

INNOVATION OHIO

Ohio School Choice: *The Real Winners in HB 59*

With Ohio's economy rebounding and tax collections improving, the two-year state budget process offered Governor John Kasich and the Ohio General Assembly an extraordinary opportunity to restore support for public education and to correct the course of Ohio's 15 year, largely failed experiment in school choice. Instead, through policy and funding choices contained in the legislation, they have effectively doubled down on a concept that has born scant fruit for Ohio's children, promising even more taxpayer assistance to charters and private schools, all while forcing public schools to do more with less.

Upon passing senate amendments to the state budget for fiscal years 2014 and 2015 (House Bill 59), currently pending before a house-senate conference committee, Senate President Keith Faber has made repeated, dubious claims that the senate plan contained historic increases for traditional public schools.¹ In fact, the only reason the biennial increase of just under three-quarters of a billion dollars in education funding could be called historic is because it must dig public schools out of the historically huge funding hole that Kasich, Faber and their allies created just two years ago when funding for education was reduced by \$1.8 billion.²

What the senate budget *did* do for traditional public school children is this:

- Cut 3 in 4 school districts compared to 2010-2011 funding levels, to the tune of \$532.7 million.¹
- Cut 1 in 4 school districts compared to 2012-2013 funding levels.³
- Continued the need for an unprecedented \$1.3 billion in new school levies for operations that have appeared on local ballots since Kasich took office, and causing 82 percent of school districts to cut staff positions last year.^{ii,iii}

In this report, Innovation Ohio will highlight provisions in the senate-passed version of HB 59 – many of which were introduced by the governor or the house – that further undermine public education and tilt the playing field in favor of poorly performing charters and unaccountable private schools.

Specifically, HB 59 burdens traditional public schools with additional unfunded mandates, while private and charter schools are held to lower accountability standards through the adoption of more exemptions, exceptions and loopholes. But if accountability is down for charters and private schools, funding is up – especially through a dramatic expansion of the private school voucher program. Indeed, HB 59 turns the original rationale for vouchers completely on its head; no longer are vouchers designed to allow poor children to escape struggling schools. HB 59 expands voucher eligibility to 80% of Ohio's school population – and even to children from wealthier families whose

¹ Faber called the increase the biggest in "10 years or more." Stow Sentry, *Ohio Senate Republicans Unveil New School Funding Formula*, June 9, 2013, <http://www.stowsentry.com/news%20local/2013/06/09/ohio-senate-republicans-unveil-new-school-funding-formula>

² The budget bill from 2011 cut \$1.8 billion in education. <http://www.cutshurtoohio.com/>

³ When Gov. Kasich introduced his Achievement Everywhere plan, he did not include Transportation or Career Tech funding in his district simulations. The House and Senate did. So in order to compare the three plans, one must remove those two components from the House and Senate versions. Once you do, the amount districts will receive under the Senate plan, minus Career Tech and Transportation, will be less than 154 districts received in 2012-2013, using the Governor's 2012-2013 state funding figures, which did not include transportation or career tech funding in them. It is not possible to do this calculation in the inverse – inserting Transportation and Career Tech funding into the Governor's plan – because the Governor never released district-by-district breakdowns of what those revenue projections would be. So the only way to do an apples-to-apples comparison is to remove the Transportation and Career Tech funding from the House and Senate versions of the budget. The House was \$200 million less than Kasich's plan; and the Senate was \$80 million less.

public school districts are rated “excellent” on the state Report Card. In fact, children who are already attending a private school will now have their tuitions subsidized by middle class taxpayers.

Shortly after the completion of this Report the Ohio house and senate Budget Conference Committee announced that as part of the new biennial budget, the state will no longer reimburse school districts for 12.5% of new property tax increases. The elimination of this reimbursement – which has been in effect for over 40 years – will make it doubly difficult for schools (and local governments) to offset state budget cuts through the passage of local levies, since those levies must now be 12.5% higher than before.

Besides hitting schools with a “double whammy” (budget cuts, compounded higher levy requests), this provision also defies four separate rulings by the Ohio Supreme Court that the state’s school funding system should reduce its reliance on property taxes.

More Money for Charters: Ohio’s Education Money Pit

Government programs, once launched, never disappear. Actually, a government bureau is the nearest thing to eternal life we’ll ever see on this earth! – Ronald Reagan^{iv}

While Reagan was referring to New Deal programs in this 1964 speech, he may as well have been talking about the Rotten Deal Ohio taxpayers have been getting from the overwhelming majority of the state’s charter schools since their 1998 inception. To make matters worse, nearly every single dollar sent to these schools has come directly out of the money the state sent to educate children in the traditional public schools which, on the whole, perform far better than their charter counterparts.

