The Impact of School Choice on Funding Ohio's Public Schools

By

Donald J. Mook

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Donald J. Mook

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Donald J. Mook, Student, Date

Approvals:

_____

Dr. Charles Vergon, Dissertation Chair, Date

_____

Dr. John Hazy, Committee Member Date

_____

Dr. Charles Jeffords, Committee Member Date

_____

Dr. Charles Howell, Committee Member Date

_____

Dr. Salvatore A. Sanders, Dean of Graduate Studies, Date

Abstract

Introduction:

Ohio's school funding system is complex. The average taxpayer has at best a limited understanding about how their public schools' revenues and expenditures are collected, distributed, and expended. Overlay on the already complicated funding model with a myriad of school choice options with various funding mechanisms and amounts results in increased complexity. Even educational professionals and policy makers lack a clear appreciation of all the mechanics and implications of school choice and fiscal strain it can place on local school district budgets. This study focuses on the economic impact that Ohio school choice programs have on local public school districts and its potentially de-equalizing effects. A literature review traces the evolution of choice programs and their prevalence nationally, before describing Ohio's school choice options and their financing. A quantitative review of the impact of school choice programs on 11 school districts in one of Ohio's 88 counties reveals the flow of public tax dollars among public districts and between public school districts, community academies, private schools, and other educational providers. Findings illuminate the widely unrecognized interaction between school choice and the state school finance system. It furthermore reveals the potentially de-equalizing effects when local revenues, as contrasted to the state formula aid, are sent to other districts or providers, while other districts retain state aid for students they do not educate. Additionally, findings clarify the consequences for traditional public school budgets bearing pressure over local programs, decision-making, and the delivery of a "thorough and efficient" education that students are guaranteed by the Ohio Constitution.

Descriptors: school choice, school finance, rural schools

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Chapter 1

Introduction

The relationship between the state and families has long been the subject of debate. In recent history, two of the most contentious topics in this debate have revolved around the authority of the state vs. the rights of the parents to make decisions regarding the education of their children (Loveless, 1998) and how public education should best be funded to ensure equal educational opportunities (Verstegen and Knoeppel, 2012). As a shift in the relative authority of parents to choose the best education for their children has occurred, it has also brought with it changes in school funding models and the distribution of resources between and among educational providers. This chapter begins by providing a brief review of the evolution of school choice policy and traditional and emergent issues in school funding. Next it describes the purpose of the study, the questions that guide this research, and the study's significance. Finally, it defines the key terms and identifies limitations and delimitations.

Emergence of School Choice

The common school movement represented the initial effort to create a system of publicly supported education for citizens in America. The common school sought to develop the melting pot: a common set of loyalties to the state and a common sense of citizenship by those groups who are willing to be assimilated into the majority culture (Halstead, 2007). However, this ideology in education was problematic for those populations with a loyalty to their current faith or culture rather than the then-dominant Protestant normative values. One such conflict arose during the late nineteenth century when Roman Catholic immigrants surged into urban areas of the country. Displeased

with the common school ethos, they established an alternative in the form of the Catholic Parochial School System. By the year 1900, nearly one million American children were enrolled in Catholic schools (Gross, 2014). This movement was the first challenge to public schooling and recognized as the first system of school choice in the country.

But choice was controversial even in the early 1900's. Reflecting a concern about the need to reinforce certain dominant cultural values, the Oregon legislature in the early 1920's enacted a law mandating that all students of compulsory school age attend public schools (*Pierce v. Society of Sisters*, 1925). The law was challenged by the Society of Sisters, a religious order that operated a parochial school, and by Hill Academy, a private military school. The U.S. Supreme Court ultimately ruled that the state law violated the due process clause of the 14th amendment in that it infringed on the property rights of the school operators and potentially on the liberty interest of the parents to make choices regarding the upbringing of their children, including the school that they attend. The *Pierce* Court held that as long as the private school provided an education reasonably comparable to that provided by the public school, then attendance at such a school would satisfy the state's interest in an educated citizenry (*Pierce v. Society of Sisters*, 1925). Today's choice movement thus can trace its legal roots back to this case.

It was a quarter century later in 1955 that the concept of choice was to gain attention again, as an economist at the University of Chicago, Milton Friedman, suggested that the application of market principles to education would potentially increase the efficiency of education and the development of human capital (Friedman, 1955). He proposed a system of vouchers funded by the government that parents could use to purchase educational services at schools of their choice. While the idea gained attention in academic circles (Coons & Sugarman, 1978), it lay dormant in the realm of

education policy for over a quarter century. It was only as a result of President Ronald Reagan's National Commission on Excellence in Education and its call for educational reform that Friedman's principles would later re-emerge. In the Commission's 1983 report, *A Nation at Risk; The Imperative for Educational Reform,* schools and the education they provided were identified as a threat to the country's preeminence in commerce, industry, science, and technology. The *Report* highlighted America's deficiencies and demanded higher quality schooling.

Several federal legislative reforms in the mid-1990's and early 2000s would continue to push for higher educational standards and greater accountability in an effort to improve America's public schools. These included the adoption of Goals 2000: Educate America Act (P.L. 103-227, 1994) signed by President Bill Clinton in 1994, and the enactment of No Child Left Behind (P.L. 107-110, 2002) signed into law by President George W. Bush in January of 2002. The bar of higher standards and greater accountability pressured the nation's public school system to react and produce results, but the pace did not measure with the expectations of lawmakers and the general public. The public schools' inability to measure up to the laws established by presidents in both major parties opened the door for other options. The Federal laws reflected a growing bipartisan acceptance of at least some limited choice strategies to ensure children have some opportunity to escape inferior schools in which they might otherwise be trapped (Gwinn, 2006). Beginning with President Reagan, and with each successive president, the door to new educational options opened wider, creating a new landscape for school choice.

While President Reagan's call for reform emanated at the federal level, the first legislative enactments reflecting school choice occurred at the state level. In 1985,

Minnesota became the first state to adopt a public school choice policy including inter-district open enrollment and post-secondary options (Wong & Langevin, 2007). In 1989, three years after the initial Minnesota policy enactment, Ohio was to follow suit, adopting similar choice policies (SB 140). In the ensuing 25 years, Ohio has adopted additional choice options, bringing the total to seven by 2016. These options, as identified on the Ohio Department of Education website with their year of their initial adoption, include the following:

- Home School – 1989
- Open Enrollment – 1989
- Post-Secondary Options – 1989, modified to College Credit Plus – 2015
- Charter schools / Community Schools – 1997
- Scholarship or Voucher Programs:
    - Cleveland Scholarship Pilot Project – 1995
    - Ed Choice Scholarship Program – 2005
    - Autism Scholarship – 2003
    - Jon Peterson Scholarship Program – 2011
- On-Line Charter Schools (e-Schools) – 2000
- Career and Technical Education – 1917 (Ohio's General Assembly passed the Ohio Acceptance Act and completed its plans for vocational education)

It is important to recognize that several of these options have been amended on one or more occasions, usually expanding the scope of the programs and enlarging the populations eligible to exercise choice.

The number of Ohio students participating in these choice programs continues to grow. Based on fall 2016 enrollment data from the Ohio Department of Education, they total more than 350,000 students, or nearly 17% of all elementary and secondary students in the state (ODE, 2016a). Currently more than $1.5 billion is devoted to educating children participating in charter schools, in private schools via scholarship vouchers, and in public schools other than their district of residence through open enrollment (Rembert, Partridge & Feng, 2016). However, these figures do not account for those Ohio students who utilize career and technical education and high school-college dual enrollment programs. But what is largely hidden from public attention and community understanding is from what source these hundreds of millions of dollars come. And in turn, there is little recognition of the impact choice programs have on resources available to traditional public schools, or how monies are distributed differently between and among public schools or other educational providers because of Ohio's choice programs.

School Funding Policy

Government funding for education has been debated since Thomas Jefferson proposed a system of free schools for all children in Virginia back in 1779 in order to "diffuse knowledge more generally through the mass of the people" (Carpenter, 2013). The government's role in funding and administering primary and secondary education, however, has been prominent throughout most of the nation's history, leading some to contend this represents an "indiscriminate extension of governmental responsibility" (Freidman, 1955, p. 1). While Milton Freidman, a well-known American economist, was critical of the monopolistic nature of education, the reality has historically been that education for the masses has been predominately governmentally funded and predominately governmentally controlled.

Beginning before, but substantially overlapping the contemporary choice movement, have been efforts to reform the manner in which states fund public education. Since the middle of the last century, litigation has been mounted in scores of states to challenge the heavy reliance on local property taxes that result in great disparities from district to district in terms of the resources available to educate children. Early cases such as *Everson v. Board of Education* (New Jersey, 1947), *Serrano v. Priest* (California, 1971), and *Independent School District v. Rodriguez* (Texas, 1973) challenged funding disparities using state and/or federal equal protection arguments with varying results. A more recent vintage of cases has used various provisions of state constitutions to promote more equitable ways for state tax dollars to be distributed among public schools. One of these cases is of particular importance to this study: *DeRolph vs. State of Ohio* (1997). It called into question whether Ohio's public education system was funded adequately and equitably to provide the "thorough and efficient" system of education guaranteed in the Ohio constitution (Art. VI § 02). Although Ohio's Supreme Court on four occasions found the system of funding constitutionally inadequate (*DeRolph*, 1997, 2000, 2001, 2002), the court ended its oversight without an expressly acceptable change in Ohio's system of funding public education (*DeRolph*, 2002).

A second case, *Zelman v Simmons-Harris* (2002) figures prominently in understanding funding in the era of school choice in Ohio. The case decided by the U.S. Supreme Court involved the question of the constitutionality of the Cleveland Scholarship Pilot Program enacted by the state legislature to afford some relief to students in the under-performing Cleveland Municipal School District. The scholarship program provided modest vouchers to the families of public school students so they might attend participating private schools in the community. The vouchers could be used

for any non-public school, including those operated by religious groups, raising the issue of whether this represented an establishment of religion prohibited by the First Amendment. While lower courts concluded this was a violation of the separation of church and state, the U.S. Supreme Court, in a narrow 5-4 decision, ultimately found the program constitutional because the choice of what private school the child would attend and the voucher would benefit was up to the parent to decide, rather than the state. (*Zelman*, 2002).

Problem Statement

The introduction of publicly funded school choice policies overlaid on the Ohio system of financing education has introduced new complexity and implications that are just beginning to be explored. These alternative choices to the traditional common public schools receive political support and public funding, funding that might otherwise be used to improve the equity and adequacy of public school funding in Ohio (Sweetland, 2014). This approach to promoting improvement in Ohio's education system adds new complexities in financing public education by introducing transfers and adjustments in revenues between and among public schools and by interweaving the private sector into the educational providers that are publicly supported. This school improvement strategy adopted by the Ohio legislature has increased funding issues with potential implications for the equity and adequacy of resources. School funding is essential for school operations, and the movement of critical revenues through Ohio's school choice programs has complicated public school funding and created budgetary constraints felt by traditional public school districts (Arcalean, C., & Schiopu, I. 2015, Windle, J. 2014). The problem to be addressed within this dissertation study is the mixed and uneven flow

of state and local money from one school entity to another complicated by school choice programs.

Purpose of the Study

Although the Ohio Supreme Court has ruled that Ohio's funding system is unconstitutional in the *DeRolph Cases (1997, 2000,2001 & 2002)*, the state continues to allocate per pupil dollars to districts primarily based on local property taxes (Milcetich, 2011). The purpose of this study is to broaden the understanding by tax payers, local educational leaders, and state policymakers regarding Ohio's school funding model and the pressures on public school revenues associated with today's school choice options. Emphasis will be placed on the flow of funds associated with various school choice options for eleven school districts within one of Ohio's eighty-eight counties and the impact on resources available to traditional public schools in that county. The study will examine quantitative, financial data from school foundation funding reports compiled by the Ohio Department of Education (ODE) and made available via the ODE website. These public records are the best source and critical to understanding the flow of local, state, and federal revenues within funding mechanisms established by the state.

Research Questions

The research questions focus on the flow of public funds among public school districts and other education providers as a result of school choice options in one county. Existing data from the Ohio Department of Education was used to capture student enrollment and per student funding from local and state resources. District report card data will provide additional data not tied directly to the funding streams.

1. What are the demographics of each public school district in Columbiana County?

2. What types of choice options are utilized by students residing in each district and in all school districts in the county?
3. What number and percentage of students associated with each district and countywide, elect various choice options?
4. What is the dollar amount of money that each district gains or loses in conjunction with various school choice options and all options in the aggregate?
5. What amount and percentage of the resources represent locally-generated tax dollars rather than state aid?

Significance of the Study

The study is of both practical and scholarly significance. Practically, the study will provide local school officials and state policymakers with new insights into the operation of various funding policies, and the actual flow of dollars following K-12 students who elect choice options. It will quantify and provide an enhanced picture of the impact of choice policies on resources available to individual school districts in one county. In this manner, it may bridge a knowledge gap for local school district leadership, helping them meet the growing demand for greater fiscal as well as educational accountability. In this regard, it will help local school officials explain to their communities how choice impacts local resources, affording greater community understanding regarding the economic advantages realized via choice policies or the need for levies where choice has a negative effect on local resources. It will illustrate the utility of such analysis and perhaps provide a model to be replicated in other counties. The pressure to reform funding has been going on since *DeRolph*, and this study may generate new evidence to support the need for the State of Ohio to study and address

funding inequities when it comes to public schools and school choice so that all students enjoy a thorough and efficient education.

In addition to its practical purpose, this study will also add to the existing research and knowledge base reflected in the literature. While there is a wealth of studies on choice, most fall into one of several broad categories. A significant number are primarily theoretical in nature reviewing in the abstract the pros and cons associated with choice based on various theories or analytic paradigms (Brasington & Hite, 2013; Friedman, 1955). Others are empirical in nature, describing the prevalence of certain types of choice policies (Witte, 2007), and their effects in terms of whether or not they promote or lessen racial and social economic stratification (Ben-Porath, 2012; Garcia, 2013; Hirschman, 2004) or if they in fact promote school improvement via competition (Chubb & Moe, 1990), or if those participating in choice schools realize enhanced academic achievement (Cullun, 2005; *The Thomas B. Fordham Institute*, 2016).

Most studies focus on competitive effects of school performance (Egalite & Wolf 2016), racial stratification (Garcia, 2008) or socioeconomic inequities (Ertas, 2013). While a few have devoted secondary attention to finances and school choice (Yost, 2016; Carr, 2011; Hignett, 2005), there is a scarcity of studies that have as their singular or even primary aim focused on school choice and fiscal issues. A dissertation by Carr (2011) reported on the effects of scholarship programs on educational attainment, and in the process observed that such programs have positive financial implications effects for private schools and alter the resources available to some public schools. Another study that examines the flow and use of resources was conducted by David Yost (2016), the State Auditor of Ohio. He examined the fiscal implications of Ohio's open enrollment policy on four districts. His analysis explored questions of efficiency, evaluating whether

districts are actually benefiting or losing money in educating the in-coming students (Yost, 2016). While Carr and Yost touch on financial implications of choice, this study explores the operation of multiple choice options rather than a single one; examines a substantial group of geographically-related, predominantly rural districts; and analyzes the relative share of state and local share of resources that are transferred between and among public school districts and other education providers as a result of Ohio's school choice policies.

Definition of Terms

ADM – Average Daily Membership – is the total number of public school students within a school district's boundaries (ODE, 2015a).

Cap Formula – Withholds calculated aid above a growth rate of 7.5 percent each fiscal year and short circuits the formula through withheld funds (ODE, 2015a).

Capacity Aid – Provides additional funding for school districts where the income generated by one mill of property tax is below the state median (ODE, 2015a).

Career-Technical Education Programs – "Are available to middle and high school students in Ohio's Career-Technical Planning Districts (CTPD's). Programs are provided within traditional district schools, Joint Vocational School Districts and in some charter schools. Information about CTE programs and their entrance requirements should be obtained from the school administrator or guidance counselor. Career-Technical Education Programs help prepare students for college and careers, offering many industry credentials and an opportunity for students to earn their high school diploma, while also earning college credits" (ODE, 2015a).

College Credit Plus – "Allows a student to attend a college course and earn college credits while in high school. This potentially saves time and money for families in college. Contact your school counselor about this option" (ODE, 2015a).

