

# OHIO

Overall Market Rating: **Growth Possible—Some Challenges Persist**

The Ohio school choice infrastructure allows for the growth of new schools, even if funding is comparatively constrained. The regulatory environment remains unpredictable, but new operators can prepare for these hurdles and take advantage of a more straightforward recruitment and enrollment process across programs.

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## Market Overview:

Ohio has several available school choice options and has built flexible eligibility criteria that allow working-class families to participate in choice programs. The two general scholarship programs are open to children in failing schools and children from low-income and working families, with scholarship amounts staggered based on family income. While voucher amounts had historically been low, a legislative change enacted in 2021 increased maximum voucher amounts to \$5,500 for K-8 schools and \$7,500 for high schools. The two special-needs programs are well-funded, but very specific eligibility criteria (Autism Scholarship) and an enrollment cap (Peterson Special Needs Scholarship) limit the students enrolled in these programs. The addition of a universal-eligibility scholarship tax credit is promising, but the program will only be as available as scholarship granting organizations are able to raise money, and that work is just beginning.

There are some school eligibility and regulatory conditions that are unique to Ohio. Specifically, there is a requirement that private schools receive a “charter” from the state (a different process than becoming a public charter school) and a provision that requires all teachers to be licensed. While both requirements are navigable, they are unique to the Ohio landscape. Also, regulatory and administrative oversight by the Department of Education is inconsistent, and rules and requirements are often unclear.

While political support for choice is relatively stable, a lawsuit challenging the Education Choice Scholarship was filed in early 2022 and will be heard by the courts in 2023. This challenge to the broadest eligibility program in Ohio will be a crucial hurdle to clear for continued expansion and improvement of the existing programs.

# Demographic Analysis:

## ENROLLMENT FIGURES BY SECTOR

Ohio (2019-20)	
Total Public School Enrollment (Including Charter Schools)	1,645,412
K-12 Private School Enrollment	195,894
Charter School Enrollment	107,191

## ELIGIBILITY BY PROGRAM (NUMBERS MAY BE DUPLICATIVE):

Program	% Eligible Students	Current Enrollment (2020-21)	Eligibility Requirements
Educational Choice	30% of students eligible statewide	32,203 participating students  448 participating schools	Students are eligible if they: <ul style="list-style-type: none"> <li>• Are enrolled in, or assigned to, a public school building ranked in the lowest 20% of district school buildings, or subject to an academic distress commission.</li> <li>• Reside in a district which for 3 consecutive years had 20% or more of its school-age residents qualify for federal Title I funds.</li> </ul>
Income-Based (Ed Choice Expansion)	40% of families eligible statewide	17,204 participating students  510 participating schools	<ul style="list-style-type: none"> <li>• Only students not eligible for Educational Choice Scholarship</li> <li>• All K-12 students with household incomes at or below 250% of the federal poverty level (\$69,375 for a family of four in 2022-23). Students remain eligible up to 400% of FRL, but the maximum voucher amount decreases.</li> </ul>

Program	% Eligible Students	Current Enrollment (2020-21)	Eligibility Requirements
Cleveland Scholarship	100% of students eligible districtwide	7,811 participating students  42 participating schools	<ul style="list-style-type: none"> <li>• K-12 students who reside within the boundaries of Cleveland Metropolitan School District.</li> <li>• Priority given to families at or below 250% of FPL.</li> <li>• Schools admit students on a first-come, first-serve basis, but preference is given to low-income students if demand exceeds available seats.</li> </ul>
Autism Scholarship	2% of students eligible statewide	4,279 participating students  275 participating schools	<ul style="list-style-type: none"> <li>• Diagnosed with autism spectrum disorder</li> <li>• Must be on record with the public schools but do not have to attend a public school prior to receiving the voucher.</li> </ul>
Peterson Special Needs	15% of students statewide	7,494 participating students  415 participating schools	<ul style="list-style-type: none"> <li>• Have at least an initial IEP that is not in development or litigation.</li> <li>• Parents must demonstrate receipt of information detailing programs and instructors at the private school.</li> <li>• Year-round application.</li> </ul>
Tax Credit Scholarship	100% of students statewide	No Data	<ul style="list-style-type: none"> <li>• All K-12 Ohio students.</li> <li>• SGOs prioritize low-income students and set their own guidelines.</li> </ul>

There is ample room in the Ohio market to open new schools and recruit students. While the failing schools' eligibility requirements of the Educational Choice Program might be limiting to new school growth, the expansion of the Income-Based Program to all income-qualified K–12 students starting in the 2020–21 school year expanded the pool of students

eligible for a scholarship. Both special-needs programs are limited to specifically defined students but provide schools that specialize in serving students with special needs with the resources needed to attract families seeking those services.