In fact, there has never been a single year since 1998 when charter deductions did not cause children staying in traditional public schools to receive less money, on average, than the state determined they needed to succeed.^v

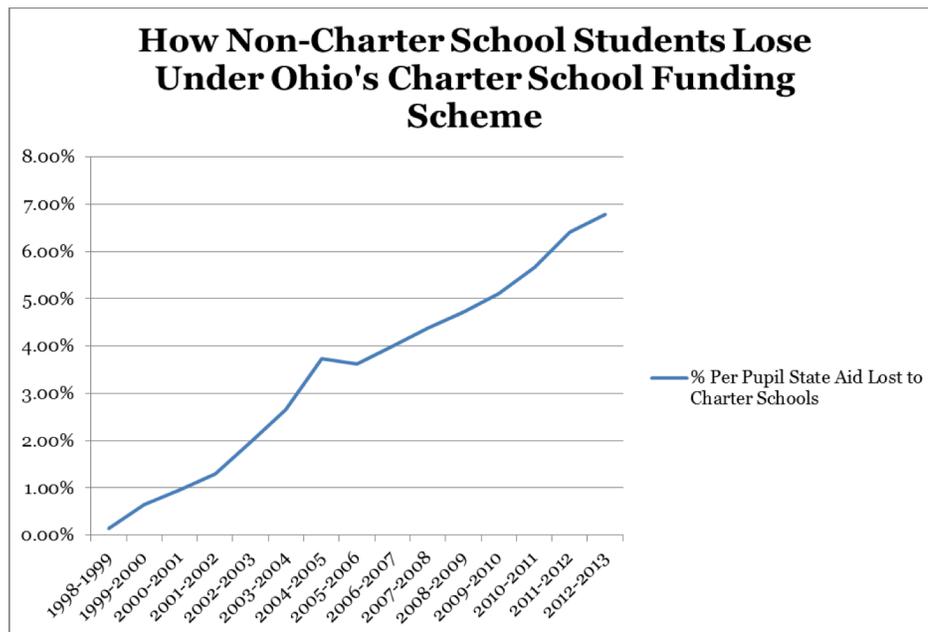


Figure I: Measuring Lost Revenue to Charter Schools by Children in Traditional Schools
(Source: Ohio Department of Education data)

IO has detailed many times how poorly charter schools have performed overall, on nearly every measure, relative to their traditional public school counterparts. Our findings culminated in a recent report which found that (a) 90% of the money going to charters was taken from districts that perform significantly better on the state's Performance Index and (b) that 40% of the money going to charters in the 2011-12 school year came from traditional school districts that performed better on *both* the state Report Card and the state Performance Index.^{vi}

This isn't to say there aren't great charter schools in Ohio. There are. Yet state leaders' appetites for charter schools, *regardless of their performance*, continue to grow like the eternal government program Reagan so despised.

The senate's version of charter school funding will see charters receive \$57 million more than they received in the 2011-2012 school year.^{vii,4} The per pupil amount would jump from \$7,141 per pupil in the 2011-2012 school year to \$7,446 per pupil under the senate plan – a record high per pupil amount in the 15-year history of Ohio charter schools.^{5,viii, ix} Ohio's children not in charter schools already lost, on average, \$235 to charter schools in 2011-2012.^x

In contrast to the lip service paid to charter school quality by the senate, a coalition of high-quality charters argued forcefully for the state to begin shifting money away from failing charters, while putting a few more dollars into the relatively few high-performing ones. Any leftover money could be used to fund needed programs, like universal pre-school, or property tax reduction.

However, when the senate's version of the budget was finally released, it included almost nothing to reward quality charter schools. The one exception was EDUCD85, which created a guarantee: charter schools that rated Excellent or higher for the three most recently completed school years would not receive less funding than they did in 2012-2013.⁶ But, in the end, that guarantee only applied to two of twelve eligible schools, providing a total of \$153,860, nearly 85% of which is to make up a shortfall at Toledo School for the Arts in Lucas County.^{xi} Ultimately, the guarantee represents just 0.02% of the state's entire projected charter school expenditure.