Community/Charter Schools – "Enrollment into this option is the decision of the family and does not require permission from the home school district. These schools are Ohio public schools and are free to Ohio residents. Community/Charter schools can be a physical school building OR on-line e-schools" (ODE, 2015a).

Credit flexibility – "Is an option for a student to earn high school credit outside of the traditional classroom. The plan for the credit is developed by the student, the school and the family. Start first with your school counselor to discuss the idea that your student wants and what is needed to earn the credit" (ODE, 2015a).

Expenditures – The spending of any public money for a specified purpose as approved by the board of education's policies and procedures (ODE, 2013).

Five-Year Forecast – Is a key management tool that provides a snapshot of a school district's two previous years of finance, the current year of finance, and five years of predictable future finances. The five-year forecast is designed to engage school district administrators and their board of education in long-range planning and finance (ODE, 2013).

Fiscal Year – The business dates for school districts and government occurring between July 1st of any given year and June 30th of the following year (ODE, 2013).

Foundation Formula – Ohio's formula is a foundation program with an assumed local charge being subtracted from the basic program cost that determines the state aid (ODE, 2013).

Home Schooling – "Families can decide to provide education themselves to their children. This option requires the approval of the district superintendent and must be approved each school year along with an assessment of the students' performance." Home schooling children reduce the ADM and thus state funding to the district, but resources are not transferred to the family schooling the child (ODE, 2015a).

Open enrollment – "Students can attend school in a district that their parents are not residents. Every school district in Ohio decides whether to allow open enrollment. If it is allowed, the district creates a process, such as lottery or first-come, first-served, so that all students who apply have a fair chance for the spaces available in a grade level. Families must contact an open enrollment district for its process and follow it" (ODE, 2015a).

Private School – Are schools not run by the government. These schools are generally tuition based and historically have not afforded funds based upon taxation of the public. Additionally, they are not subject to as many state mandates as their public counterparts (ODE, 2015a).

Parochial School – Is a private school associated with sectarian group, church or organization (ODE, 2015a).

Revenues – Monies collected by school districts that are generated from property taxes, school district income taxes, state foundation formula, and local money (ODE, 2013).

Scholarships – "Ohio provides vouchers to private schools for students attending low-performing public schools. There are also scholarships available for families who are considered low income and students with learning disabilities to attend schools or programs that meet the student's needs" (ODE, 2015a).

State Share Index – Is the mechanism by which the formula works to distinguish between higher and lower wealth districts and allocates resources accordingly (ODE, 2013).

Transitional Guarantee Aid – The State of Ohio's foundation funding formula calculates financial aid. A school district that will receive less funding as calculated by the state's formula in a current year than what they received in the previous school year will receive additional funding to make up the difference. This financial aid is called the Transitional Aid Guarantee (ODE, 2013).

Tangible Personal Property/Public Utility Tangible Property Phase-Out – HB 64 restarts the phase-out of Tangible Personal Property and Public Utility Tangible Property reimbursement first put into law after comprehensive tax reform in 2005 and utility deregulation reform in 2001. HB64 phases out funding received by school districts dependent on the district's capacity measure by dividing all the districts into 5 quintile placements. The lowest quintile placement is phased out at 1% and an additional .25% in each subsequent quintile with the 5th quintile being phased out at 2% (ODE, 2013).

School Voucher – Is a certificate or bond, backed by the government, redeemable for an established monetary value for students or students' parents to choose to use to cover the cost of tuition at participating governmentally or privately operated school systems. (ODE, 2015a).

Limitations and Delimitations

One of the major limitations to this study is the number of school choice options available in Columbiana County. The county is outside the scope of major urban and suburban populations and provides a limited number of charter or community school options. Additionally, because the county studied is not necessarily like other counties in

the state, that could be a limitation in and of itself. Open enrollment is the number one source for a parent to choose other than the local public school. Due to the rural nature of the county, transportation is a limitation that may need additional exploration outside of the scope of this study. Some school districts, like those in Columbiana County, benefit tremendously from open enrollment funding, but conclusions may indicate that open enrollment may not be operating in its most efficient manner. This study is aimed at students who leave the residential district, and any data collected will benefit the residential district affording them knowledge about funding implications in school choice options, and provide insight regarding the possible ways to increase efficiency county-wide. This will have a positive effect for district leadership by providing and examining the funding impact through accurate information for community taxpayers. Collecting data outside the scope of state databases can be difficult due to the competitive nature of student mobility and funding associated with each student and thus this study relies exclusively on authoritative state records and reports all of which are public record. However, other political context issues potentially could exist if funding errors are identified and local communities demand change with local school boards or Ohio lawmakers. Raising awareness sometimes comes with a negative consequence and can create new winners and losers. The ultimate vision is to correct injustices and provide a fair and equitable education for all students in Ohio regardless of where they live and their parents' desire to ensure a high-quality education for their children.

Chapter 2

Review of Literature

Several strands of literature serve as the foundation for this study. The first strand of literature examines the historical context, reaching back several centuries to the common school movement and how an increasingly diverse population in the latter half of the 19th century contributed to the development of a system of alternative, private schools. These private schools of a religious nature were, however, to be denied public support by the establishment clause found in the U. S. and like provisions in many state constitutions. The second strand of literature describes the emergence of the contemporary concept of choice beginning in the mid-1950s, and debates about its costs and benefits as a vehicle for education reform in the 1980s.

In the 1990s the third strand of literature emerges, focusing on the changing policy landscape, and the adoption of choice policies of various types and the pervasiveness of these new types of policies. The fourth section focuses in on school choice in Ohio and policies that have been adopted and implemented in this state where the study is situated. The final literature examines Ohio school finance and financial aspects of choice beginning with an overview of the means by which education is funded in Ohio, followed by how choice options affect resources available to local school districts, and the limited body of research on the fiscal implications of choice.

The Historical Context

The school choice conflicts in education today have historic roots that are centuries old, dating to the inception of the common school and the framework of education controlled and financed by the government. The American educational system

has been institutionalized over the last two-plus centuries.

The model of the common school was established by the states in the 1800's to serve all primary-age children in an area regardless of the parent's ability to pay (Richardson, 1994). This is still the premise for today's system. This format for education, the "common school", which is now universally referred to as the "public school", provided an educational opportunity to all children, supported by local citizens or taxpayers, to promote literacy, minimize the use of children for labor, and assimilate immigrants into the American culture (Dorsey and Harlow, 2003). During the reconstruction and industrialization periods of the country child literacy was at its worst and child labor was at its highest. The country was growing and immigration into the United States was heavy. In the mid-1800's, as Dorsey and Harlow (2003) have observed:

> Public schools aggressively sought to acculturate and to assimilate immigrant children using varied approaches. To assimilate the incoming population of people, such approaches included discouraging students from speaking their parents' native language to emphasizing the concepts of democracy and capitalism in school curricula (p. 56).

Not all Americans, however, believed the assimilationist mission was the best format for education. As a result, factions grew within the country calling for other educational options. Initially, privately run systems of education had their roots in religion and fought for the right to exist alongside the public schools formed by the government to educate all its citizens. This perpetual battle over education between the

state and private religious interests grew, fueled in part by the government's aspirations that public schools be secular institutions. This emphasis on secularism is what separates the public school from religious based-educational systems. "Separation of church and state" is a phrase often used to describe the constitutional divide when referring to the relationship between the state or governmentally controlled schools and religions. This separation clause infers that government is neutral regarding religion, and that the government must not sponsor nor interfere with religion, thus reinforcing the idea that government itself is secular (Laycock, 2006). Government is expected to be neutral, and the common school is attached directly to the government. The nation has debated many interpretations from the constitution, but this is one that has shaped the educational system over time. Although the First Amendment of the Constitution of the United States makes a provision that "Congress shall make no laws with the respect to an establishment of religion or prohibit the exercise of a religion," this did not stop the fears of some American people (Laycock, 2006).

As Laycock (2006) had noted:

> The story of church-state relations in the United States stretches as far back as the thirteen English colonies that later became the original thirteen states. Most of these colonies had an established church – a church sponsored and supported by the colonial government. In each case, the established church was a particular Protestant denomination (p. 507).

Therefore, the historical background of the U.S. people was dominated by the Protestant religion by virtue of the initial U.S. settlers. Yet, in the mid-nineteenth century

through World War I, there was a massive Catholic immigration to the United States, resulting in serious Protestant-Catholic conflict (Laycock, 2006). Nineteenth century public schools taught the Bible and basic principles of Christianity, yet from the Catholic perspective, it was taught in a way that favored the Protestant practices, scriptural translations, and theological presuppositions (Laycock, 2006). During the late nineteenth century, private parochial schools emerged in an attempt to evade the political and religious pressures of the Protestant-dominated system of public schools. Fears of Catholic children being taught religion and morality by Protestant teachers was the impetus for the emergence of parochial schools. These fears grew stronger as compulsory attendance laws were introduced beginning in the 1850's through early 1900's (Gross, 2014). While prior to the 1890's compulsory attendance laws were largely symbolic and seldom enforced, the years between1890 and 1920 brought new enforceable attendance laws with teeth, backed by the state and the strength of the court system (Provasnik, 2006). The pressure to send children to the common public school came with penalties that parents could not afford to fight. Judicial decisions upholding the constitutionality of compulsory attendance laws and the authority of the state over education set the stage for legal conflicts (Provasnik, 2006).

This conflict erupted in Oregon in the mid-1920s, when the state enacted a compulsory attendance law that could only be satisfied by attendance at public schools. Faced with this threat, the Society of Sisters, a religious order and the operators of a Catholic school, challenged the state's compulsory attendance act that threatened their very existence (Shaughnessy, 2009). The case, *Pierce v. the Society of Sisters* (1925), was decided on the basis of The Fourteenth Amendment to the U.S. Constitution that forbids states from denying any person "life, liberty or property, without due process of law"

(U.S. Constitution). The Sisters' attorneys argued that if the Oregon law forced all students between the ages of 8 and 16 to go to public school, the Sisters would be forced to close their schools. This would mean they would no longer have a means to support themselves and would lose their "property right" to do so (Shaughnessy, 2009).

Part of the government schools' curricula was to promote Americanism and provide to immigrants the ways of the U.S. through assimilation into its culture. The Court found that the Oregon law was based on prejudices of the day and rejected the premise that the only way that foreigners could assimilate into the nation's culture and become good citizens was to force them into government run public education (Shaughnessy, 2009). The case also, in dicta since the parents were not parties to the case, recognized the liberty interest of parents to send their children to such private schools, as long as they afforded students an education comparable to that afforded in the public schools (*Pierce v. Society of Sisters,* 1925). Thus was borne the legal foundation for the contemporary school choice movement.

Having established their right to exist, Catholic schools sought out public funding like the public, arguably, Protestant-dominated schools enjoyed. The predominant Protestant population of the nation, however, denied that its churches' religious beliefs were taught in the public school (Shaughnessy, 2009). They maintained that the public schools taught nonsectarian doctrines and were neutral among Christians. The greater Protestant public's argument was that Protestant sectarian schools also existed and they did not receive public funding, therefore the sectarian Catholic schools would not gain fiscal support. During this period, a majority of the states amended their constitutions to prohibit financial support for sectarian schools (Sutton & King, 2013). Such amendments

were fashioned from the establishment clause in the U.S. Constitution and Blaine Amendment, proposed in 1874 by then Speaker of the House of Representatives James Blaine, which provided language asserting that no tax in any amount can be levied to support any religious activity or institution (Sutton & King, 2013). While Congress rejected the Blaine Amendment, states adopted its language, which effectively prohibited public funds from being used for financial assistance to sectarian private schools. Although through time public schools became more secular even with regard to Protestantism, this point in history was one that clearly blocked funding for the alternative Catholic school system (Sutton & King, 2013). Education was not going to be controlled by any entity other than the government and politicians currently in power.

Like that of the mass Catholic immigration, Jewish immigration during the late nineteenth and early twentieth centuries, had a similar impact in creating alternatives to the common public school (Gross, 2014). Contrary to the Catholic school movement, however, there was not a call for public monetary support by the Jewish population for their schools. The Jewish immigrants disagreed with any Protestant Christian teachings and pressured to have public schools completely secular (Laycock 2006). These series of religious and government clashes with dominant public education in history have indirectly created the platform for today's school choice movement.

Even if initially thwarted, attempts by some private religious-affiliated schools to secure direct public funding or services have ensued over an extended period, generally with very limited success due to the establishment clause in the U.S. Constitution and the Blaine Amendments. However, the U.S. Supreme Court, beginning in the late 1940s, appeared to recognize limited exceptions to the absolute view that no aid could be

provided to benefit parochial schools, when over several decades it began permitting and provided resources in the form of loaned textbooks, transportation, and instructional materials (Sutton & King, 2011). In 1947 for instance, the U.S. Supreme Court affirmed a New Jersey law, in a 5-4 decision, that permitted reimbursements to parents who sent their children on public transportation to attend Catholic schools (*Everson v. Board of Education*, 1947). The law disassociated the establishment clause with public tax dollars based on the fact no direct payment flowed to parochial schools and the law provided a general program to assist all parents of any religion to safely get their children to school. This transportation was likened to police or fire protection, a public safety service, and not a direct aid to advancing a religious sect. Subsequent cases would apply the "child benefit" theory to the loaning of textbooks to families (Hicks & Barnett, 2005). Although the *Everson* case upheld the aid and established a "child benefit" exception, the wall of separation between church and state persisted to limit most forms of public aid to private religiously-affiliated schools (Kritzer & Richards, 2003).

While scores of state legislative efforts in religiously-diverse states sought to channel aid directly to religiously-affiliated schools over the next 50 years, for instance by paying a portion of the salary of teachers who instructed sectarian subjects such as math in Catholic schools (*Lemon v. Kurtzman*, 1971), almost all were struck down as violating the establishment clause in the U.S. Constitution (Vergon, 1987). A significant break in this pattern occurred in 2002 when the U.S. Supreme Court decided *Zelman v. Simmon-Harris*. This case involved the Ohio legislature's creation of the Cleveland Pilot Scholarship Program that provided vouchers to students in Cleveland's failing schools that could be used to attend private schools, including those that were operated by religious groups. In a 5-4 decision, the Supreme Court upheld the constitutionality of the

program, noting that parents, not the state, determined where the voucher was spent, and the money flowed through the hands of the parent to the private school. This decision opened the way for a variety of subsequent voucher programs in Ohio that would allow public funds to support attendance at private schools, including sectarian ones.

Contemporary School Choice Concept

The genesis of the contemporary school choice movement can be best traced to two influential reports, one from an economist and the other from a federally-created commission on education. Milton Friedman, a University of Chicago economist, authored an article questioning the monopolistic nature of public education and its implications in terms of efficiency and quality, both of which he believed could be improved through a system of vouchers that parents could use to ensure an education from providers based on the operation of market principles (Friedman, 1955). The other influential report was *The Nation at Risk*: *The Imperative for Educational Reform* crafted by the National Commission on Excellence in Education (1983). The Report, created by the Commission, spawned a sustained period of educational reform that has persisted to the present day and has been the impetus for the formulation of the contemporary school choice concept.

Friedman On Education

Midway through the 20th century, at about the time of *Brown v. Board of Education in 1954*, the initial proposal for school choice in the modern era emerged from the writing of a University of Chicago economist, Milton Friedman. In his landmark 1955 essay, *The Role of Government in Education*, Friedman expounded on the potential of choice and competition to re-make the U.S. education system (Lubienski, 2005). Friedman proposed a re-examination of education with the proposition of "a free private

enterprise exchange economy," relying primarily on voluntary exchange among individuals" (Friedman, 1955, p. 1). In his view, the government's primary role was restricted to preserving the rules of the game by enforcing contracts, preventing coercion, and keeping markets free (Friedman, 1955). His belief stems from a philosophical standpoint that governmental intervention is justified in only three situations. One, where a "natural monopoly" exists, but market imperfections make effective competition impossible; two, "neighborhood effects" where the action of one individual imposes significant costs on other individuals by which it creates circumstances that make voluntary exchange impossible; and three, where there is an ambiguity in the ultimate objective rather than from the difficulty of achieving it by voluntary exchange (Friedman, 1955). Additionally, Friedman held that education contributes to a stable and democratic society that is impossible without the widespread acceptance of a common set of values and a degree of literacy and knowledge necessary on the part of all citizens (Friedman, pp. 2-4). According to Friedman, all citizens in a society, with principally accepted norms, benefit from education that provides increased social leadership. Yet, education as a requirement through governmental action and the cost associated with meeting the defined minimal requirement is subjective in nature and part of the choice advocates questions of responsibility. The advocate flies on the coattails of Friedman who suggests that government could require a specified minimum level of education that is financed by the government to give to the parent in the form of a voucher redeemable for a specified maximum sum per child on "approved" common educational services (1955, p. 3).

