sup>8</sup> R.C. 3310.032(A).

## **Ed Choice scholarship applications**

The bill eliminates a prohibition against a city, local, or exempted village school district from accessing an Ed Choice application. Instead, the bill requires the Department to notify each school district of each of its resident students who is approved for a scholarship.<sup>9</sup>

## **Other state scholarship program changes**

### **Scholarship amount proration based on application date**

The bill eliminates law enacted in H.B. 33 of the 135<sup>th</sup> General Assembly that, for an Ed Choice or Cleveland scholarship recipient who submits an application on or after October 15 of the school year for which a scholarship is sought, prorates the recipient's scholarship amount based on how much of the school year remains after the recipient's chartered nonpublic school enrollment date.

In that provision's place, the bill restores former law, which requires the Department to prorate the scholarship amount of a recipient who submits an application after the start of the school year for which a scholarship is sought. Specifically, under the bill, a scholarship amount is prorated based on how much of the school year remains after the application's submission date.<sup>10</sup>

### **Tax return information**

The bill eliminates current law, enacted in H.B. 33 of the 135<sup>th</sup> General Assembly, that:

1. Prohibits the Department from requiring the parent of an Ed Choice or Cleveland scholarship applicant to submit a complete state or federal income tax return to determine a student's family income; and
2. Permits the Department to require a partial state or federal income tax return that only contains the minimum amount of information necessary to determine family income.<sup>11</sup>

### **Income verification**

The bill eliminates law enacted in H.B. 33 of the 135<sup>th</sup> General Assembly, which generally prohibits the Department from requiring income verification from traditional Ed Choice scholarship recipients or as part of the Cleveland Scholarship Program, the Autism Scholarship Program, and the Jon Peterson Special Needs Scholarship Program.<sup>12</sup>

### **Private schools and Cleveland Scholarship Program**

The bill restores former law, eliminated in H.B. 33 of the 135<sup>th</sup> General Assembly, which limits whether a private school may participate in the Cleveland Scholarship Program based on

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<sup>9</sup> R.C. 3310.16(D).

<sup>10</sup> R.C. 3310.16(A)(1) and 3313.978(H).

<sup>11</sup> R.C. 3310.13(D) and 3313.976(E).

<sup>12</sup> R.C. 3310.03(H), 3310.41(I), 3310.52(D), and 3313.975(E); conforming change in R.C. 3365.07(C)(2).

the school’s location and grade levels offered. Under the bill, a private school may register to participate in the program only if it:

1. Offers any of grades K-12 and is located in the Cleveland Municipal School District;
2. Offers any of grades K-12 and is located in a municipality with a population of 15,000 or more that is located within five miles of the Cleveland Municipal School District; or
3. Offers any of grades pre-K-8, but not grades 9-12, and is located in a municipal corporation that has a population greater than 10,000, but less than 13,000, and that is within five miles of the Cleveland Municipal School District and in Cuyahoga County.<sup>13</sup>

## HISTORY

Action	Date
Introduced	05-15-24

ANHB0567IN-135/ks

<sup>13</sup> R.C. 3313.976(A); conforming change in R.C. 3313.978.