

Testimony of Kevin Creutz  
Superintendent – Lutheran Schools of Ohio  
Senate Finance Primary and Secondary Education Subcommittee  
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Mr. Chairman, Vice-Chair Lehner, Ranking Member Fedor and members of the committee, my name is Kevin Creutz and I am here today testifying from the perspective I have as the Superintendent of the Lutheran Schools of Ohio. Lutheran Schools of Ohio oversees twenty-two (22) Elementary schools around Ohio and almost forty (40) Early Childhood Centers.

I am here today to bring to your attention three very important issues for your consideration as you continue your deliberations on the state's general operating budget. The first issue I would like to share with you is how the Ohio Department of Education is currently calculating the EdChoice Tuition payments to our students and families and to those who attend other chartered nonpublic schools who participate in this important state choice program.

Since 2006, the administrative code (OAC 3301-11-10) has mandated (albeit erroneously) "applicable" discounts and financial aid be applied first against the base tuition rate, and then the scholarship is awarded at the reduced, discounted rate. This wording, we argue, exceeds the legislative authority given it by ORC 3310.08. Often times, the scholarship is much lower than the published tuition rate. Although the rule has not changed over the past ten years, it has not been actively applied. Recent enhancements in Ohio Department of Education audits, which now appear to arbitrarily take all discounts into consideration, have led to miscalculation of the tuition rates for schools accepting the EdChoice and Expansion Scholarships.

Due to these incorrectly deflated tuition valuations, the Department is now alleging overpayment to a number of schools and attempting to recover those dollars. For some schools, the refund requested amounts to tens of thousands of dollars. Smaller non-public schools are therefore putting off equipment purchases, infrastructure enhancements, and other important expenditures in the event ODE recalculates their effective tuition rate and issues a request for funds returned.

In addition, OAC 3301-11-05 states that an applicant *must apply for any and ALL financial aid or tuition discounts made regularly available to the students.* The requirement that an applicant must apply for financial aid severely impacts a school's flexibility in determining financial aid awards. Even more so, this significantly impacts students attending a non-public school who DO NOT qualify for an EdChoice scholarship. Schools must have the ability to provide financial aid awards to any and all students who apply and to make determinations on a case by case basis. They should not be put in a position where all a school's financial aid resources are forced to be awarded to EdChoice students leaving little to no funds available for students who do not qualify for an EdChoice scholarship.

Our request of you is a simple one. Amend ORC 3310.08 so that the Department would be required to apply the scholarship amount towards the tuition first. Below is the suggested language change:

*"Sec. 3310.08. (A) The amount paid for an eligible student under the educational choice scholarship pilot program shall be the lesser of the tuition of the chartered nonpublic school in*

*which the student is enrolled, prior to financial aid received by the student, or the maximum amount prescribed in section 3310.09 of the Revised Code.*

Making this suggested change will allow our schools to fulfill our mission of helping those in our communities who truly demonstrate the greatest financial need. If ODE continues to make EdChoice the last payer on a student's tuition balance, it will likely force some schools to increase their tuition and, consequently, crowd out those local families who are not eligible for a voucher, but need an option for their child.

In addition to correcting the calculation for EdChoice payments to schools, I wanted to share with you an issue many of our schools face in light of the report cards released last year. In Toledo all of the public high schools have been designated as EdChoice schools, meaning they received a combination of "D" or "F" grades on their Ohio report card. Students who were planning to attend their local public school after graduating from their 8<sup>th</sup> grade, would be eligible, unless they were already attending a chartered non-public school, without a voucher.

I have met with many principals of these families, and they feel powerless. They can't open enroll into a good performing high school, and many of them, who have "made a way" without an EdChoice scholarship, aren't able to cover the cost of tuition for high school, where tuition can be thousands of more dollars per year than what they were paying in their k-8 school. If these students had attended a public middle school, they would be eligible for EdChoice in high school, but instead they are not able to access the scholarship. Families on the same street are treated differently with regards to eligibility for EdChoice. I respectfully ask that you include an eighth grade entry point into EdChoice so that students have access to a school that meets their needs.

The last issue I would like to quickly bring to your attention is, fundamentally, an issue of fairness in the program within the family unit. I submit for your consideration that the revised code should reflect the notion that EdChoice eligibility should be automatic for those families where siblings of students who receive a scholarship would also be eligible for the scholarship their sibling receives. The number of scholarships is capped by the limits already set within O.R.C.

Families need to stay together and that includes where siblings attend school. It is important that families are not forced to split their children up into different schools because they may not be able to receive a scholarship for each child due to limitations on the scholarship or in unique custody situations. Keeping families together will strengthen our students' outcomes.

Thank you for your consideration of these three very important issues. I respectfully ask you to incorporate the three changes I have outlined into the Senate's version of the state's general operating budget, House Bill 166. I would be happy to answer any questions you have.