Americans, during the 1950's, were satisfied with their publicly run schools, yet Friedman promoted the theoretical underpinnings for the school choice movement and furthered the choice argument by presenting the presumption that competition would

provide numerous benefits. These, in his estimation, would include: improved quality of services, newly created innovative programs, increased productivity, and a legitimate alternative to an ineffective, inefficient, monopolistic provider in governmental education (Berends, Springer, & Ballou, 2009). Friedman's ideas take form as educational vouchers. His voucher principle suggested that government could require a minimum level of education financed by giving parents vouchers redeemable for a specified maximum sum per child, per year. Friedman ties his voucher argument only to government in a form of an approval process that meets an "approved" educational services from an "approved" institution, but clearly connects the voucher to the parent in the form of their own choice. The government's role would be limited to assuring that the schools met the minimum common content in their programs, "much as it now inspects restaurants to assure that they maintain minimum sanitary standards" (Friedman, 1955, p. 3). The voucher proposition is one of a government program that would provide an established standard criterion for education and, provided the standards are met, for-profit, not-for-profit, and religious schools may be approved to receive governmental funds in the form of a certificate/voucher for tuition. The voucher could be used to supplement parental cost for tuition and provide parents with a choice of governmentally approved schools in the marketplace.

School finance for choice is interconnected to the philosophical influence of Friedman's market model. He advocated for a publicly funded education system that promoted public and private schools while utilizing the pressures of the marketplace through competition to close bad schools and improve the general level of education across the country (Berends, Springer, & Ballou, 2009). Additionally, Friedman's model for school choice promoted economic and educational freedoms for poor and minority

students trapped in failing inner city schools segregated by the time or self-segregated by sheer inability to attend school districts dominated by wealth. Milton Friedman wrote:

> "Let the subsidy be made available to parents regardless where they send their children provided only that it be to schools that satisfy specified minimum standards and a wide variety of schools will spring up to meet the demand. Parents could express their views about schools directly by withdrawing their children from one school and sending them to another to a much greater extent than is now possible. In general, they can now take this step only simultaneously changing their place of residence" (p. 4).

Vouchers would be the answer to not only improved academic achievement, but a force to improve private and public education for all students. Milton Friedman's advancement of school choice was the beginning of the choice political football in American education as he called for a more diverse expenditure of public dollars to pay for tuition at independent and religious schools, far from the then educational status quo (Berends, Springer, & Ballou, 2009).

A Nation at Risk Report

Although the ideas of Milton Friedman were discussed throughout academia, they lay dormant in the field of education policy for almost 30 years. But in 1983, a report was issued that would spur an extended period of educational reform and in due course, the re-introduction of the concept of choice, much as Friedman had articulated it. The National Commission on Excellence in Education, commissioned during the Reagan administration, was to issue *A Nation at Risk*: *The Imperative for Educational Reform*. As implied by the title, this report proposed that the United States' once unchallenged preeminent position in world commerce, industry, science, and technological innovation was at risk of being overtaken by competitors in the increasingly global economy

(National Commission on Excellence, 1983). The *Report* called for sweeping improvements in American K-12 secondary schools, colleges and universities– changes necessary to compete and strengthen our position in a global competitive workforce and economy. *A Nation at Risk* characterized the nation's schools as failing and in dire need of improvement to provide a superior education that would respond to the challenges of a rapidly changing world. The *Report* was a powerful condemnation of American schools that led to the nation's perpetual state of a rolling crisis and reform (Hewitt, 2008). The Commission documented the nation's risk in indicators such as the following among others:

- International comparisons of student achievement, completed a decade ago, reveal that on 19 academic tests American students were never first or second and, in comparison with other industrialized nations, were last seven times.
- Some 23 million Americans adults are functionally illiterate by the simplest test of everyday reading, writing, and comprehension.
- About 13 percent of all 17-year-olds in the United States can be considered functionally illiterate. Functional illiteracy among minority youth may run as high as 40 percent.
- Average achievement of high school students on most standardized tests is now lower than 26 years ago when Sputnik was launched.
- Over half the population of gifted students do not match their tested ability with comparable achievement in school.
- The College Board's Scholastic Aptitude Tests (SAT) demonstrate a virtually unbroken decline from 1963 to 1980. Average verbal scores fell over 50 points and mathematic scores dropped nearly 40 points.
- College Board achievement tests also reveal consistent declines in recent years in such subjects as physics and English.

- Both the number and proportion of students demonstrating superior achievement on the SATs (i.e., those with scores of 650 or higher) have also dramatically declined.

- Many 17-year-olds do not possess the "higher order" intellectual skills we should expect of them. Nearly 40 percent cannot draw inferences from written material; only one-fifth can write a persuasive essay; and only one-third can solve a mathematics problem requiring several steps.

- There was a steady decline in science achievement scores of U.S. 17-year-olds as measured by national assessments of science in 1969, 1973, and 1977.

- Between 1975 and 1980, remedial mathematics courses in public 4-year colleges increased by 72 percent and now constitute one-quarter of all mathematics courses taught in those institutions.

- Average tested achievement of students graduating from college is also lower.

- Business and military leaders complain that they are required to spend millions of dollars on costly remedial education and training programs in such basic skills as reading, writing, spelling, and computation. The Department of the Navy, for example, reported to the Commission that one-quarter of its recent recruits cannot read at the ninth grade level, the minimum needed simply to understand written safety instructions. Without remedial work they cannot even begin, much less complete, the sophisticated training essential in much of the modern military
- (National Committee on Excellence, 1983, p. 11-12).

Reform efforts were called for by President Reagan, who used his office as a bully pulpit, calling on states to assume the leadership for reform measures and to mobilize public opinion regarding the need for changes (Berube, 1991). In a news conference on April 26, 1983, President Reagan announced that the country's educational system is "in the grip of a crisis caused by low standards, lack of purpose, ineffective use of resources, a

failure to challenge students to push performance to the boundaries of individual ability, and an absence of will to strive for excellence" (Reagan, 1983).

The Commission called for increased rigor that would challenge students to perform better in a tougher curriculum that should include four years of English and three years of mathematics and science, three years of social studies, two years of a foreign language, and one-half credit in computer science. The Commission called for the implementation of new standards where students would be required to meet higher benchmarks to graduate. The Commission recommended that there be more and longer days in the school year. Additionally, the Commission stressed the demand for improved teacher preparation programs where teachers would be better trained and which would necessitate increases in the rate of teacher pay that would be professionally competitive and performance based. Teacher improvement recommendations included career ladders differentiated by experience and skill, 11 month contracts to address professional development and improve curriculum, moving resources devoted to teacher-shortage areas, mentoring program for beginning teachers, and incentives to attract high quality teachers into education (Editorial Projects in Education Research, 2004).

Choice as Educational Reform

Several waves of reform efforts rolled across the country, often varying from state to state ("Your education policy team", 2017). Forty-five states across the nation increased graduation requirements, 9 states increased the number of days in the year, 27 states instituted minimum grade point average for an entering teacher with 23 requiring a certification test, and by 1986, 18 states adopted plans for career ladders (Firestone, 1990). Some initiatives focused on intensifying the existing model of education by simply increasing the number of minutes in the school day or the number of days in the

school year. Others emphasized the professionalization of teachers and experimented with more decentralized governance through site-based management and greater parent participation.

When results did not quickly materialize, others concluded that the present structure of education was broken and advocated for system-changing measures (Moe and Chubb, 1990). Arguments began to be advanced for more dramatic reform measures giving parents greater power, that of the ability to choose among schools and determine the education of their children. One such example was the idea of using market mechanisms to promote school improvement, reminiscent of Friedman's essay a quarter century earlier. This was espoused in an influential 1990 book: *Politics, Markets & America's Schools*, by John Moe and Terry Chubb. They argued that the nation's political response with aggressive reforms was destined to fail because they did not get to the root of the problem (Chubb & Moe, 1990). Students were trapped in poor-performing schools, and school choice would provide opportunity for improvement. According to Moe and Chubb the fundamental causes of poor academic performance are not found in schools, but in the institutions of direct democratic control by which schools have traditionally been governed, and not subject to market control like that of the private school (Moe & Chubb, 1990, Forward).

School choice advocates, which include the business community, parents dissatisfied with governmental education, private schools, a percentage of the politicians, and some taxpayers, see the free market principles as a means of healthy competition for compelling improvement in schools (Sutton and King, 2013; Moe, 2008, Friedman, 1955). Advocates are fundamentally discontent with governmentally-run education and/or dislike being taxed for a public education of which they have not been a recipient

or in which they do not enroll their own children. They believe that privatization increases competition and reduces the role of government monopolies, therefore providing a natural improvement process (Moe & Chubb, 1990). Thus, the concept of choice was growing with new theories and rationales that included privatization of public schooling and the revenues that followed. Lawmakers, with influence from educational philanthropists, introduced a rationale that privatization of public schooling throughout the United States creates competition, and competition will create improvement and strengthen the U.S. educational system (Moe& Chubb, 1990).

Moe and Chubb (1990) promote their belief that market places should replace the democratic control of schools by suggesting that reforms fail when we automatically rely on the institutions under governmental control to solve problems, when the institutions themselves are the problem (p. 2-3). Proponents of choice also claim that a combination of market incentives and parental choice will lead to schools that are less segregated by race, class, or student ability with the market acting as the ultimate leveling agent (Lacireno-Paquet, Holyoke, Moser, & Henig, 2002).

Yet, opponents of choice argue that government should focus on the improvement of the existing public schools and that large-scale attempts to privatize education are designed to destroy the public or common school (Sutton & King, 2013). Opponents, according to Sutton & King, believe that school choice exacerbates educational inequality and inequities between race, class, and student achievement, while lessening the necessary funds needed to successfully implement higher standards in government controlled schools. The reduction of resources to the neediest schools makes their ability to improve and meet higher standards difficult, if not impossible. Typical opponents of school choice initiatives include but are not limited to school employee labor unions,

state and national educational associations, governmental school associations, teachers, a percentage of the nation's politicians and a percentage of the nation's taxpayers (Rawls, 2012). Opponents believe because of the pressures for success on both sides of the issue, that schools may "cream" students and siphon off the students who, because of favorable background circumstances, will be easier and less costly to educate (Lacireno-Paquet, Holyoke, Moser, & Henig, 2002).

The Changing Policy Landscape Nationally

While proponents and opponents debated the concept of choice, policymakers at the state level were willing to adopt policies providing various types of choices to parents. Minnesota was the first to adopt a series of choice policies beginning with post-secondary options in 1985, followed by inter-district open enrollment in 1987, and the authorization of charter schools in 1991 (Wong & Langevin, 2006). The state of Minnesota's public school enrollment laws can be considered the standard measuring stick of most modern-day state models of school choice. Minnesota's theoretical concept of school choice has led to many states' frameworks for public school choice programs and the use of public funding.

Post Secondary Options

In 1985, the nation passed its first school choice law when policy leadership in education reform from the state of Minnesota presented the Postsecondary Enrollment Options Act that allowed students to attend state colleges and universities for academic credit in both secondary schools and higher education (Wong & Langevin, 2006).

Open Enrollment

Later, following a spirited debate, and despite a relatively successful educational system nationally, the Minnesota State Legislature authorized the nation's first open

enrollment program in 1987 (Wong & Langevin, 2006). Open enrollment permits students to choose a public school within their residential district or outside of the residential district, depending on the specific state's policy adoption. Intra-district enrollment permits students to transfer between schools within the residential school district, while inter-district enrollment provides for students to transfer to schools outside of the residential school district. Open enrollment policies have been adopted in 46 states and the District of Columbia (Wixom, 2016). State adopted policies include a range of mandatory and voluntary options with some states having a mix of both mandatory and voluntary agreements. Only Alabama, Maryland, and North Carolina have no open enrollment, and while Illinois has some provisions, the state was exempted from No Child Left Behind choice provisions under an NCLB waiver ("Your education policy team", 2017).

Charter Schools and Virtual Charters

Two decades after the adoption of the first charter law in Minnesota, 41 states and Washington D.C. followed suit by adopting charter legislation according to a study by Toma and Zimmer (2012). Charter schools are independently operated schools established and managed outside of the traditional public school system. They are publicly funded in the same fashion as the public school system, however, with fewer mandates and more flexibility over the way the school operates and how they budget their operations. States have developed three primary methods of funding for charter schools: an amount equal to the student's resident district per-pupil allocation, an amount equal to the charter authorizer's per-pupil allocation, or a standard statewide established per-pupil allocation (Cunningham, 2013). Yet, for a public charter to remain open, they must provide the community they serve with the state approved academic results. Part of the

oversight responsibility rests with the charter authorizer. Accountability is determined by each of the states and can range from stringent state established standards to those demanded by the greater community. Authorizers may be private citizens or businesses, nonprofit organizations, higher education and even public school districts.

Since the first Minnesota charter school, the charter school industry has expanded to 42 states and the District of Columbia, and 23 states and the District of Columbia have enacted incentives for parents to choose private schools in place of public options (Cunningham, 2013). The charter school template has resulted in other school choice programs that have expanded across the United States.

A variation on charter schools is the e-school or virtual school. K – 12 traditional educational school systems are typically pictured as a brick and mortar building or a schoolhouse that students attend to receive an education. Traditional or conventional charter schools have also operated from brick and mortar facilities. However, since the construction of the internet and the world-wide web, online educational resources and curricula have been developed with exponential growth across the country. Today, online educational schools at all levels of education without physical buildings are known as "virtual schools". Courses are delivered to students anywhere they may be, so long as they have a connection to the internet and a device to receive the course content. The virtual school seldom requires students to physically attend the school, and characteristics of a traditional school may not exist (Russel & Holkner, 2000). There are some blended models of virtual schools that include partial to full time attendance at physical school buildings, coupled with the online learning platform, but the instructional norm is independent, self-paced with limited student-teacher interaction (Ahn & McEachin 2017). Teacher interaction can range from email, chat, face-time, or actual face to face

meetings if physical attendance takes place. Regardless of the level of teacher interaction in the blended learning format, the course content is driven through the online curriculum to a receiving device and the teacher manages and assists students when necessary. This blended environment with teacher interaction is considered virtual learning but is neutral to the level of attendance at physical buildings (Ahn & McEachin, 2017). Traditional public, private, and charter schools utilize virtual elements in their programs today, and it can be a combination of fully electronic or blended course curriculums

In 1997 the first two virtual schools in the United States, The Virtual High School (VHS) and Florida Virtual School (FLVS), were established, and only four years later more than 50 charter and public schools were running online programs in at least 30 states (Barbour & Reeves 2009).

Educational Vouchers/ Scholarships

School vouchers were first suggested by Milton Friedman in the 1950's. His philosophy conceptualized government's role in education as simply assuring minimal standards, while providing limited financial assistance to parents in the form of a voucher redeemable to purchase educational services from an approved institution of their choice (Friedman, 1955). Although the oldest U.S. voucher school choice program can be traced back to Vermont's Town Tuitioning Program beginning in 1869 with options for students whose towns did not have public schools ("Vermont - Town Tuitioning Program", 2017), vouchers are still a relatively recent option for most states. Today, there are 25 different types of voucher programs in only 14 of the 50 states and the District of Columbia ("Your education policy team", 2017).

The Milwaukee voucher program is one of the most researched school choice programs in the country and is often credited as the nation's first voucher program

(Cullen, 2005). The groundbreaking Milwaukee voucher program targeted low-income students with vouchers to attend one of three private, non-sectarian schools in the Milwaukee area, using a random lottery system. In 1995, the Milwaukee program was legislatively expanded to include religious schools, which resulted in the program soaring from three to 121 participating schools (Moe, 2008). The Milwaukee program established the framework for the 1995 Cleveland Scholarship program, also a highly-referenced voucher initiative established for low-income students. Vouchers can be categorized into one of following areas: state funded scholarships, tax-credit programs, or educational savings accounts ("Your education policy team", 2017). Each program can be used to pay tuition-based schooling at the will of the parent. However, private schools that participate in state sponsored voucher programs must meet state legislated program mandates.

