

## **Proposed Short-Term Changes to Ohio Law EdChoice Voucher Program; Policy & School Building Eligibility**

### **“And” versus “Or”**

The criteria for school building eligibility for the EdChoice Voucher program was changed in law making it much easier for school buildings to become EdChoice eligible. Beginning with school year 2012-2013, buildings with a D or F grade for BOTH the Value-Added component AND the Performance Index component were EdChoice eligible.

Since that time, the criteria changed causing a building to become EdChoice eligible if it met one of those triggers, rather than both. Now, a building is eligible if it received:

- Overall building grades of D or F, OR
- Value Added grade of F; OR
- Performance index ranking in the bottom 10% of all buildings ranked; OR
- Four-year graduation rate grade of D or F; OR
- K-3 Literacy grade of D or F; OR
- Building is in a district subject to an academic distress commission.

Ohio went from having 120 EdChoice eligible buildings in the last school year to an expected 1200+ buildings in 2020-2021. 582 of those buildings received overall grades of either “A,” “B,” “C” on the 2018-2019 report card.

***Solution:*** Buildings must have two or more of the above components with D or F grades before qualifying as EdChoice eligible.

### **Default EdChoice Program**

Ohio law currently requires that if a student qualifies for an EdChoice voucher both through the income-based EdChoice criteria and the report card performance of their building, the default is the EdChoice voucher based on building eligibility. This means that even though the student would qualify for a state-paid voucher, the payment for the voucher must come from the school district.

Since the original premise for offering vouchers to students was the notion that some students’ families may not have the wherewithal to access a different education “choice” because of the cost of tuition, the income-based EdChoice voucher program ought to be the default for students who qualify for both programs.

***Solution:*** Replace the current default mechanism in Ohio law to make the income-based voucher the default when a student qualifies for both programs.

### **Safe Harbor**

Ohio appropriately put in place a “safe harbor” provision for the school years 2014-2015, 2015-2016 and 2016-2017, to allow time for school districts to adjust to new testing requirements,

the phase-in of the new report card and other accountability changes. By law, the “safe harbor” meant that performance during those three school years could not be counted toward sanctions such as eligibility for the EdChoice voucher program.

However, once the “safe harbor” period ended, Ohio law was not amended to remove the restriction against using those years for determining EdChoice eligibility. That means, if a building’s performance improved over the “safe harbor” period, the improvement could not be used to keep the building from becoming EdChoice eligible.

Instead, the requirement that report card data from “two of the most recent three years” be used for this determination meant that data from school years 2012-2013 and 2013-2014 (along with 2017-2018) were used for the current year’s eligibility. For example, the performance of students who graduated in the class of 2016 is being used to determine EdChoice eligibility.

***Solution:*** *If building performance improved during the “safe harbor” years, ODE should be directed to utilize that data when determining EdChoice eligibility.*

### **K-3 Literacy**

Buildings are considered EdChoice eligible if they have a D or F grade for K-3 Literacy. Currently, almost half the elementary school buildings in the state receive a D or F in K-3 Literacy. This is largely due to the fact that the K-3 Literacy component is flawed and does not accurately reflect the overall K-3 Literacy performance. It simply measures how successful districts and buildings are at moving students from “off track” to “on track” in order to be proficient under Ohio’s Third Grade Reading Guarantee. This means a building may become EdChoice eligible because of the performance of a small percentage of its students were not moved to “on track.”

***Solution:*** *Remove the K-3 Literacy measure from the criteria that makes a building EdChoice eligible.*

Long term, the K-3 Literacy measure on the report card needs to be changed to accurately reflect the building’s performance.

### **Two of the Most Recent Three Years**

Currently, EdChoice eligibility is based on data from two of the most recent three years (except the safe harbor years – see above). This criterion may be punishing buildings that have made improvement or have one year when performance slipped somewhat, but overall performance continues to improve.

***Solution:*** *Require that performance be measured by “three consecutive years”.*

### **Value Added**

Some improvements were made in HB 166, the biennial budget bill, to better reflect district performance on the value-added progress dimension of the report card. The first improvement was the rescaling of grades based on standard error. The legislation also changed the

“demotion” component of value-added. Previously, a district could not be assigned an “A” if any subgroup scored below a “B.” New legislation changes the subgroup performance to a “C” or higher. These changes ensure that a school’s or district’s progress is evaluated more accurately.

However, the criteria for EdChoice eligibility continues to allow years when this change was not in effect to determine a building’s fate.

***Solution:*** *Require ODE to recompute the overall building grades for the school years that will affect EdChoice eligibility to match the legislature’s own conclusion that the old law was unfair as evidenced in HB 166.*

### **Overall Building Grades**

Ohio currently has buildings that are considered high performing (overall grade of A, B or C) on the list of buildings whose students qualify for EdChoice vouchers due to the problems and inconsistencies already listed. While the suggested changes may alleviate some of the EdChoice building designations, it is inconceivable that a building be EdChoice eligible when it has an overall passing grade.

***Solution:*** *Any building receiving an overall grade of A, B or C should not be subject to EdChoice eligibility and should be removed from eligibility list. Overall building grade is already being used to exempt high performing buildings from some EdChoice eligibility triggers.*

### **High School Students Already Attending Private Schools**

The EdChoice Voucher program has long required students (except for kindergarten) to attend a public school prior to applying for a voucher. This practice serves to ensure the state’s investment in private school tuition is aimed at students who otherwise would not be able to exercise an educational “choice.” The payment of private school tuition would not be directed toward students whose parents were already paying tuition and would not have otherwise attended an EdChoice eligible building. Furthermore, the district of residence would receive state funding through the formula for the student as the student would be counted in the district’s enrollment.

However, changes in HB 166 now allow students who have never attended a public school to qualify for a voucher to attend a private high school, if the public high school of residence is a designated as an EdChoice-eligible building. School districts have not received any state funding for these students due to HB 166 providing funding at FY 19 levels which did not include these students in the district’s enrollment count, yet the full voucher amount will be deducted from the district’s payments. Once a student receives the voucher, they are eligible to receive it for the rest of their K-12 educational career.

***Solution:*** *Reverse the change in HB 166 and require high school students to attend a public school in the year prior to applying for an EdChoice voucher.*

### **Short-Term Relief**

For a number of reasons cited above, districts are experiencing extreme increases in the number of vouchers being deducted from state payments. At the same time, foundation funding for education has been frozen at FY19 levels, so no additional state funds have been made available to cover the state share of the cost of vouchers.

While districts have received Student Wellness and Success Funds (SWSFs) for this biennium, these funds are purposed for removing “non-educational barriers to student success.” They cannot be used to pay for EdChoice vouchers. Also, while districts can supplant funds already being spent on qualifying expenditures with SWSFs, this does not account for normal increases in educational costs, nor does it offset the extreme increases in deductions for EdChoice vouchers.

***Solution:*** *The state should directly fund new vouchers by providing a state appropriation to cover the full cost of any new vouchers awarded during the current biennium.*