

Creating great school options for all Ohio students

Recommendations to strengthen educational choice
in the Buckeye State

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Summary

Ohio has a long history of empowering parents with educational options for their children. Today, more than 250,000 of the state's 1.6 million students attend public charter schools, enroll in private schools with the support of state-funded scholarships, or participate in interdistrict open enrollment. Yet much more remains to be done. High-quality options are still badly needed in many parts of the state, as more than 450,000 students attended schools that scored poorly on Ohio's most recent ratings. Inequitable funding policies continue to stifle the growth of excellent schools. And while many more parents have options today, there remains an enduring moral imperative to ensure that *all* families have opportunities to select schools that match their child's learning needs and deliver a high-quality education. This policy brief outlines specific ways that Ohio lawmakers could continue the push for more and better educational options. Recommendations focus on improving funding for charter schools, expanding eligibility for private school scholarships, and making interdistrict open enrollment a reality throughout the state.



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Introduction

Education analysts have called 2021 the “[year of school choice](#),” and rightly so. Though choice programs have for decades unlocked new opportunities for U.S. students, the pandemic revealed just how critical schooling options are for parents. With districts struggling to “pivot,” thousands of parents flocked to public charter schools and private schools that more [nimblely adapted to the new reality](#). Others took matters into their own hands by homeschooling their children or forming pods and microschools, sometimes with the aid of online curricular offerings. Recognizing the urgent need to support families seeking alternatives, lawmakers [across the nation](#) passed dozens of measures that expanded school choice programs.

To their credit, Ohio policymakers also greatly strengthened our state’s choice programs. Via [last year’s biennial budget](#), they eliminated geographic restrictions on new charters, boosted private school scholarship amounts, and provided some tax relief for homeschooling parents (among other reforms). Legislators should continue building on this work in the next state budget cycle in spring 2023. With their support, Ohio can move even closer to being a place that supports a diversity of schools with varying approaches to teaching and learning and gives parents throughout the state a choice among those alternatives.

As lawmakers consider choice-related policy ideas, they should focus on four core principles:

- [Empowerment](#): Policymakers should empower parents with educational options, allowing them to find a school that meets the unique needs of their child.
- [Fairness](#): Policymakers should treat schools evenhandedly and avoid favoring one delivery model over another.
- [Quality](#): Policymakers should push for academic excellence in all schools and actively support the growth of effective schools.
- [Transparency](#): Policymakers should ensure that parents receive clear, impartial information about the academic quality of their options as well as their educational offerings.

Based on these concepts, we offer recommendations aimed at achieving three main objectives: (1) growing excellent public charter schools; (2) giving more parents access to and better information about private schools; and (3) expanding access to quality district-run schools via open enrollment.

Grow excellent public charter schools

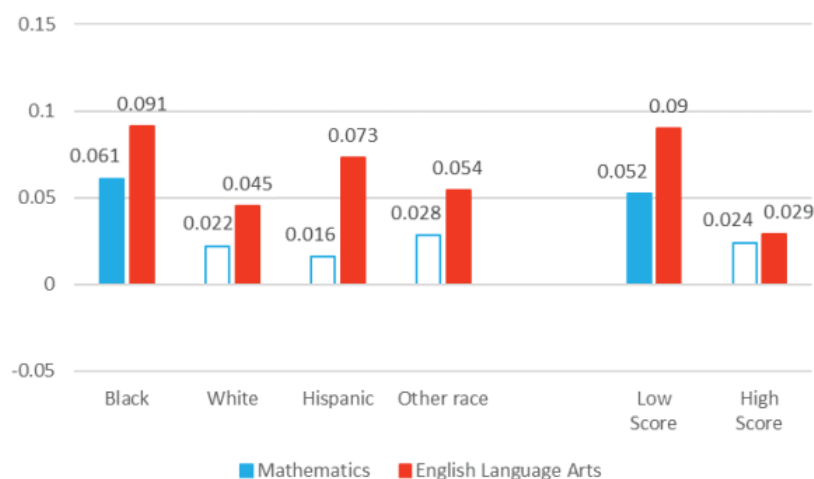
Since their debut in fall 1998, Ohio’s charter schools—publicly funded, nonprofit, open-enrolling, and tuition-free schools—have become a major part of the state’s education ecosystem. Today, charters—referred to in statute as “community schools”—educate more than 110,000 students, a large majority of whom live in the state’s urban communities and are economically disadvantaged.