Meanwhile, charter schools run by Akron's David Brennan will receive an additional \$479 per pupil increase, on average, under the senate plan, for a total of \$4.2 million in new funding, compared to what those schools received in 2012-2013.^{xii} Charters rated Excellent or higher, by contrast, are to receive an average bump of just \$83. Even more astounding, Brennan's Life Skills schools, which graduate, on average, just 6% of their children in four years will receive a whopping \$1,008 per pupil increase.^{xiii}

So why would the budget reward Mr. Brennan so handsomely for failure? Perhaps his political contributions had something to do with it. Mr. Brennan and his wife have been the biggest single contributors to Senate President Faber's political campaigns since 2008. Together, they've given Mr. Faber more than \$42,000. House Speaker Batchelder is actually the single largest recipient of Brennan cash, receiving \$53,000 in four years. Governor Kasich is not far behind, receiving \$45,581. In all, the Brennans have given over \$527,000 to political candidates in Ohio in just four years.^{xiv}

But the generosity in HB59 isn't limited to brick-and-mortar charter schools. On-line schools (or "eSchools") also do incredibly well. In the senate-passed bill, eSchools will be allowed to collect tuition from out-of-state residents (EDUCD129), as well as to receive additional career technical education funds (EDUCD115). These provisions will doubtlessly further fatten the already bulging wallets of eSchool operators, whose costs are far lower than those of other schools.^{xv}

⁴ While the Senate compared its Charter School plan with the 2012-2013 school year, charter school enrollment is so volatile that the only fair comparison is the 2011-2012 school year because those enrollment figures have been finalized by the Ohio Department of Education. The Ohio House, to its credit, compared both the Governor's plan and its plan with the 2011-2012 school year. IO has done the same with the Senate version to make a suitable apples-to-apples comparison. The Senate's decision under reported the actual increase by \$25 million.

⁵ Total aid from the senate charter school simulations divided by the estimated number of students. Charter school simulations did not include an additional \$100 per pupil for capital expenditures, allocated in HB59 which charters will receive as well. The \$7,446 figure is the spreadsheet amount (\$7,375) plus the extra \$100 for non-eSchool Charter School students.

⁶ All references to amendments contained in the Senate-passed version of HB59 refer to the provisions as enumerated by the Legislative Service Commission's comparison document, located at <http://www.lsc.state.oh.us/fiscal/comparedoc130/senatepassed/edu.pdf>

So why would eSchools receive this kind of generosity? If you guessed “campaign contributions”, you’d likely be right. Ohio’s largest eSchool – ECOT, or the “Electronic Classroom of Tomorrow” – is operated by William Lager, who ranks just behind the Brennans as a top contributor to Senate President Faber. Is it only a coincidence that 3 of Sen. Faber’s top 4 contributors are associated with eSchools? You be the judge.

Like the Brennans, Lager has spread his largesse around, giving \$455,000 to political candidates in Ohio since 2009, including large sums to Speaker Batchelder and two of the four GOP members of the house-senate conference committee.^{xvi}

Lower Standards for Charter Schools

The state budget, as it currently stands, continues to reward charters with more money irrespective of whether the schools are failures or successes. Indeed, while charters receive more than twice as much state revenue per pupil as traditional schools, only 10 percent of Ohio’s rated charter schools received an A or A+ on the most recent local report card.^{xvii,xviii} And on the new, tougher report card set to come out next year, a staggering 7 out of 10 charters would rate F.^{xix}

One of the major distinctions between how charter schools and traditional public schools spend their money is on administration. The average school building spends under 6 percent of its money on administration. The average charter school spends more than 28 percent – and the worst performing charters in the state spend nearly 40 percent of their money on administration.^{xx} Meanwhile, a recent Ohio Department of Education analysis shows that the average brick-and-mortar charter school costs \$54 more per pupil than the average traditional public school.^{xxi}

And nothing in the Budget Bill would change this spending pattern.

Despite this lack of efficiency and success, the Ohio senate inexplicably chose to let charter schools mostly skate on accountability. HB59 contains several exemptions for charter schools from tougher academic standards, and makes it more difficult to close the state’s worst-performing charter schools.

In addition to the nearly 270 exemptions in state law charter schools already enjoy^{xxii}, HB 59 adds the following:

- The senate bill exempts charters from having to provide direct instruction for additional after-school programming for Career Technical Education (EDUCD140) and – if they “primarily” teach special education kids – from having to re-test core subject teachers whose buildings rank in the bottom 10% of all public school buildings on the state Performance Index Score (EDUCD139).
- eSchools are exempted from the physical education requirements applied to school districts, as well as from the “health tracking” requirements, such as measuring Body Mass Index, or BMI (EDUCD135).
- Finally, nowhere does the senate bill stipulate that charter schools must meet HB 59’s new “Subgroups Accountability” provisions, which clearly apply to traditional public schools (EDUCD56). Subgroups include special education, gifted, and poor and limited English speakers.