A 50-state comparison on voucher programs found that as of 2017, 14 states and the District of Columbia had voucher programs, including Ohio ("Your education policy team", 2017). State obligations or requirements for vouchers may include some of the following limitations, but are not necessarily included in each and every state voucher program: official accreditation, designated operational existence timelines, teacher evaluation plans, comprehensive academic accountability standards, capped tuition amounts, student discipline policies, attendance standards, seat-time standards, prohibited rejections outside of space available, state accountability rating system, and/or minimum student performance objectives (Cunningham, 2013).

Thus, the school choice landscape owes much to choice-driven reforms in Minnesota, that began a movement that spread from state to state as politicians and private industry looked for new educational options to better prepare students for state

economic development and global competition. The political movement in school choice used the Minnesota model as a template for school choice initiatives nationally, and it remains the central point of reference when referring to school choice today. Ohio was among the states that borrowed extensively from Minnesota's framework for school choice, as described next.

School Choice Options in Ohio

Ohio was one of the earliest, and has been one of the most active, states in terms of choice options. Soon after Minnesota, Ohio began to follow suit in adopting choice programs. In 1989, the 118th Ohio General Assembly adopted SB140 providing for both intra-district and inter-district open enrollment and post-secondary option policies. In succeeding years, Ohio policy makers would adopt the Cleveland Scholarship Program (1995), community academy or charter schools (1997), e-community schools (2000), and a series of voucher programs including the Autism Scholarships (2003), the EdChoice Scholarships for students in failing schools (2005), the Jon Peterson Scholarship for any student with a disability (2011), the Income-Based Ed Choice Expansion Scholarship for children living in poverty (2013), and the College Credit Plus revision of the Post-Secondary options program (2014). Each of these choice options are reviewed next based on provisions found in the Ohio Revised Code (ORC), the Ohio Administrative Code (OAC) and/or as described by the Ohio Department of Education on its website.

Ohio Open Enrollment Policy

In 1989, the Ohio General Assembly passed the Omnibus Education Reform Act known as S.B, 140 which established intra and inter-district open enrollment options for Ohio students, the latter permitting students to attend public schools in districts adjacent to the one in which they reside. The initial law was expanded in 1997 to include a

statewide option, allowing students to enroll in any other districts in the state that elected to participate in the program (Brasington, Flores-Lagunes, & Guci, 2016). The provisions of these acts are codified in the Ohio Revised Code (ORC 3313.98) and Administrative Code (OAC 3301-48) including the stipulations outlined in the paragraph that follows.

Ohio school boards must annually adopt a policy that either denies or accepts students from outside their district boundaries. Boards have one of three policy options: 1) reject open enrollment, 2) permit open enrollment to students residing in adjacent districts, or 3) accept students from any district in Ohio. This form of school choice permits parents to enroll their child into an Ohio public school district participating in the open enrollment program. Districts that have chosen not to accept students from other districts, cannot deny their resident students the choice to attend elsewhere.

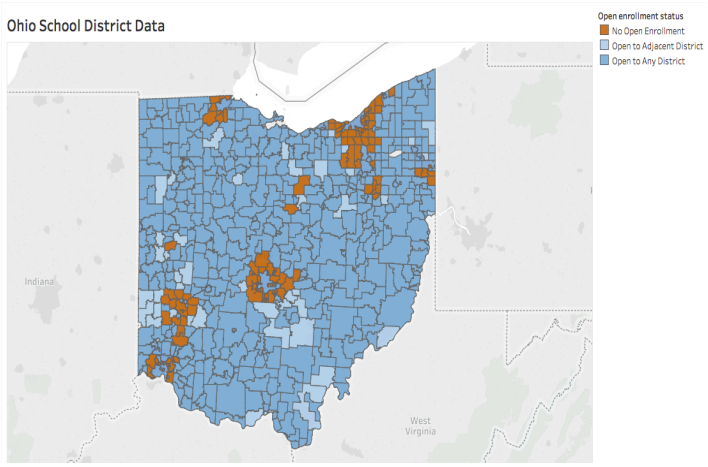
Students must enroll during their preferred school district's open enrollment application period. Districts must accept students based on the order of application or by lottery and do so based on the available capacity for the relevant grade level or program. Students who have been previously enrolled and their siblings must be given preference over new applicants. Each school district must establish its own procedures and timelines that have been adopted by the local school board of education and included in the school district's policy. A school district may refuse students based on their race, where necessary to maintain racial balance, on the basis of lack of classroom capacity, and based on a student's disciplinary history involving suspension or expulsion of ten or more consecutive days in the preceding term. Districts may not deny enrollment based on student language or disability, unless with respect to students with disabilities, the district lacks the services required on the student's Individual Educational Plan. School districts

are not forced to hire additional staff or take on additional expenses to provide programs that do not exist currently.

Under the policy, transportation is the responsibility of the parents who seeks to enroll their child in another district and is not provided by the district in which they reside. The attending district is only responsible to pick up non-resident students at the closest established bus stop within its district boundaries for the same grade levels that it transports resident students to and from school. This may or may not be convenient for the family from outside of the district boundaries. However, an IEP may call for transportation, necessitating cooperation between attending and residential districts, although such cooperation may be difficult to secure.

According to 2015–16 school year data, of the over 600 public school districts in the state of Ohio, 449 districts allow students to enroll from anywhere in the state; an additional 50 school districts allow only students living in adjacent school districts, and 116 districts have chosen not to permit open enrollment ("The Thomas B. Fordham Institute", 2017).

Appendix B



Pictured to the right is a diagram demonstrating pictorially the dynamics of open enrollment policies across the state of Ohio. Students with established residency in an Ohio school district and can choose to attend any district of their choice of the 449 school systems participating in the program. The 50 school systems that choose to only accept students from adjacent districts require that the students' residential school district border the open enrollment school district to meet eligibility requirements.

The remaining 116 schools in the state have chosen to only allow students who are residents of their school system to attend and therefore do not allow for open enrollment.

Ohio Post-Secondary Enrollment – Now College Credit Plus

Post-secondary options or dual enrollment allow Ohio students to attend college classes while attending high school. In Ohio, the post-secondary enrollment options program was enacted in 1989 for 11th and 12th graders and expanded in 1997 for 9th and 10th graders (ORC 3365.01 et. seq. and OAC 3301-44). Although it is essentially the same program, it has been renamed in 2014 as "College Credit Plus" and now permits 7th and 8th graders to participate for college credit to be earned for college level classes taken on campus or offered in their own school setting (ORC 3365.02 et. seq.). Often the funds are reallocated from the high school districts to colleges to offset the tuition cost, as local school districts lose FTE funds for duel-enrolled students (Harper, 2015). There is no cost to the student for tuition, books, or fees to take courses from a public college or university. The cost to attend an Ohio state run university varies based on the negotiated agreements established through the state of Ohio.

Charter or Community Schools

The first community school or charter school legislation was adopted by the 121st Ohio General Assembly in 1997 under House Bill 215. House Bill 215 established a pilot community school program in Lucas County sponsored by the Lucas County Educational Service Center, with the caveat that only new start-up community schools could be in Lucas County. Senate Bill 55 soon followed permitting an expansion of the initially proposed legislation to create community schools in the eight largest urban districts in the state of Ohio. Two years later, House Bill 282 further expanded

community schools to all 21 Ohio urban school districts and those districts in academic emergency. The bill additionally added transportation requirements to districts for community school students. These Bills are codified at Ohio Revised Code 3314.01-.99 and governed by regulations found in the Ohio Administrative Code at 3301-102.

The first Ohio publicly funded, tuition-free charter school opened in 1998, and as of 2015 there are over 400 charter schools in the state (Regina Lukich –ODE Lecture May 1 2015). Ohio's charter schools are publicly funded, nonprofit, nonsectarian, and overseen by the state with more freedom over budgets, staffing, operations, and curriculum (ORC 3314.01 et. seq.). Charter schools are funded at a per student dollar amount established by the State of Ohio. They may receive limited state funded facility support and poverty based support without local taxes except for Cleveland. They may additionally receive federal funding, private funding, and state and federal grants.

E-Community Schools

Virtual schools, universally referred to as e-schools, are called e-community schools in Ohio and must be established according to state law (ORC 3314. 21). The name e-community is likely driven by the community school name given to the charter industry in Ohio and the combination of electronic school and Ohio's community school name for charters. Ohio's e-community schools operate independently while other e-community schools operate through public schools themselves and other public service providers such as educational service centers (ESC's). One unique feature of virtual education in Ohio is that all its virtual schools are charter schools, which means they are publicly funded (Wang & Decker, 2014). The first e-community school in Ohio was opened in 2000 under Ohio law through the Lucas County Educational Service Center of

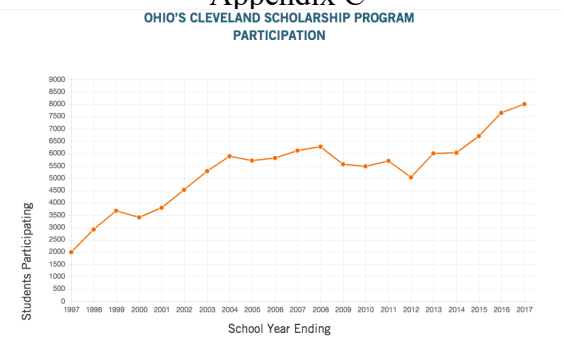
Lake Erie West in Toledo. The Electronic Classroom of Tomorrow (ECOT) provided virtual learning as a community school, and today, according to the Ohio Department of Education, is one of two e-community schools in the state with enrollment eclipsing 20,000 students (ODE, 2016a). The Ohio Virtual Academy sponsored by the Ohio Council of Community Schools is the other e-community school. According to the Thomas Fordham Institute's 2016 report on *Enrollment and Achievement in Ohio's Virtual Charter Schools,* of the 1.7 million students in Ohio's K-12 public education system, 35,000 students are enrolled full-time in a virtual charter school (Fordham Institute, 2016). Like other publicly funded schools in Ohio, e-community schools are required to take all state-mandated achievement tests and pass Ohio's graduation testing requirements for a high school diploma (ORC 3314.017).

Ohio Vouchers or Scholarship Programs

Cleveland Scholarship Program

The Ohio legislature adopted a scholarship or voucher program in 1996, permitting students who reside in the Cleveland Metropolitan School District to attend neighboring public charter or other non-public schools within the Cleveland Metropolitan area (ODE, 2017c). Scholarship or voucher programs such as the Cleveland Scholarship Programs were established to provide students the opportunity to attend private schools in Cleveland with the State of Ohio providing reimbursement for tuition (ODE, 2017a). This pilot project is identified and reinforced in law through the Ohio Revised Code 3313.975 Pilot Project Scholarship Program.

Appendix C



Student participation in the Cleveland Scholarship Program has grown substantially from approximately 2000 students in 1997 to over 8000 students in 2017 (Ohio - Cleveland Scholarship Program, n.d.).

Autism Scholarship Program.

The Autism Scholarship Program was enacted in 2003 with enrollment beginning in 2004. This program, as defined in Ohio law (ORC 3310.41-.51 and OAC 3301-103), permits parents of students on an individualized education program (IEP) to send their child to a special education program outside the residential school district. The student must be identified by their school district of residence with autism to qualify for the scholarship. The child must be between the ages of 3 and 22 years old. Since there are no caps to the number of scholarships available, so long as the student meets the requirement, they will receive the scholarship. The student does not have to be enrolled in the district of residence. To be eligible, the student must be of age to enter grades PK through 12th and live in a State of Ohio school district. Programs that accept students must have a current state charter, be registered to participate, have school principals licensed by the State of Ohio, must be credentialed to provide special education services, be in compliance with background checks, meet health and safety standards, and must be an existing business providing special education to children. Transportation by the residential district is required by law to and from the eligible program (ORC 3310.41 et. seq. & OAC 3301-103). Any parent that accepts this program scholarship no longer falls under the public school district's responsibility for (FAPE) a Free and Appropriate Public Education or support services as indicated on the student's IEP (Ohio Revised Code § 3310.53).

EdChoice Scholarship Program

The EdChoice Scholarship Program permits students from the state's lowest-rated public schools to apply scholarship dollars toward tuition to attend private schools who participate within the state of Ohio (ORC 3310.01-.17). The Income-Based Scholarship Program (ORC 3310.032) is an expansion of the EdChoice Scholarship. This scholarship program is provided to any student in any part of the state of Ohio entering grades K-4 whose family's income is at or below 200% of the Federal Poverty Guidelines and is not eligible for the EdChoice Scholarship. The Income Based Scholarship program may be accepted by participating private schools.

The Jon Peterson Scholarship Program

The Jon Peterson Special Needs Scholarship Program (ORC3310.52) is also for students with an Individualized Education Program (IEP) and has variable cost depending upon the student's disability. In contrast to the Autism Scholarship, student eligibility is simply based on a student being evaluated as having any disability recognized under the Individuals with Disability Education Improvement Act. The local public school is obligated to evaluate students for the Scholarship, including students who attending private schools in the local community and to develop an IEP for the scholarship students. Families may use the scholarship at private schools or other educational providers of specialized services who have registered with the state.

Career-Technical School Options

Career-technical education also known as vocational education options have dated back to the industrial revolution. Yet, in 1917, the federal Smith Hughes Act gave federal funds to states to provide vocational education

(http://stateimpact.npr.org/ohio/2014/03/07/five-things-to-know-about-vocational-ed-in-ohio/). Later the State of Ohio implemented legislation that promoted publicly funded vocational education (ORC 3313.90). The programs generally begin in the students' 11th grade year for a period of two years, but there are programs that begin with 9th grade students. Five different categories have been established with different career tech pathways. Category 1 consists of Agriculture & Environmental Systems, Construction Technologies, Engineer & Science Technologies, Finance, Health Science, Information Technology, and Manufacturing Technologies. Category 2 consists of Business & Administration, Hospitality & Tourism, Human Services, Law & Public Safety, Transportation Systems, and Arts & Communications. Category 3 consists of Career Based Intervention Programs. Category 4 consists of Education & Training, Marketing, Academics, Public Administration, and Career Development. Category 5 consists of Family & Consumer Science programs (ORC 3317.014).

Ohio School Finance Model and the Funding of Choice Options

Before examining the method and amount of funding associated with various choice options in Ohio, it is important to review the broader school finance model and significant litigation challenging its constitutionality, as well as a case related to funding vouchers in Ohio that reached the U.S. Supreme Court. These cases provide additional context to the issue of funding choice options in Ohio.

State School Finance Model

The background behind the importance of public education in the U.S. and for Ohio was established well before today's debates over the intent of the language of the Ohio Constitution and school funding. Congress established the federal government's first surveying and mapping program for public lands including schools with the passage

of the Land Ordinance of May 20, 1785 (Ehrenberg, 1983). The 1785 Ordinance established and reserved one thirty-sixth of every township in the Western Territory for public schools and created a sense of encouragement of education for the future as well as laying out the educational foundation for the Ohio Constitution (Obhof, 2005). The framers of the Ohio Constitution were intentional in their belief about public education and the importance for the state's citizens. The intentionality of the framer's purpose for public education can be identified in Section 2, Article VI, of the Ohio Constitution which states: "The General Assembly shall make such provisions, by taxation, or otherwise, as, with the income arising from the school trust fund, will secure a thorough and efficient system of common schools throughout the state; but no religious or other sect, or sects, shall ever have any exclusive right to, or control of, any part of the school funds of this state" (Constitution of the State of Ohio, 2010). The phrase "thorough and efficient system of common schools", which is unchanged since its adoption, continues to be the heartbeat of today's school improvement advocates and is the premise for the *DeRolph v. Ohio* and other Ohio educational funding cases. The framers of the Ohio Constitution left no doubt as to the importance of a "thorough and efficient" publicly funded educational system, but they did not provide for future lawmakers a clear and concise version of how to carry out the methodology.