**Funding:**

Assessment: Inadequate but consistent

Assets:

- Chartered nonpublic schools receive significant additional state funding through the Auxiliary Service and Administrative Cost Reimbursement programs.
- Funding available in the special-needs programs is significant.
- Schools can charge tuition for students over 250% of FPL who receive an Educational Choice Scholarship.

Challenges:

- Many of the scholarship amounts will not fully cover most schools’ per-pupil operating costs, especially those serving grades K-8.

CLEVELAND SCHOLARSHIP PROGRAM

Maximum	Average (2020-21)	Program Cap	Disbursement
Max Amounts: K-8 = \$5,500 9-12 = \$7,500  Families over 250% of FPL or those with students in high school can be required to pay additional tuition.	\$5,012	\$23.5M	<ul style="list-style-type: none"> <li>- Students apply to school by Feb. 15, a school accepts them by March 15, and then the school applies to the Ohio Department of Education (ODE) on the student’s behalf for the upcoming year.</li> <li>- Private schools report scholarship student attendance monthly.</li> <li>- Payments are made 2-3 times per year, beginning no later than Nov 30.</li> <li>- Scholarships are prorated if the student leaves the school early or enters late in the year.</li> </ul>

**Trend:** Funding is consistent and stable.

ED CHOICE SCHOLARSHIP

Maximum	Average (2020-21)	Program Cap	Disbursement
K-8 = \$5,500 9-12 = \$7,500  Cannot exceed school tuition and fees.  Schools can charge tuition for families over 250% of FPL.	\$4,925	There is no longer a cap on the program.	<ul style="list-style-type: none"> <li>- Families apply to a school, and, if accepted, the school applies for funding from ODE.</li> <li>- 2-3 payments issued/year beginning in November.</li> <li>- Tuition prorated for partial-year attendance.</li> <li>- Payments come to school but must be endorsed by parents.</li> </ul>

**Trend:** Funding will continue to increase over time, as it is tied to public-school funding increases.

INCOME-BASED SCHOLARSHIP

Maximum	Average (2020-21)	Program Cap	Disbursement
At or below 250% FPL K-8 = \$5,500 9-12 = \$7,500  Renewals at 250%-300% FPL K-8 = \$4,000 9-12 = \$5,625  Renewals at 300%-400% FPL K-8 = \$2,750 9-12 = \$3,750	\$4,158	There is no longer a cap on the program.	<ul style="list-style-type: none"> <li>- Families apply to a school, and, if accepted, the school applies for funding from ODE.</li> <li>- 2-3 payments issued per year beginning in November.</li> <li>- Tuition prorated for partial-year attendance.</li> <li>- Payments come to school but must be endorsed by parents.</li> </ul>

**Trend:** Funding is consistent and stable.

PETERSON SCHOLARSHIP

Maximum	Average (2020-21)	Program Cap	Disbursement
The lesser of: a) tuition and fees at the school;  b) the amount this child would have received in their traditional school.	\$10,499	The number of scholarships cannot exceed 5% of the state’s total SPED student population.  Maximums are set by ODE based on disability type and are the same as those set for students with disabilities in traditional public schools.	<ul style="list-style-type: none"> <li>- Families apply to a school, and, if accepted, the school applies for funding from ODE.</li> <li>- 2-3 payments issued per year beginning in November.</li> <li>- Tuition prorated for partial-year attendance.</li> <li>- Payments come to school but must be endorsed by parents.</li> </ul>

AUTISM SCHOLARSHIP

Maximum	Average (2020-21)	Program Cap	Disbursement
Varies based on services selected by parents.	\$23,844	None	<ul style="list-style-type: none"> <li>- Families apply to a school, and, if accepted, the school applies for funding from ODE.</li> <li>- 2-3 payments issued per year beginning in November.</li> <li>- Tuition prorated for partial-year attendance.</li> <li>- Payments come to the school but must be endorsed by parents.</li> </ul>

\*\*Note: No funding data is yet available on the universal eligibility scholarship tax credit, but individual donors are capped at contributing/deducting \$750 for the program.