In addition to these exemptions, the senate bill also contains three provisions making it more difficult to close failing charter schools.

- Once a charter school sponsor receives a 7-year contract to sponsor charter schools from the Ohio Department of Education, the sponsor will have additional years automatically tacked on as long as the sponsor’s schools don’t, in the aggregate, rate in the bottom 1/5th of all charter school sponsors, or were rated in the top two of the three new sponsor ratings in the future.^{xxiii} This means the vast majority of sponsors will be automatically renewed, even if they aren’t that great. (EDUCD59)

- So-called “Drop-out Recovery Schools” that have notoriously poor success and graduation rates are treated with kid gloves in the senate bill. It’s worth recalling that for-profit operators like David Brennan originally said they could educate even the most at-risk children “cheaper and better” than traditional public school districts. In fact, their record is far poorer. The average Brennan Life Skills Center, for example, has a graduation rate of 6% (the state’s worst performing public school district – Cleveland Municipal School District – has a graduation rate of 56%). But Mr. Brennan, of course, is one of the Republican Party’s top mega-donors – and the top donor to Senate President Keith Faber. So the Senate bill generously allows drop-out recovery schools to stay open if they improve their graduation and OGT passage rates by just 10% (EDUCD117). Now at first blush, an improvement of 10% might sound reasonable. Until you realize that schools (like Brennan’s) with a 6% graduation rate would need to improve by just 0.6% – to 6.6% – in order to stay open and keep collecting millions in state funding. In the case of Mr. Brennan’s “Life Skills of Toledo” school – which graduates just 1.2% of its students in 4 years – an “improvement” to a 1.32% graduation rate – would keep the doors open, and the state money flowing (EDUCD117).
- Under current law, charters that include elementary grades can be shut down if they fail to meet the state’s Report Card standard (EDUCD134). But under the senate bill, they could be shut down only if they fail to meet the Report Card standard *and* fail to meet one year of test score growth, according to the state’s value-added measure. According to the Legislative Services Commission, this provision may “make it more difficult to close (charter) schools after July 1, 2013.” And, indeed, the state’s annual report for charters suggests that while 11 elementary charter schools would be set for closure under current law, all but perhaps 3 would remain open under the new, watered-down standard.^{xix}

Making Public Education Private

Ohio’s private school voucher program began in the mid-1990s, ostensibly as an attempt to “rescue” children from struggling urban districts. When the U.S. Supreme Court ruled in 2002 that the Cleveland Voucher program was constitutional, Chief Justice William Rehnquist wrote:

“Any objective observer familiar with the full history and context of the Ohio program would reasonably view it as one aspect of a broader undertaking to assist poor children in failed schools.”^{xx}

Today, Justice Rehnquist would be hard pressed to reach the same conclusion. Instead of helping children from poor families escape poorly performing public schools, the senate bill would extend vouchers to children from families earning up to \$94,000 per year – and even if they come from districts whose public schools are rated “Excellent.” Indeed, children who are *already* attending private schools would qualify.⁸

In short, the senate bill turns the original rationale for vouchers squarely on its head. Instead of helping a relative handful of poor students escape failing schools, vouchers would now be extended to approximately 80% of ALL children in Ohio and require taxpayers of modest incomes to subsidize upper middle class and wealthy families for the private school educations their children are already receiving.^{9,10}

⁷ The maybe is because the Annual Report reveals the Charter’s overall value-added score for only the last school year. In the other years, the report separates each value-added measure in reading and math by grade 4 and 8. There are only 3 of the 11 Charters that have red (failure to meet one year of growth) designated in two of the three years for either the overall in this school year, or either of the categories delineated in the other two years. That may not mean that those 3 Charters would qualify for closure because it is unknown whether the overall value-added measure would indicate at least a yellow (meets 1 year of growth) or not.

⁸ \$94,000 is 400 percent of poverty for a family of four, as allowed under EDUCD65.