On December 19, 1991, the Ohio Coalition for Equity & Adequacy of School Funding and the Columbus law firm of Bricker & Eckler, represented five Ohio school districts and various individuals from those districts, by filing suit in the Perry County Court of Common Pleas against the State of Ohio seeking an injunctive and declaratory relief asserting Ohio's school finance system was unconstitutional (Obhof, 2005). The case, *DeRolph v. State of Ohio* (1997), was named after Nathan DeRolph, a fifteen-year-

old student at Sheridan High School in the Northern Local School District of Perry County. This Ohio suit is one of a 1990's nationwide shift in educational finance to focus on the language in state rather than the federal constitution and to shift the focus from equity to the issue of adequacy to provide an appropriate education. The principle theory behind a case that focuses on adequacy over equity-based suits is that it concentrates on the quality of education students enjoy and seeks to demonstrate that funding fails to meet a minimum standard established in the state constitution. Section 2, Article VI of the Ohio Constitution mandates a "thorough and efficient" system of common schools throughout the state (*DeRolph v. Sta*te, 1997). This critical phrase "thorough and efficient" was reaffirmed by the Ohio Supreme Court, in *Miller v. Korns* (1923) as the important means by which the public common schools should be funded (*DeRolph v. State*, 1997). Ohio's school funding system's chief funding mechanism had long been a foundation program. The foundation program established a state minimum level of funding through a minimum tax. The system includes local property taxes, state funds, federal funds, and in some cases income taxes to fund its public schools. The unequal distribution of property wealth across the state of Ohio also distributed unequal wealth to the state's school districts and as a result provides differences in per pupil revenues for schools, which identifies the rudimentary problem with educational funding in Ohio.

The plaintiffs in the *DeRolph* case (1997) consisted of five diverse Ohio school districts from across the state; urban Youngstown, rural Lima, rural Appalachian districts, and various individuals (Obhof, 2005). Over the course of a 30 day long and complex trial, 61 witnesses testified or offered sworn depositions, and 450 exhibits were admitted into evidence with over 5,600 pages of transcripts generated (Obhof, 2005). The facts of

the case included poor conditions of many schools and provided testimony of inadequacies of the Ohio school funding system. From dilapidated building facilities, to inadequate safety systems, and a lack of basic resources, Ohio schools lacked the necessary funds to even comply with state laws on teacher ratios, curriculum supplies, or the ability to provide appropriate technological training (*DeRolph*, 1997).

Two well recognized Ohio organizations advocating for Ohio schools have contributed to the *DeRolph* case. They are the Coalition of Rural and Appalachian Schools and the Coalition for Equity & Adequacy of School Funding. Known today as CORAS, the Coalition of Rural and Appalachian Schools derived its name from an initial movement began in 1987 by several school superintendents from the southeastern part of the state. The group sought to communicate the lack of educational opportunities for the poorly funded, rural Appalachian school districts to members of the general assembly (Obhof, 2005). The southeastern superintendents initially called their effort Promoting Appalachian and Rural Initiative for Teaching Youth (PARITY), which would later be connected to the term parity aid for school district funding (CORAS, 2017). Due to lack of effective leadership and little political clout, the southeastern superintendent group merged with the Council of Administrative Leadership in Southeastern Ohio, Kentucky, and West Virginia (SEOKWA) and reorganized in 1988 into CORAS with its meeting hub at the Ohio University College of Education (CORAS, 2017). The mission of CORAS was to secure equal educational opportunities for all children in the state of Ohio. The Ohio Coalition for Equity &Adequacy of School Funding (OCEASF) was organized in 1990 to challenge the constitutionality of the Ohio school funding system and was responsible for filing the *DeRolph* case in December 1991 (OCEASF, n.d.).

While the Ohio Supreme Court found the state finance system unconstitutional, the legislature's responses to rectify the system would be judged inadequate in three subsequent court reviews (*DeRolph*, 2000, 2001, 2002). Ultimately, however, the Ohio Supreme Court would relinquish itself of jurisdiction (*DeRolph*, 2002).

Although lawmakers have yet to overhaul the system, year-to-year the state formula creates districts that are "winners" or "losers" controlled by the uses of "caps" and "guarantees". The cap (ORC 3317.0212) places a limit on the amount of an increase in state aid a district may receive under the foundation formula, irrespective of whether value of taxable property in the district has increased appreciably or not. According to the Ohio Department of Education, a funding cap short circuits the funding formula (Rausch & Voltolini, 2015). It withholds calculated state aid under the formula above a certain growth rate that eliminates the actual value the foundation formula would generate.

The funding cap is calculated dependent upon the wealth of a school district. School district wealth is measured initially in the State Share Index as measured by property valuations and the income of its residents. The calculation of the State Share Index is based on a sliding scale of a minimum of 5% and maximum of 90% with the wealthiest districts having an index of 5% and the poorest districts having an index of 90%. The state determines a district's placement on the scale using the following measures: Valuation Index, Income Index and Wealth Index. According to the Ohio School Boards Association (2018), a district's valuation index is equal to the district's 3-year average valuation per pupil divided by the state average valuation per pupil. A district's Income Index is equal to the district's median Ohio adjusted gross income divided by the district's median Ohio adjusted gross income. A district's wealth index is

equal to the district's valuation index unless the median income index is less than its valuation index. If the median income index is less than the valuation index, then the average valuation index (AVI) is 1/3 the median income index plus 2/3 the valuation index. Lastly, the State Share Index is based on the following schedule:

- 5% for districts whose AVI is greater than or equal to 1.8
- A scaled amount from 5% to 50% if the district's AVI is between 1.8 and 0.9
- A scaled amount from 50% to 90% if a district's AVI is between 0.9 and 0.35
- 90% for districts whose AVI is less than 0.35

The state of Ohio utilizes a base funding amount decided by the Ohio General Assembly defined as an opportunity grant. Each school district multiplies the base funding amount ($5,800 in FY 2015, $5,900 in FY 2016, and $6,000 in FY 2017) by the State Share Index to determine the per pupil funds that a school district will receive from the state. This calculated amount reduces the per pupil value established by lawmakers with the remaining balance expected to be locally funded. The cap ratio then further reduces funding per pupil based on the formula that includes the State Share Index. Although capped districts may receive increases based on increased enrollment within the formula, their capped revenues are capped at an increase of not more than 10% for 2016-17. This effect further diminishes what the district would have realized in funding based on earned formula aid.

This effect creates a maximum amount that a district receives also commonly referred to as a ceiling. In the event a capped school district's student enrollment increases through its natural residential growth or if the district's taxable property values increase, the district would receive minimized increases in aid per the formula. The ceiling effect denies funding to the districts for the additional students they educate.

On the opposite end of the spectrum are districts on a funding guarantee (ORC 3317.0212). Those districts by law are not permitted to receive less money from the formula than they did the previous year. Based on the formula, if a school district is projected a loss from the previous school year, the save harmless guarantee ensures that each school district receives at least as much funding as it had in the past (Sweetland, 2014), thereby establishing that the school district must be guaranteed to obtain the same funding from the state from the year before. Guaranteed school districts that lose residential student enrollment or decrease in the taxable property values would not lose state aid as the formula would dictate. This effect creates a minimum amount that a district receives also commonly referred to as a floor. In this case, guaranteed districts are falsely propped up by funding regardless of native enrollment or decreased property values. The floor holds districts harmless from the state's funding formula and protects districts from the natural impact of declining enrollment choices. This declining enrollment has no essential impact on the school district and continues to deliver state aid to educate "phantom students" who are no longer enrolled in districts (O'Neal Schiess, Marchitello, & Squire 2017). These features of the state school funding model also have implications for school choice options and their funding.

Another landmark case, this one decided by the U.S. Supreme Court, has special implications for Ohio and the funding of vouchers. In *Zelman v. Simmons-Harris* (2002), the U.S. Supreme Court examined establishment-of-religion questions, in what could potentially be the most significant, far-reaching, and controversial chapter in church-state jurisprudence during the last fifty years (Hicks and Barnett, 2005). The case challenged an Ohio pilot project scholarship program that provided tuition subsidies, also known nationwide as vouchers, to families of students in kindergarten through twelfth grade to

attend the private school of their choice within the Cleveland City School District. The legislature had directed the superintendent of public instruction to establish a pilot project scholarship program for the failing Cleveland public school district, which was under direct control of the State of Ohio and considered to be one of the worst performing districts in the nation. The program was established to provide scholarships for the students residing in the school district and tutorial assistance grants to attend alternative schools, distribution based on financial need. During the 1999-2000 school year, 82% of the private schools that participated had a religious affiliation, no adjacent public schools participated, and 96% of the students who participated in the scholarship program attended religiously affiliated schools (*Zelman v. Simmons-Harris et al*., 2002).

In 1999, Doris Simons-Harris, filed a suit in federal court on the grounds that the scholarship program violated the Establishment Clause of the U.S. Constitution. The Federal District Court granted the summary judgment for the plaintiff and the Sixth Circuit Court of Appeals agreed. The case was appealed to the U.S. Supreme Court, and in a five to four decision, the high court reversed the lower courts, holding that the pilot scholarship program does not offend the Establishment Clause. The Court held that the program was established for a valid secular purpose in providing educational assistance to poor children in a failing school system. The Court further reasoned that the scholarship program is neutral with respect to religion, as it permits Cleveland parents the choice to select secular educational options, including enrolling in an adjacent public school or private schools of a non-religious nature, as well as private, religiously-affiliated schools. Finally, the Court observed that the program provides assistance to a broad class of citizens who direct government aid to religious schools as a result of their own independent choice as contrasted to a decision by a governmental body (*Zelman v.*

Simmons-Harris et al., 2002). This decision has created a precedent for all similar school choice programs across the country, at least as to their federal constitutionality and can be considered ground-breaking in church-state affairs and potential funding of choice options.

Financial Aspects of Ohio Choice Options

School choice options that specifically impact the Ohio funding models include: Open Enrollment, Community/Charter Schools, Various Scholarship / Voucher Programs, Career-Technical Options, and College Credit Plus, as well as Home Schooling. The means by which they are financed has a potentially enormous impact on local school district budgets and the fiscal well-being of traditional public school districts.

Open Enrollment Programs

Students exercising open enrollment options result in dollars being transferred from the local school district of residence budget and to the district in which the open enrollment student actually attends. In 2017-2018, when a student leaves the residential district, $6,010 is deducted from the resident district's state funding and sent to the educating district (ORC3313.981(B)). Additional funding follows open enrollment students classified with a disability depending on the cost to educate the special needs of the student. Those funds can be significant based on the identified special education needs.

Community and Charter Schools

These options are funded in a similar manner. Students who leave the public school system for community and charter schools result in $6,000 per student being provided the charter school by virtue of a like amount being taken from the residential

district's state funding. The public school district also bears the cost of transporting charter school students unless the charter school is more than 30 miles from the public school district of residence (ORC3317.023).

Scholarship or Voucher Programs

Scholarship programs may also have an economic impact on traditional public school districts. There are currently five scholarship programs in Ohio. The Cleveland Scholarship Program is available to students who live in the Cleveland Metropolitan School district (ORC 3313.975). This scholarship, worth $4,250 for K-8 students and $5,700 for high school students, can be used toward tuition at any participating school of their choice (ORC 3310.08).

The EdChoice Scholarship Program permits students from the state's lowest-rated public schools to apply scholarship dollars toward tuition to attend private schools who participate within the state of Ohio (ORC 3310.01). *The Income-Based Scholarship Program* (ORC 3310.32) is an expansion of the EdChoice Scholarship. This scholarship program is provided to any student in any part of the state of Ohio entering grades K-4 whose family's income is at or below 200% of the Federal Poverty Guidelines and is not eligible for the EdChoice Scholarship. The Income Based Scholarship program may be accepted by participating private schools. Both of these scholarship programs in 2015-16 have a value of $4,650 for students in K-8 (ORC 3310.09(A) and $6.000 for those in grades 9-12 [ORC 3310.09(B)]. Those amounts changed to $6,000 for 2016-17 (3310.09). The scholarship amount is deducted from the aid the state would otherwise provide the district of residence (ORC3317).

The Autism Scholarship Program is available to students who have been identified through an Individualized Education Program (IEP) within the Autism category

(ORC 3310.41). This scholarship can be up to $27,000 per year beginning at age 3 and through the age of 21. These funds are deducted from the public school district's state funding, but anything above $27,000 is at the cost of the parent or guardian (ORC 3317 & OAC 3301-103-07). The provider can establish their rate for service but cannot charge a higher rate to the scholarship recipient than charging to the general public. Payments for the scholarship are made in the form of a check to the parent and the provider of a qualified special education child that participates in the autism scholarship program. The parent is responsible for the child's attendance for the full year and endorsing payment to the service provider. Funding does not flow through the residential school district.

The Jon Peterson Special Needs Scholarship Program is also for students with an Individualized Education Program (IEP) (ORC 3310.52-.64) and has variable cost depending upon the student's disability (ORC 3310.54). Students with Autism, Traumatic Brain Injuries, or who are Hearing and Vision Impaired may qualify for up to $27,000 per year. Multi-Handicapped students may qualify for up to $23,390 per year. Orthopedic Impaired or other Health Impaired - Major category students may qualify for $18,841 per year. Students diagnosed with a Severe Behavior Disability may qualify for up to $15,622 per year. Students with Specific Learning Disabilities, Cognitive Disabilities or Other Health Impaired – Minor may qualify for up to $10,005 per year. Students with Speech or Language Only diagnosis may qualify for up to $7,578 per year (ORC 3310.55-57 and ORC 3317.023). These amounts are deducted from the residential district's state funding [ORC 3317.023(H)].

Career and Technical Choices

Career and Technical options are funded completely by the state of Ohio. The programs generally begin in the students' 11th grade year for a period of two years, but there are programs that begin with 9th grade students. Residential school districts are required to transport students to career and technical programs (OAC 3301-68).

Depending on the career path selected by the high school student, funding for their career path is deducted from the school district up to $5,192 per student beginning in 2017 (ORC 3317.014). The amount is determined for a full time equivalent student who receive full services at the career and technical school. The residential district retains a small percentage of the per student value established by the state for costs incurred for the student outside of their career and technical education. Additionally, this amount does not include funding for special education students who attend career and technical schools that require service beyond the career and technical funding. The methodology for estimating career tech funding is based on factors involving full time equivalencies or FTEs and an established state share value determined by the State of Ohio, currently at 0.49106, per computations described in ORC 3317.07. As with all funding determinations in K-12 schools, career and technical funding is determined by FTEs. Career and technical FTEs are calculated by the total number of hours a student was actually enrolled and divided by the total number of hours in the student calendar. This factor is then divided by the student's percent of time since many of the career and technical programs are not necessary full time. Career and technical schools provide services that range from only the career and technical education (CTE) to the full day of course work that includes special education services and comprehensive core subjects necessary to earn a high school diploma.

The number of students from the residential district attending one of the five categorical programs offered determines the FTEs, which is multiplied by the state share index and the value associated by the categorical pathway. This determines the cost charged back to the public school district for career tech educational services. Five different categories have been established with different career tech pathways and a per pupil value determined as a charge back to the district of residence. Those categories and values (ORC 3317.014) are statutorily defined. Category 1 consists of the following career tech pathways and funding is established at $4,800 per student: Agriculture & Environmental Systems, Construction Technologies, Engineer & Science Technologies, Finance, Health Science, Information Technology, and Manufacturing Technologies. Category 2 consists of the following pathways and funding is established at $4,550 per student: Business & Administration, Hospitality & Tourism, Human Services, Law & Public Safety, Transportation Systems, and Arts & Communications. Category 3 consists of the following pathways and funding is established at $1,660 per student: Career Based Intervention Programs. Category 4 consists of the following pathways and funding is established at $1,410 per student: Education & Training, Marketing, Academics, Public Administration, and Career Development. Category 5 consists of Family & Consumer Science programs and funding is established at $1,210 (ORC 3317.014)

College Credit Plus and Credit Flexibility

These are two programs that permit students to earn college credit and high school graduation credentials simultaneously. Under the College Credit Plus Program, Ohio students in grades 7-12 can apply to any Ohio public university or college, as well as private colleges that participate in the program (ORC 3365.01 et. seq.). School districts will be charged up to $163.23 per credit hour plus the cost of instructional books.

