

OHIO

Overall Market Rating: Growth Ready

School choice policy conditions in Ohio allow for the growth of new schools. Unpredictable approval processes can hinder new schools, but new operators that plan ahead and prepare for these hurdles should find them manageable.

Market Overview

Ohio moved to universal eligibility for its primary private-school scholarship programs in 2023-24, making the state growth-ready for private schools in a variety of contexts. Households with income below 450% of the federal poverty level are eligible for full-value scholarships; those with higher incomes receive smaller amounts on a sliding scale. Cleveland students are required to apply for the Cleveland Scholarship before trying for one of the EdChoice categories. The state stands out for its generous special-needs scholarships, which can climb above \$30,000 for qualifying students. A distinction in Ohio is that high school scholarships are worth 36% more than those for K-8. Private schools do receive additional funds known as “auxiliary”; these can run as much as \$1,400 per student.

The state also has a universal-eligibility scholarship tax credit program that allows taxpayers to take \$750 tax credits (\$1,500 when married filing jointly) for donations to scholarship organizations. The program is relatively new, and the state hasn’t published data on the number of scholarships granted.

Some school eligibility and regulatory conditions 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 or “community” school) and a provision that requires all teachers to be licensed. While both requirements are navigable, they make lead time an important factor for aspiring new schools. Also, regulatory and administrative oversight by the Department of Education is inconsistent and sometimes unclear.

While political support for EdChoice is strong, a lawsuit challenging the program was filed in early 2022 and has a tentative trial date in November 2024. School districts opposed to the program are watching the case with high hopes, although it would be unprecedented for a court to roll back a program that has been renewed and expanded repeatedly by a state legislature.

Enrollment

OHIO 2022-23			
Total PK-12	Public District	Public Charter	Private
1,777,439	1,495,339 (84%)	112,293 (6%)	169,807 (10%)

Choice Programs

Program	Eligibility	Participants (2022-23)	Amount
EdChoice Scholarship	Universal (amounts tiered by HH income)	39,025 students 462 schools	\$6,165 max K-8 \$8,407 max 9-12 (Max value is for students in HHs with income up to 450% of federal poverty level; at higher income levels, amounts are tiered from \$650 to \$7,050)
EdChoice Expansion (Income-Based)	Universal (amounts tiered by HH income)	23,254 students 511 schools	Same
Cleveland Scholarship	Students residing in Cleveland Metropolitan School District (priority given to those with HH income below 200% of FPL)	7,800 students 59 schools	Same
Jon Peterson Special Needs Scholarship	Students aged 5-21 with an IEP from a public school	8,182 students 428 providers	Varies by special need; \$30,000 max
Autism Scholarship	Students aged 5-21 with an autism diagnosis, registered with a public school, with a current IEP	4,695 students 279 providers	Up to \$32,455

Funding

Assessment: Adequate

Assets:

- Inclusive of auxiliary funds and the latest increase in per-pupil scholarship amounts, per-pupil funding is roughly in line with other states.
- Funding available for special-needs students is robust.

- Schools can charge tuition for students over 200% of FPL who receive an EdChoice or Cleveland Scholarship.

Challenges:

- K-8 schools receive considerably less funding per pupil than high schools.

Trend: So long as Republicans maintain supermajorities in both legislative chambers, scholarship values can be expected to increase over time.

Policy & Regulatory Environment

Assessment: Well-intentioned but sometimes difficult to navigate

Assets:

- New schools can accept scholarship students in their first year of operation, once approved as a chartered non-public school.
- EdChoice and Cleveland scholarship students must take one of several nationally normed assessments, and schools must report their results to the Ohio Department of Education.
- 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.

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 has experienced 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.

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 operational 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, at least in the legislature, and to ensure that parents continue to have access to quality options. The large expansion of EdChoice passed in 2023 has lit a fire among school districts opposing the program; they are hoping the two-year-old lawsuit against EdChoice will ultimately throw up a roadblock.

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.