⁹ According to the U.S. Census Bureau’s American Community Survey, 76 percent of Ohio’s families make \$99,000 or less. Meanwhile, 83 percent of the state’s households do. <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml>

¹⁰ A 2001 analysis by Policy Matters Ohio of the Cleveland private school voucher program found that just one in five students had actually attended a Cleveland public school before receiving vouchers, and one in three had already enrolled in private school before seeking a state voucher. (Schiller, Z. *Cleveland School Vouchers: Where the Students Come From*, Policy Matters Ohio, September, 2001, <http://www.policymattersohio.org/cleveland-school-vouchers-where-the-students-come-from>)

An examination by the *Cincinnati Enquirer* found that of 199 students in the Cincinnati region using newly-created special needs vouchers, just 15 had previously attended public school. (Smith Amos, D. “Vouchers meet special needs,” *Cincinnati Enquirer*, August 27, 2012, <http://news.cincinnati.com/article/20120827/NEWS/308270084/Vouchers-meet-special-needs>)

And to add insult to injury, the senate bill would pay for its voucher expansion by earmarking a portion of the state's Lottery Profits Fund – a fund that was established in the 1970s for the express purpose of helping fund *public* schools.

This unprecedented expansion of private school vouchers constitutes a serious threat to the state's system of public common schools – an idea first articulated in the Land Ordinance of 1785 by none other than Thomas Jefferson.^{xxv}

In contrast to funding for public schools – which would still be far below where it was prior to the previous state budget – funding for most of Ohio's voucher programs would be increased under the Senate bill. For example:

- The Peterson voucher program for special education would be being increased by up to \$96 per pupil (EDUCD92).
- The Cleveland voucher program would see a 14 percent bump from \$5,000 to \$5,700 for high school students (EDUCD108). What makes this particularly ironic is that one of Justice Rehnquist's main arguments in the Cleveland voucher case was that the amount paid to the voucher schools was much smaller than that paid to resident districts, so "[t]he program here in fact creates financial *disincentives* for religious schools, with private schools receiving only half the government assistance given to community schools and one-third the assistance given to magnet schools" (Rehnquist's emphasis).^{xxvi} Now private schools participating in the Cleveland voucher program will be getting nearly 99 percent of what the Cleveland Municipal School District receives in basic aid (\$5,700 per pupil compared with \$5745 in FY14 and \$5,800 per pupil in FY15 for CMSD).
- The Administrative Cost reimbursement paid to private schools would be increased by 11 percent to the tune of about \$60 million a year (EDUCD133).
- The senate bill would earmark \$2 million for private boarding schools boarding fees in FY15, up to \$25,000 per student (EDUCD23).

In addition, the bill exempts boarding school students from having to take the Ohio Graduation Test (EDUCD144) and gives providers getting the Autism scholarship another year before they need to be licensed to provide the services (EDUCD153).

In sum, by expanding the voucher program and increasing its funding, the Ohio senate is creating the very real possibility of our state moving fairly soon to an all-voucher education system. Such a system, of course, would subsidize the private educational choices of wealthy parents, while not providing nearly enough support to truly poor people to enjoy those same opportunities.

Finally, it is critical to remember that all of these decisions come at the expense of the nearly 90% of Ohio's children who attend the state's traditional public schools – few of whom can vote and nearly all of whom would receive less money than the state says they need – because these "school choice" options siphon off so many resources.

Making Public Education Private

HB59 also contains other provisions that would further privatize Ohio's educational system. There are measures that would in some cases permit – and in other cases mandate – that educational functions, including teaching, be outsourced to private providers.

One measure, for example, would allow STEM schools to make their teachers independent contractors. No word on whether this reduction in cost will result in a similar reduction in the amount transferred to the STEM school, which is funded by deducting the amount from school districts, just like charter schools (EDUCD138).

This provision follows a recent Ohio Supreme Court decision which upheld a lower court ruling defining eSchool teachers as “independent contractors.” This, of course, exempts for-profit eSchool operators from having to pay fringe benefits (like health care and pensions) to their teachers, and allows the operators to pocket even more money. As explained in the *State Impact* report on the eSchools ruling:

“The ruling could allow the schools to save on the costs of pension contributions and other employee benefits such as family and medical leave, Wilson said. And it could leave some of Ohio’s more than 1,000 online school teachers without access to benefits and rights that many teachers at traditional public schools take for granted.”^{xxviii}

Elsewhere, HB 59 establishes Subgroups accountability provisions (for special education, gifted, poor and limited English-speaking students) that it appears only traditional public districts are required to meet. If they do not, the bill permits the state to mandate that the district outsource the teaching function necessary to meet those requirements (EDUCD56).