School districts may recover cost of college courses of students who fail or withdraw from the course after the 14th day of the course unless the student is identified as economically disadvantaged. (OAC 3333-1-65.6). Students who take more than 30 hours of College Credit Plus are responsible to pay for the entire cost of the course that places them over the 30-hour limit. Default amounts are broken into 4 categories (ORC 3365.02): 1 – College Course delivered on the college campus or at another location operated by the college (Semester $163.23 per credit hour/ Quarter $108.82 per credit hour) 2 – College Course delivered online (Semester $163.23 per credit hour/ Quarter $108.82 per credit hour) 3 – College Course delivered at the High School but taught by college faculty (Semester $81.62 per credit hour/ Quarter $54.41 per credit hour) 4 – College Course delivered at the high school and taught by credentialed high school teachers (Semester $40.81 per credit hour/ Quarter 27.21 per credit hour) (ORC 3365.02). Students can choose to take courses from private universities or colleges, but fees may be incurred by the student or student's family.

Credit flexibility (OAC 3301-35) permits students the opportunity to earn high school credit while demonstrating subject area competency "through coursework, testing out or …pursuit of another approved educational option pursuant to a model adopted by the department of education" [OAC 3301-35-01(B)(8)]. In many cases, this can also be a dual credit option with teaching staff that are qualified to provide college credit while teaching high school classes, alternative credit, enrichment or acceleration, independent credit, or credit recovery. Costs associated with credit flexibility assumed by the school district include some of the following examples: web-based instructional programs, work with professional associations, college or universities, and other outside testing materials to determine subject competence. Students who take advantage of credit flexibility

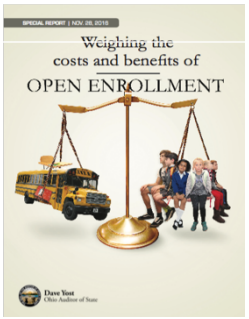
opportunities may also earn early graduation options that can lead to less state funds being appropriated to the school district based on a lower ADM count.

Home Schooling options involves parents or guardians who choose to develop their own curriculum and course of study from their home (ORC 3321.04 & OAC 3301-34-01). Families that choose this course of action are not eligible for financial assistance from the state and assume the responsibility for educating their children. The homeschooling students are removed from the average daily membership or ADM count available for the residential district, thereby reducing the state funding received by the public school district for that student. Students are entitled, by law however, to participate in extra-curricular activities of the public school district in which they reside (ORC 3313.5312).

Research on Financing Choice in Ohio

Finance and Choice should have a significant amount of research based documents to study the costs and benefits to assist policy makers in the efficiencies of education through choice. Ohio has been in the school choice market since the late 1980's, yet few rigorous studies exist to determine the impact of programs on traditional public schools or to consider the overall relocation of revenues between competing entities in Ohio.

Appendix D



The Ohio Auditor of State, Dave Yost, provided a fairly rigorous report in 2016 entitled: "Weighing the Costs and Benefits of Open Enrollment". His report is one of few that set up to examine the operational efficiencies of revenues and expenditures based on school districts' use of open enrollment policies. This type of study is necessary for all policy makers, local leaders and school officials to determine the true costs and

understand factors associated with school choice options. Yost's report from the Auditor's Ohio Performance Team (OPT) released audits of four northeast Ohio school districts that offer Open enrollment: Austintown Local School District, Coventry Local School District, Hubbard Exempted Village School District, and Madison Local School District (2016). The audit process used four performance audits: the first was the level of open enrollment in relation to the total student population, the second was a detailed analysis of the district's revenue streams comparing the amounts generated from open enrollment students against those from resident students, the third factor considered was dollar amounts to calculate how the district's average per pupil revenues were diminished, or diluted by additional open enrollment students, and the last factor was an evaluation of district expenditures not affected by the amount of open enrollment students in each district (Yost, 2016). The auditor's general purpose for examining these factors was to determine if school districts were capable of generating a savings and/or boost their efficiencies by optimizing open enrollment.

The audits results determined that two school districts, Austintown Local and Coventry Local School Districts resulted in a net loss of $25,652 and $1,002,554 respectively. This is in contrast to positive net revenues that were generated by Hubbard Exempted Village and Madison Local School Districts of $1,002,763 and $178,284 respectively. It was determined that Austintown diluted its funding by 3.1% by adding open enrollment students from a cost to educate at $8,404 per student to $8,147, and the Coventry Local School district overlooked the cost to teach its 782 open enrollment students by just over a million dollars (Yost, 2016). The viewpoint of diluted funding is determined when adding open enrolled students at a funding value lower than the per student residential district's funding that includes both the state and local funding for its

own residential per student amount. In this instance, Austintown would need the local tax payer to make up the difference between the $5,867 it receives by accepting an open enrollment student and $8,581 that it spends per pupil to educate students. Adding students who bring a lesser funding value to a pool of students who have a higher funding value will have a natural diluting effect. The report recommended that districts offering open enrollment should establish capacity limits based by grade level, school building, student-teacher ratios and/or educational program filling only remaining empty classroom or program seats. This was the practice established by the Hubbard Exempted Village School District to generate a net gain of more than 1 million dollars in fiscal year 2015 (Yost, 2016). The Madison Local School District created a positive impact of $178,284 stemming from the district's practice of limiting the amount of open enrollment students it accepts in relation to available resources needed to educate both residential and accepted open enrollment students. (Yost, 2016). Contributing factors evaluated to determine each district's efficiencies included the following: regular instruction, special instruction, vocational instruction, support services pupils, support services instructional staff, support services administrative, fiscal services, support services pupil transportation, support services central, operational and maintenance of plant services, special education supplies and materials, instructional supplies and materials, and extracurricular activities (Yost, 2016). It may be important to note that each district's revenues and expenditures listed for open enrollment were not exactly alike. This could create some inconsistencies not identified in the report. Additionally, the report does not indicate how existing staffing class sizes or district capacity were impacted nor the districts losses in open enrollment that may be compensated to maintain program options and staffing. Fiscal efficiencies run hand in hand with services, curriculum, and school

district capacity. Overall the concluding recommendation from the report was that districts need to establish clear policies on enrolling students from outside the district so as not to increase expenses as a result of open enrollment.

One other Ohio study that included fiscal data analysis, although as a secondary focus, was conducted by Matthew Carr who examined "The Impact of Ohio's EdChoice on Traditional Public School Performance" (2011). Carr's article evaluates the effect of the EdChoice voucher program on the academic performance of traditional public schools and provides some limited financial data influential to the program's function within the state. Of the students who use the EdChoice voucher program, two-thirds come from just four school systems: Cincinnati, Columbus, Dayton, and Toledo, and the average marginal funding loss was 1.44 percent of the total budget (Carr, 2011). Total funding losses ranged from just $4,000 to almost $5.9 million (Carr, 2011). The study indicated that the loss of revenues could have a detrimental impact on the traditional public schools where funding losses are greater than available cost reductions (Carr, 2011). Schooling equilibriums are greatly affected by redistributing resources among schools and create competition between schools for students and the funding they represent. However, the research on the competitive effects remain limited (Carr, 2011).

Chapter Summary

There is a rich history of education in the United States with much of it dating from the establishment of the common school in the 1800s, followed by the growing religious diversity of the population, and conflict as compulsory education laws were adopted and enforced with increasing harsh consequences for religious minorities in particular. This led to the legal recognition in the mid-1920s that parents had a protected interest in making decisions about the upbringing and education of their children,

including the prerogative to send them to other than public schools. The legal and political landscape has shifted substantially in the most recent past, as educational reform has been demanded, and out of it the concept of school choice has emerged and taken root. During this period, Ohio has been completely in the mix for educational reform, and has incorporated the school choice movement as a means of challenging the status quo and presumably enhancing educational opportunities for Ohio's children.

The implementation of school choice options in Ohio is breaking down the wall of separation that historically has precluded taxpayer monies from flowing to private and religiously-affiliated schools, even as the state system for funding public education has been found inadequate to provide a thorough and efficient basic education to those enrolled in public schools. Yet, the state has elected to fund various choice options by subtracting various amounts of dollars from the budget of the local school district where the family resides, sometimes necessitating the transfer of locally generated revenues to other schools or educational providers. Thus school choice has added new complexity to an already complicated system of financing education in Ohio. As a result, few educators or policy makers, let alone citizens, understand how this piece of the puzzle fits together, and its implications for local school districts. The limited research in Ohio on financing school choices leaves not only the citizens in the dark, but also state's policy makers operating without a solid empirical foundation on which to evaluate the consequences of its policies, both those intended and unintended. Broad and common understanding of choice policies and their interaction with state school financing is important to ensure a thorough and efficient system to educate Ohio's children.

Chapter 3

Methodology

Design of the Study

This study employed a quantitative, cross-sectional, non-experimental research design. Its goal was to establish the magnitude of economic impact of school choice options on a subset of Ohio public school districts based on an analysis of 2016-2017 financial data. Districts represent the dependent variables. Independent variables consist of choice options and fiscal transfers and adjustments. Eleven public school systems contained within Columbiana County, one of Ohio's eighty-eight counties, is the focus of the study. Quantitative data was derived from Ohio's Foundation Funding Reports and analyzed to provide an appreciation of district funding sources and components of state aid, as well as state adjustments and transfers to district budgets associated with various school options. The data illuminates the economic impact of school choice options on the public school districts in the county.

There are possible threats to internal and external validity in this design. One internal threat is the migration of students during the study, which changes the consistent dollar amounts expected from school year to school year. Inter-state movement is particularly common in districts that border other states, as do some that are in the county that is the focus of this study. Student mobility (mortality) is highly plausible and loss of students may be represented in partial or decimal of full time equivalent students, the effect of which is material for funding. Historical and maturation issues could play into the results based on the different issues that take place in school systems that may impact parental viewpoints. This type of threat can go undetected by the research. Although the

study could be replicated, it may differ between counties based on the types of school choice that are available for competition and the school district type. Rural counties in the state are significantly different than counties with urban and suburban areas and can dynamically change the rationale for student mobility and the nature of choice options available.

Subjects

Participants in this study represent a subset of Ohio public school districts all located in Columbiana County. Districts in this particular county were purposefully selected as it is the county in which the researcher serves as a district superintendent and about which he has particular knowledge of the operation of choice programs and options. A countywide study has the benefit of involving multiple districts between and among which students may be exchanged under some choice options, as well as potentially demonstrating differentiating financial impacts of choice programs. It may serve as a model for additional counties to explore the pressures that school choice may exert on the funding of public schools.

This study focuses on 11 school districts in Columbiana County, Ohio. Understanding the characteristic of these districts provides important context for this study. Important contextual factors include the makeup of the student population, the resources of the districts, the academic performance of the schools and the quality of the public facilities. The eleven public school districts in Columbiana County that comprise the subjects of this study are identified below and in tables throughout the study. Table 1 arrays selected data, as reported by the Ohio Department of Education, such as student enrollment, minority percentage, percent disability, revenues per pupil, as well as other

district characteristics such as its state typology classification, performance index and per pupil expenditures. Those school districts included are: Beaver Local School District, Columbiana Exempted Village School District, Crestview Local School District, East

Table 1

Profile of Districts in Columbiana County by Selected Characteristics

District	Type	Enrollment 2015-16	% Student Poverty	% Disability	% Minority	Total Revenues PP	State Aid PP 2015-16	Local Aid PP 2015-16	Federal Aid PP 2015-16	Other Revenue PP 2015-16	Total Expenditures PP	Performance Index 2015-16
Beaver Local	Rural	2064	46%	14.68%	2%	$ 9,349	$ 4,576	$ 2,942	$ 361	$ 1,470	$ 16,502	71.60%
Columbiana Exempted Village	Small Town	1004	35%	15.35%	5%	$ 9,180	$ 2,819	$ 4,327	$ 580	$ 1,454	$ 8,259	80.60%
Crestview Local	Rural	1220	41%	10.47%	1%	$ 9,797	$ 6,327	$ 2,339	$ 638	$ 493	$ 9,115	73.10%
East liverpool City	Small Town	2212	57%	18.01%	13%	$ 10,703	$ 7,750	$ 1,492	$ 1,048	$ 413	$ 11,524	55.20%
East Palestine City	Rural	1265	51%	14.46%	3%	$ 9,236	$ 6,170	$ 1,795	$ 581	$ 690	$ 8,276	65.90%
Leetonia Exempted Village	Rural	732	47%	21.71%	3%	$ 10,037	$ 6,449	$ 1,850	$ 771	$ 967	$ 8,292	72.90%
Lisbon Exempted Village	Rural	1005	54%	15.71%	2%	$ 8,958	$ 5,289	$ 1,544	$ 852	$ 1,273	$ 8,440	71.30%
Salem City	Small Town	2093	48%	12.89%	4%	$ 9,301	$ 4,310	$ 3,588	$ 801	$ 602	$ 8,364	71.80%
Southern Local	Rural	910	56%	18.35%	3%	$ 9,800	$ 5,868	$ 2,047	$ 1,248	$ 637	$ 8,643	67.40%
United Local	Rural	1326	37%	12.64%	2%	$ 9,641	$ 5,231	$ 2,658	$ 558	$ 1,194	$ 9,231	75.80%
Wellsville Local	Small Town	873	64%	17.17%	16%	$ 11,216	$ 8,462	$ 890	$ 1,079	$ 785	$ 9,641	66.10%

* Reports pulled from the lastest data available from ODE advanced reports, Ohio School Report Cards and ODE 2013 Typology Report

** https://www.edresourcesohio.org/Low-profile/publicProfileSummary.php

Liverpool City School District, East Palestine City School District, Leetonia Exempted Village School District, Lisbon Exempted Village School District, Salem City School District, Southern Local School District, United Local School District, and Wellsville Local School District.

District Demographics

As a review of the table indicates, the districts tend to share a number of common characteristics, such as: classification as a rural or small town district; enrollment that is between 700 and 2300 students K-12; minority percentage close to 5% or less, almost county-wide; students with disabilities ranging from 10% to almost 22%, although most districts cluster around 15%; with nearly 50% of students classified as economically disadvantaged in most districts. Additionally, total revenues per pupil range between $9,100 and $11, 250 and the spending per pupil is closely tied to the revenues, between

approximately $8,200 and $11,500 with an anomaly of $16,500 at Beaver Local Schools. Of the districts' resources, local aid ranges from a low of $890 to a high of $4,327 per pupil, while state aid ranges from $2,819 to $8,462. While similar in many regards, there are still appreciable variations in the performance index of the districts (ranging from 80% down to a low of 55%). Such district-related information may contribute to insights on choice associated student migration and the flow of district revenues. The number of students and resources, in terms of dollars, will be examined with specific dollar amounts as identified in the Ohio Department of Education School Finance Payment Report (SFPR).

Academics

The Ohio report card results for the county public school districts provide insight on the academic demographic of the schools. The report card is part of the State of Ohio's methodology to provide parents, school districts, policymakers, and communities with performance data about the success and improvement areas of local schools (ODE, 2017f). Ohio's schools take a series of assessments that measure school district and individual school performance in content areas determined by the state as critical for success in learning. State wide testing begins in March and is concluded in May. Preliminary results for student, school and district performances are provided to school districts in mid to late August with final results generally in September. Students needing remediation on graduation testing or the promotion-based testing like the third-grade guarantee have additional opportunities to test in October and June. Special education students with significant cognitive disabilities may qualify for alternate assessment testing between February and April.

Literature suggest several factors may influence the exercise of school choice, these include proximity to residence, academic performance, and facility quality (Arsen &Ni 2011, Sutton & King 2013 and Yesseldyke, Lange, & Agozzine 1995). Table 3a illustrates the grades received by Columbiana County School Districts in the respective reporting areas by the State of Ohio. Although no final district grade was issued by the state in 2017, the 2017 report card offers data in sixteen individually graded elements with six overall graded components that include Achievement, Progress, Gap Closing, Graduation, K-3 Literacy, and prepared for success. The Achievement component is how well students performed on the state assessments and the number of students who passed (ODE, 2017f). The progress component, also known as "Value-Added", takes into consideration the growth of students based on past achievement performances. Closing the Gap is relatively new and measures how well schools are meeting the needs of students in the most vulnerable populations of students in English language arts, math, and graduation (ODE, 2017f). The graduation rate looks at the number of students who graduate in 4 years, as well as those students who take an additional year to earn a diploma. The K-3 Literacy component looks at how school districts are working to get struggling readers on track to proficiency in the third grade and beyond (ODE, 2017f). Lastly, another new component for school districts is the prepared for success component. This component measures how well-prepared students are for future opportunities in technical fields, work, or college (ODE, 2017f). Grades are assigned an A-F letter grade unless they are not rated due to subgroups that are too small to measure. Grades issued as NR or Not Rated indicate that no measurable progress is attainable or not enough students are available to evaluate to provide for growth measurements.