One of the basic tenets of the charter model is heightened accountability for results in exchange for greater autonomy in school operations. Ohio operationalizes that idea by holding charters accountable through both the state’s assessment-and-report-card system and charter sponsors—entities that oversee schools, are rigorously evaluated by the state, and have the authority to close low performers. At the same time, the state gives charters greater freedoms, permitting them to operate independently

of school districts and under a slightly less bureaucratic governing model. This policy framework has supported the growth of distinctive charters in Ohio. Among them we see high-challenge (i.e., “no excuses”) schools that make it their mission to prepare low-income students for college, charters that specialize in serving specific student groups (e.g., special education or gifted), and schools that focus on STEM, the arts, or career and technical education.

The charter model delivers not only different types of education but also superior results. While Ohio’s charter sector formerly struggled with outcomes, in recent years, Ohio’s brick-and-mortar charters have outperformed comparable traditional districts on state math and ELA exams. As the figure below indicates, Black and Hispanic children make significant academic gains when attending these schools. Combining results in math and reading, the gains for Black charter students are equivalent to moving from the twenty-fifth percentile at the beginning of fourth grade to the fortieth percentile by the end of eighth grade.

Figure 2. Annual impact of charter schools on achievement by race/ethnicity and prior achievement (2016–19)



Source: Stéphane Lavertu, *The Impact of Ohio Charter Schools on Student Outcomes, 2016–19* (Columbus, OH: Thomas B. Fordham Institute, 2020), <https://fordhaminstitute.org/ohio/research/impact-ohio-charter-schools-student-outcomes-2016-19>.

Note: This figure displays annual learning gains (in standard deviations) of students in grades 4–8 attending Ohio brick-and-mortar charter schools (as opposed to attending traditional district schools). Filled bars indicate significant positive effects, while empty bars are not statistically significant.

Despite these strong results, charters have been underfunded, constraining their ability to grow and educate more students. Charter schools located in Ohio’s largest cities receive roughly 75 cents on the dollar compared to the cities’ traditional district schools—a shortfall of more than \$3,000 per pupil. The discrepancy is rooted primarily in local tax funding: Save for a few Cleveland schools, charters receive no local dollars, while districts generate hundreds of millions from property taxes. Because of these funding inequities, charters struggle to pay competitive salaries, making recruiting and retaining talented educators a huge challenge. Though charters receive a modest per-pupil amount to cover facility operations and maintenance, they are excluded from public funding programs that support larger building construction and renovation projects. Hence, securing an adequate facility remains yet another barrier to charter school growth.

Policy recommendations

To encourage the growth of excellent charter schools, Ohio lawmakers should do the following:

- 1. Increase and incorporate into charters' funding formula the quality community school support fund.** For FYs 2020–23 the legislature approved much-needed [supplemental funds](#) intended to narrow funding gaps and help highly effective charters expand. Having met stringent performance criteria, about one-third of Ohio charters currently receive these extra dollars. In the next biennial budget, lawmakers should increase funding for this critical program to \$2,000 per economically disadvantaged student and \$1,250 per nondisadvantaged pupil (up from \$1,750 and \$1,000, respectively). They should also ensure that these dollars are here to stay by including the program in the state's charter funding statute, rather than using temporary appropriation language.
- 2. Include charters in the “targeted assistance” formula.** The vast majority of Ohio districts receive additional state dollars through a roughly \$1 billion funding component known as “targeted assistance.” Charter schools, even though they received some of these funds in past budgets, are currently left out of this funding stream. As a matter of basic equity, state lawmakers should provide charters per-pupil targeted assistance amounts equal to the district in which they are located. This would send about \$1,000 more per pupil to high-poverty charters in cities like Cleveland and Dayton, though perhaps not to schools in Cincinnati and Columbus, as those districts do not presently receive targeted assistance.
- 3. Raise charters' facility allowance to better cover building costs.** Ohio currently provides brick-and-mortar charter schools a \$500 per-pupil allowance to help with facility costs. That's less than half the roughly \$1,100 per pupil that districts spend to operate and maintain a facility. Ohio should more adequately support charters' facility operational needs by increasing the allowance to \$1,000 per pupil.
- 4. Create a credit-enhancement program to make school construction or renovation more affordable.** Lacking access to the ballot box for local bond revenues and to state-supported school construction programs, charters must seek alternative routes to finance sizable capital projects. Private investors are an option, yet they're likely to demand high interest rates. To reduce debt-servicing expenses, several states have created credit-enhancement programs for charters. In an approach pioneered by Colorado, the state would step in—through what's called a “[moral obligation](#)”—if a school is unable to make a payment. The Colorado program has supported dozens of charter facility projects and saved schools an estimated [\\$100 million](#) in financing costs. Ohio could and should do something similar for its charter schools.