Forcing Traditional Public Schools to Do More with Less

While the senate-passed version of HB59 sends more money to charters and private schools and makes them less accountable, it simultaneously increases the number of unfunded public school mandates. Indeed, doing more with less continues to be an all-too-familiar refrain for Ohio’s school districts. In the wake of an unprecedented reduction of \$1.8 billion in funding for education in the last budget, some 70 percent of school districts now report that they have been forced to cut their budgets this school year, and fully 82 percent say they have had to reduce staff.^{xxviii}

It is a real testament to public schools that despite the draconian funding cuts they have sustained, 68 percent of school district buildings rate Excellent (A) or Excellent with Distinction (A+) on the local report card.^{xxix} Clearly, Ohio’s school districts have been adept at maintaining high standards on skeleton budgets.

Perhaps the most egregious example of providing public schools with less to do more is the reduction in school districts’ poverty aid contained in HB59. It is well established that poverty is one of the most powerful obstacles for schools, children and parents to overcome.^{xxx} When Gov. Kasich introduced his school funding plan, Students First (the Education Policy group established by the controversial conservative education reformer Michelle Rhee) testified in the Ohio house that states typically *increase* pupil funding by 30 percent over the base amount to account for poverty. Under the senate’s plan, poverty aid (dubbed “economically disadvantaged aid”) actually *dropped* to about \$350 million – its lowest level since 2006.^{xxxi,xxxii} Poverty aid is now only a 5 percent increase in funding over the base funding amount – 83 percent lower than what Students First suggested in the Ohio House.¹¹

Despite providing schools with \$120 million less in poverty aid than they received in 2009, the senate plan directs how the schools spend the money, now limited to one of only six permitted uses – another mandate that does not exist in current law (EDUCD83).^{xxxiii}

Other unfunded mandates that force public schools to do more with less include:

- Prohibiting districts from recapturing overpayments made to charter schools in the 2004-2005, 2005-2006 or 2006-2007 school years (EDUCD40)
- Limiting districts’ use of gifted and economically disadvantaged funding (EDUCD83)
- Mandating public districts offer extracurricular activities to homeschool and private school students (EDUCD102)

¹¹ In the Senate bill, the base funding amount is \$5,745 in FY14 and \$5,800 in FY15. Meanwhile, the Poverty Aid is an additional \$250 per pupil in FY14 and \$253 per pupil in FY15, or a little more than 5 percent of the base amount.

- Allowing charter schools to potentially siphon off School Districts' transportation funds, just as they currently do for non-transportation funds (EDUCD119)

Areas for Innovation

The senate bill must now be reconciled with the House bill before it can be signed into law by the governor by June 30. Fortunately, that means there is still a little time left to fix it.

Innovation Ohio has identified seven ways to improve the bill's educational provisions.

1) **Make it easier, not harder, to close failing charter schools**

Current law requires that a charter school rate an F on the state report card for two of three years, or three of four, depending on the grades the school serves. Adding an additional hoop that must be jumped through (as the senate bill does) will make it harder not easier to close these failing schools. At the very least, the conference committee should strike the senate provision and maintain the closure standard contained in current law.

2) **Fund excellent charters, not just more bad ones**

Any additional revenue or accountability exemptions for charter schools should be tied to proven academic achievement. The charter program has been in existence for 15 years. It is time to let the unsuccessful schools die and increase support only to charters that have proven successful. There is absolutely no reason to continue funding failure. Drop-Out Recovery schools – whose mission, after all, is to graduate at-risk children – that manage to graduate only 1.2% of their students in 4 years do not deserve to stay open.

3) **If a school district is required to adhere to certain standards, so should charter schools**

For too long, school districts have had to jump through far more hoops than charter schools. The state should endeavor to ensure equity on this issue so that children in both systems are given a chance to succeed. The more successful the school, regardless of type, the more freedom it should have from state mandates.

4) **Fund charter schools based on what it costs *them* to educate children, not the public school from where the children come**

This is the fatal flaw of Ohio's charter school funding system. The amounts used to estimate cost in traditional public schools are the amounts used to determine the costs in charter schools, even though the charters have far lower actuals. Charters that have no student transportation expenses and pay teachers 40% less than their traditional school counterparts do *not* have the same per pupil costs and should not be funded as though they did. The General Assembly should develop a funding formula that takes the lower costs of charters into account, and stops underfunding traditional public school students in order to send unjustifiable amounts to charters.

5) **Eliminate the proposed voucher expansions**

Clearly, the modest little program started in Cleveland during the 1996-97 school year has morphed into something so large that it is no longer recognizable. Ironically, the program's limited scope was largely what allowed it to pass constitutional muster in 2002. By expanding eligibility to the upper middle class and the wealthy, to those already attending private schools, and to those whose public school districts are among the state's best, Republicans may have pushed the voucher program beyond constitutionally-protected boundaries. At the very least, it is manifestly unfair to ask middle and low income Ohio taxpayers to subsidize private (and often religious) education for some of the state's most economically comfortable families.