Since a final grade was not issued by the Ohio Department of Education for 2017, it is difficult to have a conclusive ranking of performance due to the number of ways the data could be interpreted. However, in order to differentiate the grades awarded for purposes of total performance for this document, grades on a 4-point system is a standard educational way to calculate the issued grades received by individual school districts.

Table 2a
Columbiana County 2016-17 Report Card Grades

DISTRICT NAME	ACHIEVEMENT COMPONENT GRADE	GRADUATION COMPONENT GRADE	PROGRESS COMPONENT GRADE	GAP CLOSING COMPONENT GRADE	K-3 LITERACY COMPONENT GRADE	PREPARED FOR SUCCESS GRADE	Component GPA 4-Point Scale
Beaver	C	C	B	B	B	D	2.33
Columbiana	B	A	A	B	NR	C	3.20
Crestview	C	A	B	B	B	C	2.83
East Liverpool	C	A	F	C	C	D	1.83
East Palestine	D	B	B	C	A	D	2.33
Leetonia	D	B	B	F	D	F	1.33
Lisbon	D	C	D	F	C	F	1.00
Salem	D	C	B	F	D	D	1.33
Southern	C	A	C	C	NR	D	2.20
United	C	A	A	C	B	D	2.67
Wellsville	D	B	D	F	B	F	1.33

(ODE, 2017f)

These six component grades are the basis for establishing an assigned average for differentiating the districts by performance. Given that each grade represents an equal share of the overall district's performance, a baseline method for grading the 2017 report card data would demonstrate overall report card performance. By assigning a "4" for an A, a "3" for a B, a "2" for C, a "1" for a D, a "0" for an F, and eliminating NR as a graded component, a 4-point GPA value could be calculated.

One of the most accepted ways that schools have been commonly compared by the media and greater public is through the performance index and the number of indicators met on the state assessments. These two areas of the state report card were primarily the measure that the state of Ohio used to determine if a school district was

Table 2b
Columbiana County 2016-17 Report Card by Performance Index and Indicators

School District Order by Academic Achievement	Performance Index out of 120	Indicators Met out of 24
Columbiana	102.6	17
Crestview	95.1	10
United	94.8	11
Beaver Local	91.5	6
Lisbon	89.7	4
Salem	87.1	6
East Palestine	86.9	4
Leetonia	85.9	1
Southern	83.2	3
Wellsville	82.7	2
East Liverpool	70.5	0

(ODE, 2017f)

excellent, effective, continuous improvement, academic watch, or in academic emergency. It wasn't until the 2012-13 school year that the state changed the report card to letter grades with its foundation centered upon the performance index and the number of assessments passed identified as indicators met. The following year, 2013-2014, the state of Ohio increased the bar for reaching indicators from 70% passage to 80%. Today's indicators for meeting the measure stands at 80% proficient or above. Both measures, performance index and indicators met, are a source for academic performance comparisons by students, parents, individual schools, school districts and the media.

Although there is plenty of criticism in the education community for how the State of Ohio measures school districts, the grades and district ratings may play into the choice that parents make when evaluating their own school district and others. The role

of achievement works into the decision framework for conscientious parents who have school-age children. The state's grades brand the district's performance which is interwoven into the community fabric and perceived as potential success for student performance.

School Facilities

The Ohio Facilities Construction Commission, also known originally as the Ohio School Facilities Commission, administers several programs in the State of Ohio for the acquisition, construction, and renovation of classroom facilities. School districts receive state assistance for new or renovated classroom facilities based on a calculation of the district's taxable "valuation per pupil" and a factor reflecting the income of the district's taxpayers ("District Eligibility Ranking List", 2017). The following school districts qualified and built new or renovated their facilities: Beaver Local in 2012, East Liverpool in 2002, East Palestine in 1999, Leetonia in 1998, Lisbon in 2002, Southern Local in 1999, and Wellsville in 1997 ("District Eligibility Ranking List", 2017). The Crestview School District completed an expedited local partnership program project but declined the classroom facilities assistance program funding. The ELPP permits school districts to move ahead with portions of a construction project without fully participating in the classroom facilities assistant program (CFAP) and provides a credit on local money spent against the local share required to participate in the CFAP at a later date. The Salem School District has declined funding to this point in time. United Local School's funding offer had lapsed in 1998 and The Columbiana Exempted Village School District has not been involved with any Ohio Facilities Construction Commission projects or had the option to decline the program.

With seven of the 11 county school districts in new or renovated school buildings, the county has a significant portion of its school buildings updated with state funded projects. The state has provided seven of the county's districts with maximized efficiencies, improved safety, and an environmentally friendly educational environment conducive to learning. New facilities meet the needs of student health, impact instruction, increase technology solutions, and maximize savings on energy consumption with high performance strategies for facilities. These new buildings are designed to be attractive to students, parents, and the community.

A significant amount of state aid has been awarded to the county's public schools. According to the OSCC Annual Report (2017), the state of Ohio has provided $139,112,326.62 toward the new construction and renovation of seven Columbiana County School Districts. Local money from voted taxes specifically for these projects

Table 3
Columbiana County OSCC Funding- 2017

District	Program	Year funded	Total Facility Cost	State Share	Buildings
Beaver	CFAP	2012	$ 52,212,461.00	62%	1
East Liverpool	CFAP	2002	$ 43,879,053.35	87%	3
East Palestine	CFAP	1999	$ 15,615,218.63	91%	2
Leetonia	CFAP	1998	$ 19,891,999.89	91%	1
Lisbon	CFAP	2002	$ 15,089,016.69	85%	2
Southern	CFAP	1999	$ 14,930,891.00	78%	1
Wellsville	CFAP	1997	$ 13,543,099.27	87%	2
			$ 175,161,739.83	: County Total	

("OSCC FY2017 Annual Report")

amounted to $36,049,413.21. Collectively the local and state investment provided a wide spectrum of improvements to the educational environments of the seven county schools. Four school districts have not been the beneficiaries of substantial stat investments in their facilities.

Data Collection

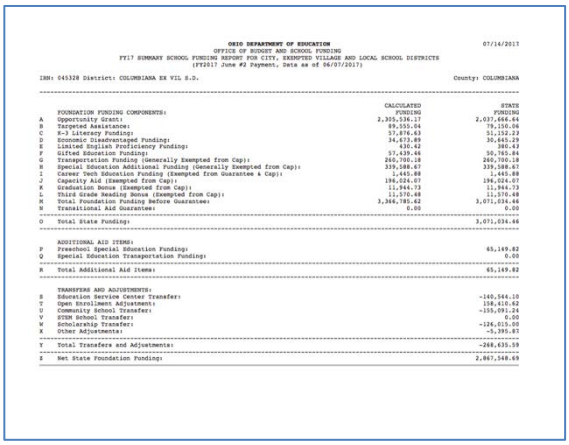
To assess the fiscal impact of choice options on the subject districts, data will be extracted from the State Foundation Funding Report Documentation, specifically the School Finance Payment Report (SFPR) for all 11 public school districts in Columbiana County. The SFPR is a public document prepared by the Ohio Department of Education. It represents the authoritative source regarding the calculation and reporting of district revenues or funding and adjustments to the district funding levels, including those resulting from school choice options exercised by resident students. Data collected by the state of Ohio that is placed in the SFPR document comes directly from the Electronic Management Information Systems of school districts and is routinely audited by the state auditor's office.

State of Ohio report card data is another source of vital information connected to school district demographics, academics and economics. School district report card data will provide valuable statistics about student populations and accountability results to assess possible connections to school choice options and potential answers to research questions.

SFPR Form

The objective of the SFPR form is to provide the school district board of education with detailed dollar amounts that the state of Ohio will provide to support the education of resident students, including foundational support for all students, as well as targeted amounts to address the needs of certain student populations. The report is

broken into two separate sections. The first section is composed of a summary report of the various state funding components along with transferred funding and other adjustments that result in a final net state funding amount. The summary report's foundation funding components are identified in the left margin followed by two numerical columns. The first column titled "Calculated Funding" provides results based on provision of the law. The second column titled "State Funding" provides the actual calculated state funding after the application of funding caps that effectively limit increases in state aid that the district otherwise would be entitled to based on growth of taxable property. The example for Columbiana Exempted Village School District in the most recent fiscal year had calculated state funding of $3,366,785.62, but after the application of the state cap, had actual state funding of $3,071,034.46 before any adjustments or transfers. The effect in districts that are capped means that the amount of per pupil support realized is less than the foundational amount of $6,000 per student that is the prescribed amount of state aid per pupil. This has implication then when the amount larger than the actual foundation aid per student realized by a resident district is deducted or transferred because of a student exercising a choice option which stipulates per pupil funding transferred to the choice provider that is larger than the state actually funded the resident district.



OHIO DEPARTMENT OF EDUCATION 07/14/2017
OFFICE OF BUDGET AND SCHOOL FUNDING
FY17 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
(FY2017 June #2 Payment, Data as of 06/07/2017)

IRN: 045328 District: COLUMBIANA EX VIL S.D. County: COLUMBIANA

	FOUNDATION FUNDING COMPONENTS:	CALCULATED FUNDING	STATE FUNDING
A	Opportunity Grant:	2,305,536.17	2,037,666.64
B	Targeted Assistance:	89,555.04	79,156.06
C	K-3 Literacy Funding:	57,876.63	51,152.23
D	Economic Disadvantaged Funding:	34,673.89	30,645.29
E	Limited English Proficiency Funding:	430.42	380.43
F	Gifted Education Funding:	57,439.46	50,765.84
G	Transportation Funding (Generally Exempted from Cap):	260,700.18	260,700.18
H	Special Education Additional Funding (Generally Exempted from Cap):	339,588.67	339,588.67
I	Career Tech Education Funding (Exempted from Guarantee & Cap):	1,445.88	1,445.88
J	Capacity Aid (Exempted from Cap):	196,024.07	196,024.07
K	Graduation Bonus (Exempted from Cap):	11,944.73	11,944.73
L	Third Grade Reading Bonus (Exempted from Cap):	11,570.68	11,570.68
M	Total Foundation Funding Before Guarantee:	3,366,785.62	3,071,034.46
N	Transitional Aid Guarantee:	0.00	0.00
O	Total State Funding:		3,071,034.46
	ADDITIONAL AID ITEMS:		
P	Preschool Special Education Funding:		65,149.82
Q	Special Education Transportation Funding:		0.00
R	Total Additional Aid Items:		65,149.82
	TRANSFERS AND ADJUSTMENTS:		
S	Education Service Center Transfer:		-140,546.10
T	Open Enrollment Adjustment:		138,610.62
U	Community School Transfer:		-155,091.24
V	STEM School Transfer:		0.00
W	Scholarship Transfer:		-126,015.00
X	Other Adjustments:		-5,393.83
Y	Total Transfers and Adjustments:		-248,635.59
Z	Net State Foundation Funding:		2,867,548.69

All enrollment is tracked by the State of Ohio for funding purposes. Tracking school choice related changes is a process within itself. The department ultimately

breaks down the enrollment and funding in the School Finance Payment Report (SFPR). This is one of the most important forms provided to the public for school funding. The SFPR is the key to understanding each and every district's revenues and expenses. Anyone interested in a specific school district's financial data has access to this document through the Ohio Department of Education's web-site. Obtaining the most current information is critical for accuracy. Foundation Funding Report Documentation for the year is only as accurate as the completed final report for any given year. Reports during a given year change based on the data transferred through a school year. Therefore, when selecting a school district's report from the web-site, it is important to select the latest fiscal year's final payment report for the specific district desired to study. The report by district can be broken down into several different reports including the following reports: school finance payment report summary, school finance payment detail, ADM detail, county educational service center deduction, open enrollment, other adjustments, scholarship deduction, state share index, community school deduction, community school deduction summary, preschool special education, and transportation. Selecting all reports for processing will permit the user to obtain the most accurate and detailed view of revenue and expenditure flows for any given school system. The data in the SFPR will also identify a state share index generated by the state formula and how it is applied to any individual school district to adjust the amount of state aid realized. Additionally, the SFPR will identify mandated aid with specific funding components and formulas as established by the state. The most important figures in the SFPR for school choice purpose are called "Transfers and Adjustments". The summary report indicates the amount of state revenues that are deducted or added to the amount of state revenues for an individual district.

The SFPR then has two sections that are pertinent for purposes of this research. One is the Calculation of Funding due the district based on foundation and special funding factors. The second involves Adjustments and Transfers that serve to add or subtract moneys due the district for various reasons. For instance, resident students that choose another educational provider result in a debit to the district funding, while positive adjustments or additions occur when a district enrolls new students as a result of choice options, such as inter-district enrollments.

Funding Calculations and State Funding

Funding calculations are based on a multitude of considerations found in state law. Components of the funding formula include computations of opportunity grants, state share index, and targeted assistance such as funding for K-3 literacy, Limited English Proficient students, disadvantaged students, special education students, or those who are gifted, or pursue career technical education, as well as student transportation. While the districts in the county tend to be similar in terms of student demographics, three categories of students take on special significance in terms of the state system of financing schools. These include economically disadvantaged students, students with limited English proficiency and students with a disability. Each of these three categories of student demographics represent additional funding through the state formula. All three categories require additional services necessary to meet the unique needs of students. The State of Ohio provided additional support for the education of students in these classifications. In many cases, students classified as economically disadvantaged, handicapped, or limited with English proficient are eligible for special choice options. Table 2 demonstrates the percentage of students in each of the categories that receive additional funding.

Table 4
Disadvantaged, LEP and Disability Students

School District	District Total Year-End Enrollment FY17	District Percent Of Disadvantaged Students FY17	District Percent Of Students With Limited English Proficiency FY17	District Percent Of Students With Disability FY17
Beaver Local	1,795.59	42.07%	0.39%	14.91%
Columbiana	1,035.21	30.81%	0.10%	16.06%
Crestview	1,268.29	36.92%	0.00%	10.46%
East Liverpool	2,100.81	98.43%	0.05%	17.31%
East Palestine	1,043.99	49.65%	0.38%	14.37%
Leetonia	649.28	62.95%	0.00%	20.67%
Lisbon	898.51	52.71%	0.00%	17.05%
Salem	2,049.73	51.62%	4.21%	12.07%
Southern	826.15	66.54%	0.00%	17.26%
United	1,160.29	37.63%	0.03%	12.15%
Wellsville	779.5	84.61%	0.00%	18.22%
Average Totals	1237.03	55.81%	0.47%	15.50%

(ODE, 2017b)

Other components of state funding include bonuses for a district's graduation rate and third grade reading proficiency. Formulas for determining amounts associated with each of these components of the foundation aid are set out in state law. Additional aid is then added for preschool special education and special education transportation. For an explanation of these fund components, the Ohio Department of Education's Office of Budget and School Funding provides a document for fiscal year 2017 for a School Finance Payment Report (SFPR) line by line explanation based on provisions set by law of AM. SUB. H.B. 64 of the 131st General Assembly, see *School Finance Payment Report – Line by Line Explanation*. The *School Finance Payment Report – Line by Line Explanation* document will provide an in-depth explanation for those seeking a technical understanding of individual components to Ohio's funding formula. Once calculated funding is arrived at based on the above components, the state applies caps to reduce or

guarantees to increase the funding amount to arrive at the net "State Foundation Funding" amount for the district.

Data Analysis

The data were analyzed and broken down by district. Full time equivalent or FTE percentages were used to present the data when possible. Student migration out of and into the residential school district for all eleven Columbiana County school districts and the funding that follows the students were a primary target for analysis. School choice options that include scholarship vouchers, open enrollment and other internal state mandated or choice programs that impact public school revenues were assessed. How the eleven public school districts within the county exchange students through open enrollment and the funding implications of other choice options were a focal point for analysis. Student demographic data were extracted to determine any categorical exchanges through school choice. Charts and graphs were utilized to provide a pictorial representation of the data when possible. Distribution of students and funding categories were an important part of the study analysis. When possible, comparisons of categories within special education and career technical allowed reasonably precise estimates of the student funding amounts. Funding is the focus of the data analyzed based on student enrollment. Revenues that correspond with enrollment were the primary data featured for this study, and every effort was made to connect the two in order to determine financial impact. Values assigned by the state legislature and Ohio Department of Education is a subject of discussion based on the impact each has on school district funding. The state share index that has been determined and the comparison by district were considered for consistency and equity. Data analysis for this study providing conclusions about the impact school choice options have on the revenues for Columbiana County's public

school districts, and an indication of which outcomes have the most significant impact, are major goals for this data collection.