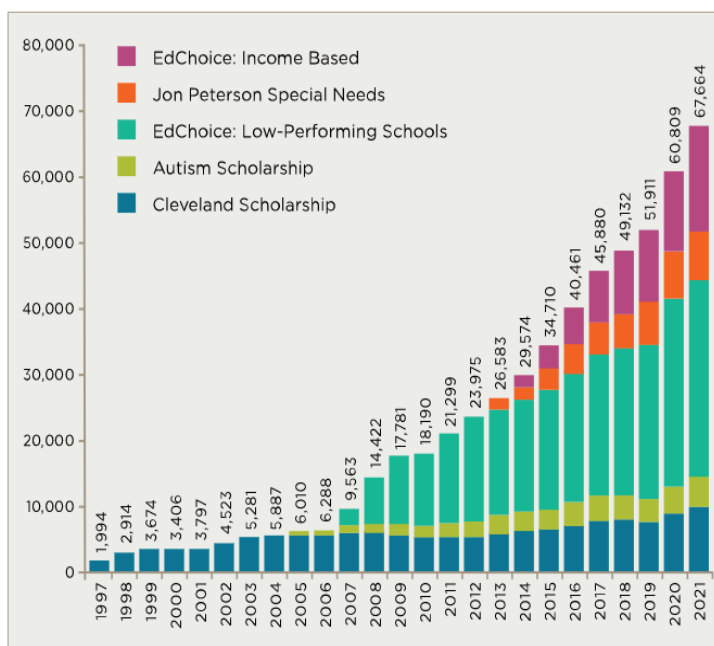
Give more parents access to—and better information about—private schools

Private schools have historically been less accessible to low- and middle-income families because they charge tuition. But starting with the Cleveland Scholarship and Tutoring Program in 1997, Ohio has gradually expanded access to private schools through state-funded vouchers (a.k.a. scholarships). Ohio now offers five separate voucher programs: the original one in Cleveland, plus two special-needs scholarships and two EdChoice programs. One EdChoice program bases scholarship eligibility on household income, and the other bases eligibility on the academic performance of a child’s public school. As the chart below shows, participation has grown significantly, reflecting expanding eligibility as well as mounting parental interest in school options.

Again, however, much remains to be done in this realm. The [EdChoice voucher](#) is still out of reach for many middle-income families. In 2021–22, families of four with yearly household incomes below \$66,225 are eligible; that number, however, largely excludes dual-earning families where both parents work in modest-paying professions. For example, a family where one parent works as a police officer for \$45,000 and another as a nurse for \$45,000 would be ineligible for income-based EdChoice scholarships for their children. Eligibility for a performance-based voucher is also limited: Students from just 15 percent of district public schools qualify, mostly from schools located in and around Ohio’s large cities.

Nor has Ohio done enough on the supply side to encourage the creation of additional private school seats. The state offers no “seed” grants to help launch new private schools, nor are there any facility supports. Even the state’s private school approval process gets in the way of startups. Because of bureaucratic hoops, new schools cannot receive funds for voucher students in their first months of operation.

Ohio also needs to improve transparency for private schools’ academic outcomes so that families can make well-informed choices. Currently, the state only publishes raw test-score data of voucher students, with no growth results that would provide a more complete picture of school quality. Parents shouldn’t have to struggle to find academic results as they search for schools that might be a good fit. As the University of Notre Dame’s Nicole Stelle Garnett [writes](#), “[Private school] regulations should aim to give parents the information needed to make wise choices, thereby enabling them to hold schools accountable through enrollment decisions.”



Source: Thomas B. Fordham Institute, “Ohio by the Numbers,” <https://www.ohiobythenumbers.com>.

Policy recommendations

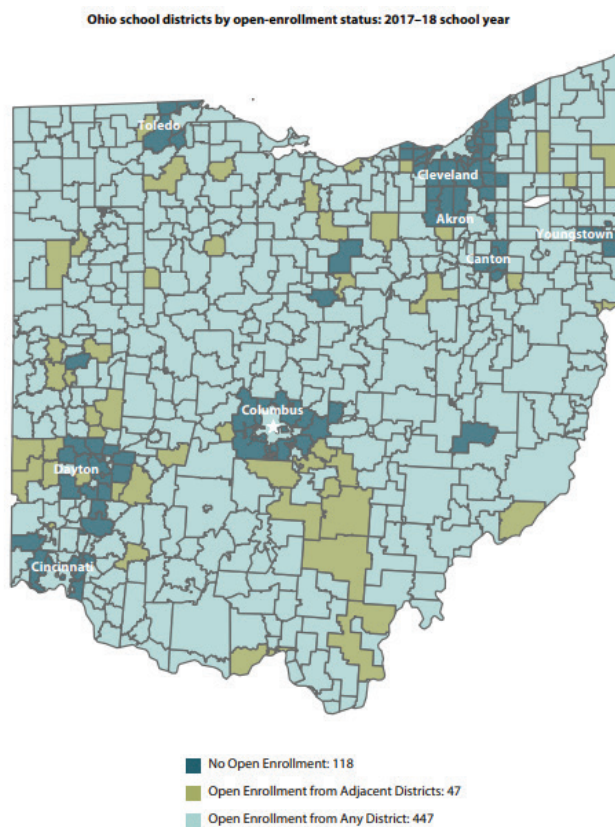
To open doors to private school choice to more working-class families, while offering clearer academic data to help inform their decisions, Ohio lawmakers should do the following:

- 1. Expand eligibility for income-based EdChoice to 400 percent of the federal poverty level.** In 2020, state lawmakers raised the income-eligibility threshold for the EdChoice voucher program from 200 to 250 percent of the federal poverty level. That was a step forward. Yet many middle-income families—particularly those with two working parents—remain ineligible for the assistance. Increasing the threshold to an annual household income of four times the federal poverty rate, or \$111,000 for a family of four, would ensure that more hardworking Ohio families have private school options.
- 2. Allow startup private schools to receive scholarship funding in the fall of their first year.** Because the state’s approval process includes an on-site visit while a private school is in session, start-ups are often barred from voucher funding until halfway (or later) through their first year. Uncertain funding in the earliest months of operation may discourage private school development, as the lag forces startups to cover payroll and other expenses with alternative sources of funding (e.g., loans or private donations). Ohio legislators should add language that permits voucher payments—or some portion of them—to be released as soon as schools have successfully completed all preopening requirements established by the state but haven’t yet had an on-site review.
- 3. Report private schools’ academic growth outcomes and make results easily accessible.** Ohio requires private schools to administer standardized exams—though not necessarily state tests—to any student attending via state-financed scholarship. Yet the public reporting of test results provides too limited a picture of private schools’ academic quality, as only raw proficiency rates are currently released. Although such data provide useful point-in-time snapshots of where students stand, they can also be misleading to the public, as proficiency data tend to correlate with demographics. To provide a more accurate representation of performance, Ohio should report the academic growth of a school’s voucher students (the school should have the option of doing that for its tuition-paying students, too, to give an even more holistic picture of school quality). Much like the “value-added” growth measure on the state’s public school report card, a measure of growth can help identify highly effective private schools (regardless of pupil backgrounds), while also raising flags for parents considering a school with poor growth outcomes. Legislators should make sure that schools’ growth results—as well as their proficiency data—are published in a more parent-friendly manner. Although no additional testing is needed to implement this recommendation, technical expertise would be required to calculate growth using private schools’ assessment data.

Expand access to quality district schools via open enrollment

Since 1989, Ohio has allowed districts to admit students who live outside their boundaries through open enrollment. But district participation is voluntary: each district decides for itself whether to accept pupils who live outside its boundaries. The good news is that roughly four in five Ohio districts participate in this choice program, enabling 80,000-plus students to attend schools outside their home district. The sorry news is that more than one hundred other districts refuse to enroll nonresident students. As the map shows, nonparticipants are mostly located in affluent suburban areas surrounding the state's largest cities, thus denying quality public school options to nearby children who happen to live in the wrong zip code yet would benefit from better schools. In fact, a study of Ohio's open-enrollment program found that disadvantaged pupils benefit the most when availing themselves of this option.

District refusals to participate in open enrollment also perpetuate patterns of segregation that have long plagued public education. Although there are logistical barriers to transferring across district lines—transportation being one—it's hard to see how closing one's doors to nonresidents advances longstanding efforts to increase diversity in Ohio's schools.



Source: Deven Carlson, *Open Enrollment and Student Diversity in Ohio's Schools* (Columbus, OH: Thomas B. Fordham Institute, 2021)

Policy recommendation

To unlock more public school opportunities for children who reside in Ohio’s metropolitan areas, state lawmakers should do the following:

- 1. Require all Ohio districts to participate in interdistrict open enrollment.** Families and students may want to enroll in a neighboring district for any number of reasons, including a better learning environment, access to specialized programs, or the ability to attend school with close friends or extended family. Current law, however, allows districts to refuse entry to nonresident children who might benefit from attending their schools. Instead of allowing districts to opt out, state law should be changed to ensure participation. Of course, there should be exemptions in situations where open enrollment would put a school or district above capacity. However, given declining enrollments across many districts—even many suburban ones—this exception is likely to apply in just a handful of cases.

Conclusion

Parents and educators rightly say that no one-size-fits-all model can adequately meet the educational needs of every child. To help ensure that teaching and learning are tailored to the individual student and that no child is trapped in a dysfunctional school, Ohio policymakers should continue to work toward a variety of high-quality options that all parents can access. The recommendations in this brief would continue Ohio’s move toward a pluralistic, parent-centered K–12 education system that focuses on achievement, quality, and diversity. By expanding access to quality public and private schools, Ohio can empower more families with the options they need to make the right choices for their children.

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