6) Don't charge districts for students they never educated

The senate version of the budget recognized, for the first time, the inherent unfairness of giving money to private schools for the purpose of educating children who were never in public schools to begin with. Specifically, the senate bill sets aside \$5 million to reimburse public school districts for money they lose through the Peterson Voucher Program for kids who did not attend the public school prior to receiving their vouchers.

While Innovation Ohio does not support private school vouchers at all, we believe basic fairness demands that public schools at least not lose state funding unless the child going to the private school at one time actually attended a public school. To accomplish this, the conference committee should adopt the senate bill's Peterson Voucher policy – and extend it to *all* state voucher programs, including EdChoice, that deduct money from public school districts. There is no justification whatsoever for deducting money from public schools for children who were never public school students.

7) Fund mandates

Cutting Poverty Aid to its lowest level in 8 years, while simultaneously dictating how districts must spend those shrinking dollars, is worse than an unfunded mandate. It is a *de-funded* mandate. If districts will be forced to adhere to new spending requirements, then the money provided by the state should at least adequately fund those new requirements. It is clear that the amount in the senate bill does not.

Endnotes

- ⁱ Innovation Ohio, *Senate budget cuts schools by \$533 million, compared to four years ago*, June 18, 2013. <http://innovationohio.org/2013/06/18/senate-budget-cuts-schools-by-533-million-compared-to-four-years-ago/>
- ⁱⁱ Innovation Ohio, *Kasich Cuts Mean \$1.3 Billion in New School Levies Since May, 2011*, April 25, 2013, <http://innovationohio.org/2013/04/25/kasich-cuts-mean-1-3-billion-in-new-school-levies-since-may-2011/>
- ⁱⁱⁱ Policy Matters Ohio, *Survey shows: Ohio shrinks its schools*, April 29, 2013, <http://www.policymattersohio.org/district-survey-apr2013>
- ^{iv} Reagan, Ronald. *Speech, A Time for Choosing*, Oct. 27, 1964. <http://www.nationalcenter.org/ReaganChoosing1964.html>
- ^v Innovation Ohio, *Unfair Funding – How Charter Schools Win and Traditional Schools Lose*, February 14, 2013. <http://innovationohio.org/2013/02/14/report-unfair-funding-how-charter-schools-win-traditional-schools-lose/>. Historical enrollment data is available at <http://education.ohio.gov/getattachment/Topics/School-Choice/Community-Schools/Forms-and-Program-Information-for-Community-School/Annual-Reports-on-Ohio-Community-Schools/Table-2-Enrollment-History.xls.aspx> and historical charter deductions are found at <http://education.ohio.gov/Topics/Finance-and-Funding/State-Funding-For-Schools/Traditional-Public-School-Funding>.
- ^{vi} Op. Cit., Innovation Ohio, *Unfair Funding – How Charter Schools Win and Traditional Schools Lose*.
- ^{vii} *Senate-released charter school simulations*, a copy of which IO has posted at <http://www.scribd.com/doc/146170892/HB-59-Community-School-Spreadsheet-Senate-Proposal>
- ^{viii} Ohio Department of Education, *2011-2012 Bridge Report*, <http://odevax.ode.state.oh.us/htbin/F2012-BRIDGE-WEB-REPORTS.COM?act=Final+%232+%28paid+01%2F11%2F2013%29&irn=045187&county=01+Adams&DISTRICT=TOTAL&bridgefrm=y>
- ^{ix} Compiled from historic School Funding reports (SF-3s and PASS reports) located here: <http://education.ohio.gov/Topics/Finance-and-Funding/State-Funding-For-Schools/Traditional-Public-School-Funding> as well as Historic Charter School Enrollment data located here: <http://education.ohio.gov/getattachment/Topics/School-Choice/Community-Schools/Forms-and-Program-Information-for-Community-School/Annual-Reports-on-Ohio-Community-Schools/Table-2-Enrollment-History.xls.aspx>
- ^x Op. Cit., Innovation Ohio, *Unfair Funding – How Charter Schools Win and Traditional Schools Lose*.
