



Thank you, Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes, and Senate Finance Committee members for giving me the opportunity today to provide proponent testimony today on substitute HB 110 as amended by this committee.

My name is Chad Aldis, and I am the Vice President for Ohio Policy at the Thomas B. Fordham Institute. The Fordham Institute is an education-focused nonprofit that conducts research, analysis, and policy advocacy with offices in Columbus, Dayton, and Washington, D.C. Our Dayton office, through the affiliated Thomas B. Fordham Foundation, is also a charter school sponsor.

As we all know, a strong K-12 education system lays the foundation for the lifelong success of Ohio's 1.8 million students. Recognizing the critical role of education, legislators for decades have worked hard to create policies that unlock great opportunities for all Ohio students and ensure that students are well-prepared for life after high school.

In their versions of the budget, Governor DeWine and House legislators continued the state's long tradition of prioritizing K-12 education. We commend them for their work, and we're encouraged that the Senate has built on several of their proposals. Specifically, we're pleased with the following provisions:

- **Full funding of the Quality Community School Support program:** Governor DeWine's budget increased spending for this important initiative to \$54 million per year, so that the appropriation would align more closely with the \$1,750 per economically disadvantaged student funding called for in the enacting language. Unfortunately, the House cut program funding to \$30 million. We commend and thank the Senate for restoring the full amount proposed by the governor. This program is critical to narrowing longstanding charter funding gaps, and it ensures that excellent public charter schools have the resources needed to expand and serve more students.
- **Shift to a "direct funding" model:** One of the key pieces of the House school funding proposal is the direct funding of charter schools and private-school scholarship programs, instead of through controversial deductions from traditional districts' state aid. We're pleased that the Senate has retained this concept in its school funding plan and improved the mechanism to execute it.

In addition to these promising moves, we also applaud the Senate for championing policy changes that will empower Ohio families with quality educational options. We strongly support the following provisions in the substitute bill:

- **Increased support for charter and independent STEM schools facility needs:** A recent report by the national education group, *ExcelinEd* found that Ohio funds just 18 percent of charter facility costs forcing charters to use operating dollars to pay for buildings. The Senate plan increases the state's facility allowance from \$250 to \$750 per pupil which will keep more instructional dollars where they belong—in the classroom. We urge the Senate to go one step further and enact a

robust credit-enhancement program that would significantly reduce charters' borrowing costs and unlock private investment that can support capital improvements in this sector.

- **Elimination of arbitrary geographic restrictions on startup charter schools:** In 2020, Fordham published a rigorous evaluation that demonstrated the strong performance of Ohio's brick-and-mortar charters.¹ Unfortunately, Ohio law has restricted new charter school startups to a handful of areas in the state. Given the evidence of their success, it's time to permit charters to open anywhere statewide and offer families in all parts of Ohio more quality public-school options.
- **Improved private-school scholarship programs:** More than 50,000 Ohio students rely on the state's private-school scholarship programs to allow them to attend a school that meets their needs. Recognizing their importance, the Senate made a number of changes that would further strengthen these programs. Three in particular are worth noting.
 - First, the substitute bill raises the scholarship amounts for the EdChoice and Cleveland vouchers to \$5,500 and \$7,500 for grades K-8 and 9-12 respectively. These dollar amounts more closely align with the cost of educating children.
 - Second, it ensures that scholarship amounts rise in proportion to future increases in public schools' base funding from the state, thus creating more predictability and fairness to Ohio's private schools.
 - Third, it modestly expands eligibility for EdChoice allowing more vulnerable children—those in foster care or with legal guardians—to apply for private school scholarships.

In terms of the much-discussed overall funding formula, we are encouraged to see the Senate put forward a proposal that, much like the House plan, would transition Ohio back towards a formula-based system after it was suspended for the 2020 and 2021 fiscal years. Broadly speaking, we wish to highlight two strengths of the Senate's approach to school funding:

- **Creation of a rational funding approach and a sustainable pathway forward:** The Senate, like the House, creates a predictable mechanism to estimate funding on a year-to-year basis. However, in contrast to the House, the Senate makes largely incremental changes to the current formula such as modestly raising the base amount for all Ohio schools. Because of its more prudent approach, the Senate plan doesn't create large, unfunded, long-term obligations that future legislators will need to wrestle with and that create significant uncertainty about school funding policy down the road.
- **Equitable treatment of public school choice students:** Because charters and independent STEM schools have no local taxing authority, Ohio has traditionally provided them with 100 percent of the base amount—for example, \$6,020 per student in the current year. Unfortunately, some proposals would have funded them at a reduced base amount. We strongly support the Senate's plan to apply an equal base student cost for charters and STEM schools. We're also supportive of the plan's tying open enrollment funding to the full base amount which is consistent with Ohio's longstanding approach to supporting this choice program.

Last, we wish to flag a few issues in the substitute bill that require attention in the coming weeks. They are as follows:

¹ <https://fordhaminstitute.org/ohio/research/impact-ohio-charter-schools-student-outcomes-2016-19>.

- **Weakened graduation requirements:** HB 110 allows the substitution of course grades in U.S. history and government and science for their state exam scores in those subjects for the purposes of earning seals under Ohio's new graduation requirements. This provision will weaken Ohio's graduation standards and cheapen the diploma seals. We urge the Senate to remove this provision.
- **Loosened re-enrollment rules for e-schools:** In the wake of concerns about student participation and outcomes in virtual schools, Ohio legislators have taken steps to strengthen accountability in this sector. Unfortunately, a provision added in the Senate sub-bill for HB 110 weakens these reforms by allowing a student who is disenrolled from an e-school because of non-participation to simply re-enroll in another e-school. To ensure that students are not abusing this educational option, this form of e-school "hopping" should be prohibited. We ask that this language be removed and that we revert to existing law (3314.261).
- **Elimination of critical funding for industry credentialing programs:** Creating viable pathways to great careers continues to be a major state priority. To his credit Governor DeWine has made career-technical initiatives a major focus in his education proposals. The as-introduced version of HB 110 included roughly \$20 million to support industry credentialing programs in Ohio. We were disappointed to see that funding removed in the Senate plan, and we ask that this funding be restored to give more students opportunities to gain the skills and certifications needed to launch great careers.

All Ohio students deserve a great education that puts them on a solid pathway to rewarding careers and lifelong success. The Senate has crafted an education budget that will help to put Ohio on the path to a world-class education system. Thank you for the opportunity to testify, and I look forward to your questions.