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## Policy & Regulatory Environment:

Assessment: Consistent but difficult to navigate

Assets:

- New schools can accept scholarship students in their first year of operation, once approved as a chartered non-public school.
- Ed Choice and Cleveland scholarship students must take one of several nationally normed assessments and schools must report their results to ODE.
- The state test is no longer required of students in schools participating in any of the state's school choice programs.
- Private school teachers can receive a non-tax teaching certificate as long as they have received a bachelor's degree.

Considerations:

- Schools must receive a charter from the state as a chartered non-public school. This status cannot be awarded until a school has started its school year and may take up to several months (during which the school will not be eligible to draw down scholarship funding).
- Schools must offer a minimum of 175 days of instruction that includes a minimum of five hours of daily instruction in grades K-6 and 5.5 hours of instruction in grades 7-12, excluding lunch.
- Teachers must be licensed or have received a non-tax certificate.
- Schools accepting Peterson Scholarship funds must register with the state, employ teachers credentialed to serve the special needs of students enrolled, and implement and report on student IEPs.

**Summary:** There are substantial regulatory requirements for Ohio schools, including the process to become a chartered non-public school. It is manageable, but schools will be subject to programmatic and operational reviews to which networks from out of state may not be accustomed. It is also worth noting that all teachers must be certified or licensed. While the non-tax certificate simply requires a bachelor's degree, it is still a bureaucratic requirement that necessitates an application and fee to the state, as well as a criminal background check.

Finally, ODE can be a challenging regulator. Many of its internal policies and rules are not clear, nor consistently followed. This can lead to unanswered or incorrectly answered questions for schools trying to navigate their operational requirements.

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## Human Capital:

Assessment: Acceptable; pipeline is not well developed

### Assets

- Non-tax certificate allows for flexible hiring.
- There are two Teach for America regions with 200+ alumni in each.

### Considerations:

- There are few/no specific partnerships for private schools.
- Schools accepting Peterson Scholarships must employ adequate SPED-certified teachers.

**Summary:** The human capital environment in Ohio is likely acceptable, but it is certainly not a strong asset of the market. Cincinnati is experiencing increased attention from education reformers in general, which may translate into greater educator interest in that region, but it is unclear what impact that will have on private schools.

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## Local Champions & Climate:

Assessment: Consistent

### Assets:

- Multiple state and national organizations (School Choice Ohio, Fordham Institute, EdChoice, American Federation for Children) work cooperatively to advance legislative objectives.
- Schools and parents are engaged when necessary.
- Choice programs are an established part of the state policy ecosystem and unlikely to be repealed or reduced.

### Considerations:

- Advocacy is not focused on the needs of schools.
- Parent engagement is inconsistent.
- Schools advocate in factions, often in faith-based coalitions.

**Summary:** The school choice advocacy community is adequate to protect and preserve the existing programs and ensure that parents continue to have access to quality options. Ohio remained a Republican trifecta in the November 2022 election cycle, which likely means there will be an opportunity to improve or expand existing programs in the 2023 biennial legislative session. There is not a broad political constituency developed in Ohio, and, in recent years, there has been little to no attempt to organize schools and parents in a comprehensive and consistent way.



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## Facilities:

Assessment: Acceptable but under-developed

### Assets:

- Real estate is affordable and, depending on the specific city, available.
- Many schools are spending less than 10% of their budgets on facilities.
- Zoning and land-use approval is minimal for schools in most areas.
- IFF, a community development financial institution, has invested in some Ohio projects.

### Considerations:

- Advocates are not thinking about facilities needs/strategies.
- No public funding/financing is available to private schools.
- Private schools have no access to surplus public facilities.

**Summary:** The Ohio facilities market is not a barrier to growth. There are some empty school facilities available (closed charter or Catholic schools) and the processes required to zone or repurpose non-traditional school facilities are generally not arduous—in many locations simply requiring a building permit.