

Fordham Institute Going Ballistic on Privatization of Constitutional Public Education

Fordham's Policy Brief No. 1 (Summer 2022) provided eight recommendations to further the privatization of authentic public education. The next state budget bill will be laced with these recommendations, most of which will require funds that will be diverted from public school districts.

Fordham is the great privatizer dressed in public school garments.

Policy recommendations to encourage the growth of excellent charter schools, Ohio lawmakers should do the following:

- Increase and incorporate into charters' funding formula the quality community school support fund. For FYs 2020–23 the legislature approved much-needed supplemental funds intended to narrow funding gaps and help highly effective charters expand. Having met stringent performance criteria, about one-third of Ohio charters currently receive these extra dollars. In the next biennial budget, lawmakers should increase funding for this critical program to \$2,000 per economically disadvantaged student and \$1,250 per nondisadvantaged pupil (up from \$1,750 and \$1,000, respectively). They should also ensure that these dollars are here to stay by including the program in the state's charter funding statute, rather than using temporary appropriation language.
- Include charters in the "targeted assistance" formula. The vast majority of Ohio districts receive additional state dollars through a roughly \$1 billion funding component known as "targeted assistance." Charter schools, even though they received some of these funds in past budgets, are currently left out of this funding stream. As a matter of basic equity, state lawmakers should provide charters per-pupil targeted assistance amounts equal to the district in which they are located. This would send about \$1,000 more per pupil to high-poverty charters in cities like Cleveland and Dayton, though perhaps not to schools in Cincinnati and Columbus, as those districts do not presently receive targeted assistance.
- Raise charters' facility allowance to better cover building costs. Ohio currently provides brick-and-mortar charter schools a \$500 per-pupil allowance to help with facility costs. That's less than half the roughly \$1,100 per pupil that districts spend to operate and maintain a facility. Ohio should more adequately support charters' facility operational needs by increasing the allowance to \$1,000 per pupil.
- Create a credit-enhancement program to make school construction or renovation more affordable. Lacking access to the ballot box for local bond revenues and to statesupported school construction programs, charters must seek alternative routes to finance sizable capital projects. Private investors are an option, yet they're likely to demand high interest rates. To reduce debt-servicing expenses, several states have created creditenhancement programs for charters. In an approach pioneered by Colorado, the state would step in—through what's called a "moral obligation"—if a school is unable to make a payment. The Colorado program has supported dozens of charter facility projects and saved schools an estimated \$100 million in financing costs. Ohio could and should do something similar for its charter schools.

Policy recommendations to open doors to private school choice to more working-class families, while offering clearer academic data to help inform their decisions, Ohio lawmakers should do the following:

- Expand eligibility for income-based EdChoice to 400 percent of the federal poverty level. In 2020, state lawmakers raised the income-eligibility threshold for the EdChoice voucher program

from 200 to 250 percent of the federal poverty level. That was a step forward. Yet many middle-income families—particularly those with two working parents—remain ineligible for the assistance. Increasing the threshold to an annual household income of four times the federal poverty rate, or \$111,000 for a family of four, would ensure that more hardworking Ohio families have private school options.

- Allow startup private schools to receive scholarship funding in the fall of their first year. Because the state’s approval process includes an on-site visit while a private school is in session, start-ups are often barred from voucher funding until halfway (or later) through their first year. Uncertain funding in the earliest months of operation may discourage private school development, as the lag forces startups to cover payroll and other expenses with alternative sources of funding (e.g., loans or private donations). Ohio legislators should add language that permits voucher payments—or some portion of them—to be released as soon as schools have successfully completed all preopening requirements established by the state but haven’t yet had an on-site review.
- Report private schools’ academic growth outcomes and make results easily accessible. Ohio requires private schools to administer standardized exams—though not necessarily state tests—to any student attending via state-financed scholarship. Yet the public reporting of test results provides too limited a picture of private schools’ academic quality, as only raw proficiency rates are currently released. Although such data provide useful point-in-time snapshots of where students stand, they can also be misleading to the public, as proficiency data tend to correlate with demographics. To provide a more accurate representation of performance, Ohio should report the academic growth of a school’s voucher students (the school should have the option of doing that for its tuition-paying students, too, to give an even more holistic picture of school quality). Much like the “value-added” growth measure on the state’s public school report card, a measure of growth can help identify highly effective private schools (regardless of pupil backgrounds), while also raising flags for parents considering a school with poor growth outcomes. Legislators should make sure that schools’ growth results—as well as their proficiency data—are published in a more parent-friendly manner. Although no additional testing is needed to implement this recommendation, technical expertise would be required to calculate growth using private schools’ assessment data.

Policy recommendation to unlock more public school opportunities for children who reside in Ohio’s metropolitan areas, state lawmakers should do the following:

- Require all Ohio districts to participate in interdistrict open enrollment. Families and students may want to enroll in a neighboring district for any number of reasons, including a better learning environment, access to specialized programs, or the ability to attend school with close friends or extended family. Current law, however, allows districts to refuse entry to nonresident children who might benefit from attending their schools. Instead of allowing districts to opt out, state law should be changed to ensure participation. Of course, there should be exemptions in situations where open enrollment would put a school or district above capacity. However, given declining enrollments across many districts—even many suburban ones—this exception is likely to apply in just a handful of cases.

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