- ^{xi} Wickliffe Progressive in Franklin County did not have projections done by the Senate, so they are not included as part of the IO analysis of the state funds needed to make good on the guarantee. Only 12 schools would qualify for the guarantee under the Senate's language, according to the most recent Charter School Annual Report located here: <http://education.ohio.gov/getattachment/Topics/School-Choice/Community-Schools/Forms-and-Program-Information-for-Community-School/Annual-Reports-on-Ohio-Community-Schools/Table-1-School-Demographic-and-Academic-Data.xls.aspx>
- ^{xii} Op. Cit. *Senate-released charter school simulations*.
- ^{xiii} Ohio Department of Education, *Community School Demographic and Academic Data*, <http://education.ohio.gov/getattachment/Topics/School-Choice/Community-Schools/Forms-and-Program-Information-for-Community-School/Annual-Reports-on-Ohio-Community-Schools/Table-1-School-Demographic-and-Academic-Data.xls.aspx>
- ^{xiv} Ohio Secretary of State, *Campaign Finance database, 2009-present*, <http://www.sos.state.oh.us/SOS/CampaignFinance/Search.aspx>
- ^{xv} Innovation Ohio, *Funding Failure, Coddling Contributors*. May 12, 2011. <http://innovationohio.org/2011/05/12/ohio-e-schools-funding-failure-coddling-contributors-2/>
- ^{xvi} Op. Cit. Ohio Secretary of State.
- ^{xvii} [report template.docx](#) Op. Cit., Innovation Ohio, *Unfair Funding – How Charter Schools Win and Traditional Schools Lose*.
- ^{xviii} Op. Cit., Ohio Department of Education, *Community School Demographic and Academic Data*,
- ^{xix} StateImpact Ohio, *Most Ohio Charter Schools Would Get F's Under New School Report Card System*, *StateImpact Ohio*, March 22, 2013, <http://stateimpact.npr.org/ohio/2013/03/22/most-ohio-charter-schools-would-get-fs-under-new-school-report-card-system/>
- ^{xx} Innovation Ohio, *Ohio's charter schools spend far more on administration than public schools*, June 14, 2013, <http://innovationohio.org/2013/06/14/ohios-charter-schools-spend-far-more-on-administration-than-public-schools/>
- ^{xxi} Email correspondence from ODE official J. Molock to J. Arbaugh, Re: *Expenditure Per Pupil*, November 23, 2012, <http://www.scribd.com/doc/147032811/ODE-Analysis-of-Charter-v-Public-Costs>
- ^{xxii} Legislative Services Commission, *Education Laws and Community Schools*, November 20, 2012. <http://www.lsc.state.oh.us/membersonly/129educationlaws.pdf>
- ^{xxiii} ORC 3314.016, *Entities sponsoring community schools*, <http://codes.ohio.gov/orc/3314.016v2>
- ^{xxiv} *Zelman v. Simmons-Harris*, 536 U.S. 639 (2002).
- ^{xxv} "There shall be reserved the lot No. 16, of every township, for the maintenance of public schools within the said township" (emphasis added) *Land Ordinance of 1785*. Text dated May 18, 1785. Cf. *Journals of the Continental Congress*, v. 29, p. 923.
- ^{xxvi} Op. Cit., *Zelman v. Simmons-Harris*.
- ^{xxvii} StateImpact Ohio, *Ohio Supreme Court Decision Opens Door to Reducing Benefits, Rights of Online School Teachers*, May 29, 2013, <http://stateimpact.npr.org/ohio/2013/05/29/ohio-supreme-court-decision-opens-door-to-reducing-benefits-rights-of-online-school-teachers/>
- ^{xxviii} Op. Cit., Policy Matters Ohio, *Survey shows: Ohio shrinks its schools*.
- ^{xxix} <http://ilrc.ode.state.oh.us/> The calculation did not include school district buildings that are not rated on the report card.
- ^{xxx} Ladd, H. F., "Education and Poverty: Confronting the Evidence." *J. Pol. Anal. Manage.*, 31: 203–227, Spring 2012.
- ^{xxxi} Op. Cit., *Senate-released charter school simulations*.
- ^{xxxii} Ohio Department of Education, Division of School Finance, <http://odevax.ode.state.oh.us/htbin/WWW-SF3-HEADER-F2006.COM?act=F2006+FINAL+SF3+%233&irn=045187+Ada+Ex+Vill+SD+%28Hardin%29&county=01+Adams&DISTRICT=TOTAL&sf3=y>
- ^{xxxiii} Ohio Department of Education, Division of School Finance, <http://odevax.ode.state.oh.us/htbin/WWW-SF3-HEADER-F2009-test.COM?act=Final+%233%28Paid+07-May-2010%29&irn=045187+Ada+Ex+Vill+SD+%28Hardin%29&county=01+Adams&DISTRICT=TOTAL&sf3=y>