Chapter Summary

Some school districts in Columbiana County benefit tremendously from open enrollment funding as a school choice option while other districts suffer financially from losing students to other public school districts. This study is aimed at providing district leadership with the knowledge of county wide funding issues and the overall impact of Ohio's school choice initiatives, specifically open enrollment. The data should provide local school systems with beneficial facts and figures pertaining to the flow of local and state tax dollars throughout the county for comparison and improved understanding of Ohio's school choice funding design. Student mobility is continual during a school year and data will not always be determined in whole numbers. Figures alone regarding enrollment may not be possible to make 100% clear distinctions on the vast numbers of possible reasons that parents take advantage of school choice options. However, having an understanding about the overall picture of how the flow of local and state revenue moves will improve the leadership choices for school administrators and boards of education. Clear funding strategies may not be easily determined based on the complexity of local revenues and state calculations to equalize funding throughout the county, but the rollout of data associated with the current State of Ohio funding formula should promote healthy conversations about the county's school districts and support for education for students of Columbiana County.

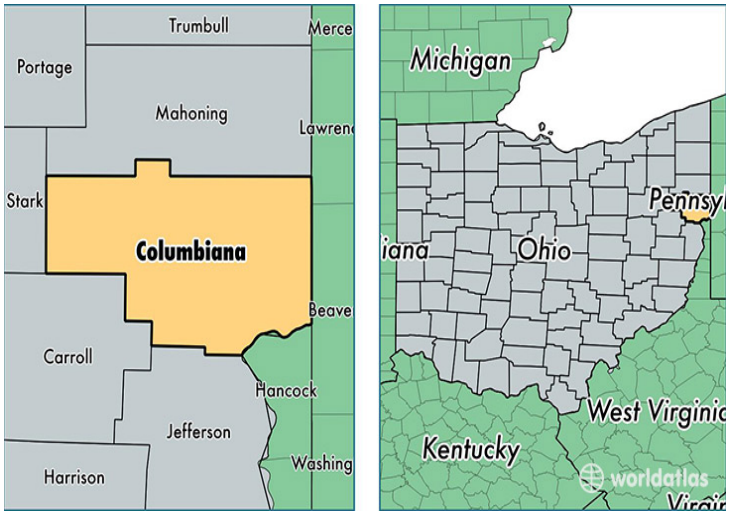
Chapter 4

Data Analysis

The funding of school choice options in Ohio is complicated and largely hidden from public view, contributing to it being misunderstood by community members and even by many school administrators and state policymakers. The purpose of this study was to examine school choice options, illuminate how they are funded, and determine their economic impact on public school districts in Columbiana County, Ohio. In doing so, this chapter first establishes the choice options at play in Columbiana County and its constituent districts, and then determines the frequency with which students take advantage of each option available under Ohio law.

Using these established participation rates, and the value of various choice-based transfers and adjustments, factored by district-related variables, the economic impact of school choices were determined and set out here for each district and for all districts in the county. Finally, the source of the resource adjustments associated with school choices are analyzed to determine whether in some instances locally-voted resources may be transferred to educate students in other

Figure 2
Columbiana County Reference in the State of Ohio



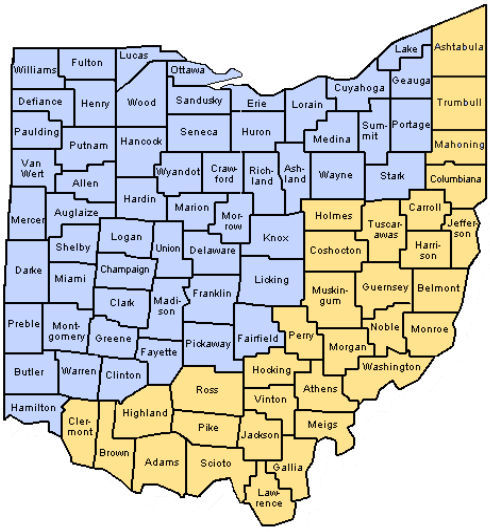
www.worldatlas.com/na/us/oh/c-columbiana-county-ohio.html

districts or in other instances state aid is retained for students that districts no longer educate as a result of school choice.

Demographics of Columbiana County School Districts

Columbiana County public schools make up 11 of the 610 public school districts in the state of Ohio. Geographically, the county is situated in the northeastern part of Ohio and is one of 88 Ohio counties. Columbiana county borders the state of Pennsylvania to its east and West Virginia separated by the Ohio River at its southeast corner. The rest of the county is surrounded by Mahoning County to the north, Stark County to the west, Carroll County to the southwest, and Jefferson County to the south. Columbiana County is a rural county located in the northern part of Appalachia and is home to 103,077 people according to the 2017 U.S Census Bureau population estimates.

Figure 3
Ohio Appalachian Counties



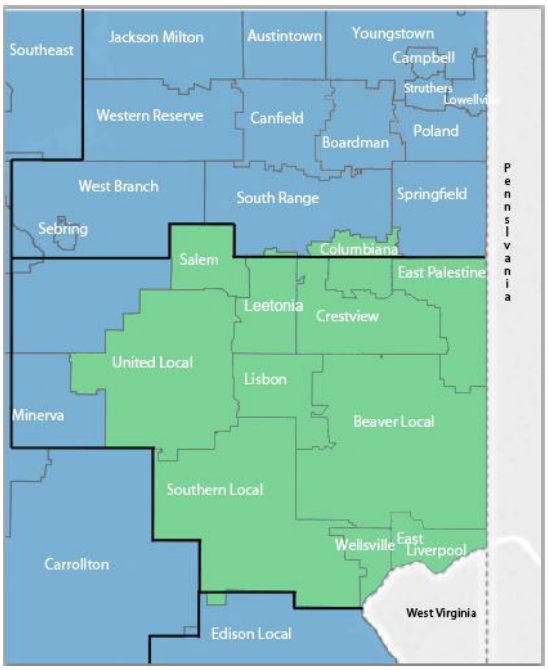
"ODJFS Online | Performance Center" 2014

11 Columbiana County Public School Districts

The 11 county schools, pictured in Figure 4, encompass most of the county. West Branch, Alliance, and Minerva School Districts have significant school boundaries within Columbiana County but are also geographically primarily situated in other counties, and thus are not considered Columbiana County School Systems. The Columbiana Exempted

Village and Leetonia Exempted Village School Districts extend into Mahoning County, while Southern Local School District extends minimally into Jefferson County. East Palestine, Beaver, East Liverpool, and Wellsville share borders with states other than Ohio. Sharing a border with other states and non-Ohio school districts has implications for school choice options for these districts.

Figure 4
Columbiana County School Districts



Prevalence of School Choice Options

All districts in the county are affected by school choice, although some to a greater extent than others in terms of the various options pursued by their resident students. Table 5 displays for each district the choice options that impact them. With the exception of the Cleveland Scholarship, all choice options are represented in the county. Open enrollment and community schools are the most prevalent options as all 11 districts have students electing those options, followed by 9 districts opting for a career and technical center via jointure arrangements. The Jon Peterson and Autism Scholarship Programs attracted students who were evaluated to have a disability from 5 and 6 districts in the county respectively. Only one district, East Liverpool, had students who took advantage of the EdChoice Scholarship, intended for those who meet low income guidelines and elect to attend one of four private school providers in the county.

Two districts, Beaver and Columbiana, with five choice options affecting them, were most impacted, while Crestview, East Liverpool and Southern Local experienced the least number of options at three each. The remaining five districts– Leetonia, Lisbon, Salem, United, and Wellsville – experienced four choice options. In summary, all types of choice options, other than the geographically impractical Cleveland Scholarship Program, were represented in the county, and all districts experienced multiple types of school choice.

Table 5
School Choice in Columbiana County

District	Cleveland Scholarship	EdChoice Scholarship	Autism Scholarship	Jon Peterson	Open Enrollment	Career and Technical	Community Schools
Beaver			X	X	X	X	X
Columbiana			X	X	X	X	X
Crestview					X	X	X
East Liverpool		X			X		X
East Palestine			X		X	X	X
Leetonia			X		X	X	X
Lisbon				X	X	X	X
Salem			X	X	X		X
Southern					X	X	X
United				X	X	X	X
Wellsville			X		X	X	X

(ODE, 2017e)

A greater understanding of the real impact of choice comes through the volume of students who choose each option. The next section examines the frequency and flow of students from each district to the various choice options, and the total number of students participating in choice programs in the county.

Frequency of Student Participation

Students who utilize the various school choice options are characterized in terms of full-time equivalent students or FTEs. FTEs represent attendance in programs throughout a school year, including part-year enrollment, as students enter and withdraw

Table 6
School Choice in FTEs - Columbiana County FY17

District	Cleveland Scholarship	EdChoice Scholarship	Autism Scholarship	Jon Peterson	Career and Technical	Community Schools	Open Enrollment Out	Open Enrollment In	Net Students
Beaver			2.22	0.24	50.3	53.36	246.58	300.81	-51.89
Columbiana			3	3	20.58	18.7	180.65	209.4	-16.53
Crestview					27.6	20.9	69.09	448.36	330.77
East Liverpool		14			4.8	103.8	300.52	112.61	-310.51
East Palestine			1		26.66	18.52	185.92	38.11	-193.99
Leetonia			1.9		37.69	12.59	143.26	82.12	-113.32
Lisbon				1	20.1	24.5	82.52	159.61	31.49
Salem			0.33	4	30.93	37.27	290.01	102.58	-259.96
Southern					21.28	42.27	126.18	162.75	-26.98
United				1	37.7	6.38	93.48	167.49	28.93
Wellsville			1		12.08	22.24	116.27	95.24	-56.35
Totals	0	14	9.45	9.24	289.72	360.53	1834.48	1879.08	-638.34

(ODE, 2017e)

from school districts and choice programs at various times through-out the year. The full-time equivalent enrollment is important as it is on this basis that funding is largely determined for each district, coupled with taking into account the residential district and the choice programs the students elect to attend. Table 6 displays the number of student FTEs that chose different options according to the district of their residence. No students qualify for the Cleveland Scholarship Program, and very few students select the Autism Scholarship Program, EdChoice Scholarship Program or the Jon Peterson Special Needs Scholarship Program.

A total of 2,517.42 FTE students in the county left the district of their residence to pursue one of the choice options afforded by Ohio policy. This represents nearly 18% of the countywide elementary and secondary school enrollment. By far the greatest number of these choice students, nearly 1,850 students, participated in Open Enrollment, leaving their resident district to enroll in another public school district in the county. Choice in the form of open enrollment thus attracted approximately 14% of the countywide enrollment and a dominant 73% of county students that exercised some form of choice.

After open enrollment, the next most frequently exercised choice was to Community Schools with 360 students making such an election. This accounted for 2.6% of the county enrollment, and 14% of the choice options exercised across the county. Some districts, however, lost a larger proportion of their enrollment to community schools, such as Southern Local (4.94%), East Liverpool (4.45%), and Beaver Local (2.89%), while one district, United Local lost a decidedly lesser proportion (.57%) than the countywide average.

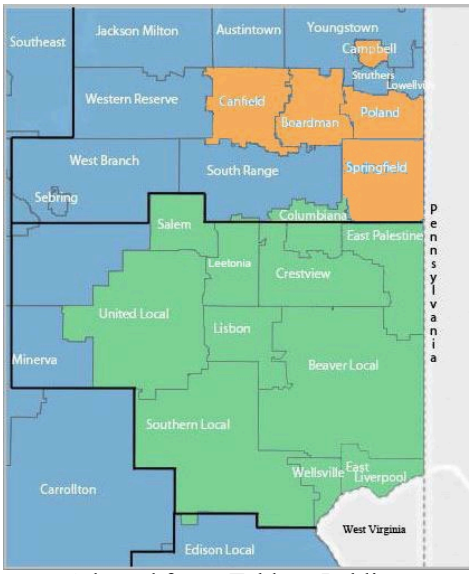
Next was Career and Technical choices, representing nearly 290 students or just over 2% of the county enrollment and 11.5% of all choices made by county students. The proportion leaving their resident districts for career and technical education ranged from a high of 5.01% in Leetonia to a low of 1.49% in Wellsville. Students in East Liverpool and Salem have their own in-district career and technical education programs, so the small number of students leaving for the county career center are actually counted by the state as open enrollment students. All other choice options – the Ed Choice, Autism and Peterson Scholarship Programs– accounted for 14 or fewer students each and a miniscule percentage of the county student population and proportion of all choices exercised.

The only district affected by the Ed Choice Scholarship was East Liverpool which lost 14 students to one of four private school providers in the county: American Spirit Academy and East Liverpool Christian in that city, Heartland Christian in Columbiana, and St. Paul School in Salem (ODE, 2018). Six districts accounted for the 9.45FTE students with autism that took advantage of the Autism Scholarship, ranging from a fraction of an FTE in one district to a maximum of 3FTE in another. A similarly small number of students countywide (9.45FTE) took advantage of the Jon Peterson Scholarship, again from a fraction of one FTE in one district (Beaver) to a maximum of 4 in another (Salem).

Open Enrollment – A Closer Examination

Open Enrollment proved to be the primary engine for school choice in the county and consequently would have the greatest economic implications for school districts and for those reasons open enrollment deserves further analysis.

Figure 5
Open Enrollment School Districts



Adapted from: Tableau Public

Over 1850 students elected to open enroll and leave their residential district and enroll in another Columbiana County public school district in the 2016-17 school year. This represents 14% of the county's student population. Figure 5 graphically displays the school districts most relevant to the Columbiana County school districts and the open enrollment choices made by their resident students. School districts

in the blue and green are open enrollment school districts that accept open enroll students from anywhere in Ohio. The districts in green depict the Columbiana County school districts. Districts to the north in orange are not open enrollment districts. Students may open enroll out of the orange districts but may not open enroll into those districts. The districts in orange are in Mahoning County immediately north of Columbiana County.

Table 7 displays the average daily membership of each district, and the number and percentage of students open enrolling into and out of each district, as well as the net gain or loss attributable to the open enrollment in these districts.

Table 7
Net Open Enrollment in FTEs - Columbiana County Districts FY17

School District	District Average Daily Membership	Open Enrollment				Gain / Loss	
		FTE +	FTE+%	FTE -	FTE-%	Net +/-	% +/-
Beaver Local	1846.95	300.81	16.29%	-246.58	-13.35%	54.39	2.95%
Columbiana	1024.97	209.40	20.43%	-180.65	-17.62%	28.95	2.82%
Crestview	948.66	448.36	47.26%	-69.09	-7.28%	379.74	40.03%
East Liverpool	2334.84	112.61	4.82%	-300.52	-12.87%	-187.86	-8.05%
East Palestine	1241.65	38.11	3.07%	-185.92	-14.97%	-147.78	-11.90%
Leetonia	751.84	82.12	10.92%	-143.26	-19.05%	-61.03	-8.12%
Lisbon	839.17	159.61	19.02%	-82.52	-9.83%	77.28	9.21%
Salem	2272.16	102.58	4.51%	-290.01	-12.76%	-187.38	-8.25%
Southern	856.18	162.75	19.01%	-126.18	-14.74%	36.76	4.29%
United	1118.33	167.49	14.98%	-93.48	-8.36%	74.16	6.63%
Wellsville	809.07	95.24	11.77%	-116.27	-14.37%	-20.91	-2.58%

(ODE, 2017e)

All districts in the county had some students enrolling and others disenrolling as a result of open enrollment. The number and percent of students open enrolling into a new district ranged from a low of 38 students or about 3 % of the district's enrollment in East Palestine to a high 448 students or 47% of Crestview's ADM. On average, districts greeted incoming students equal to approximately 13.7% of their district ADM. Among

those joining Crestview with above average incoming students relative to ADM were Columbiana (20.43%), Lisbon (19.02%) and Southern Local (19.01%), while East Liverpool (4.82%) and Salem (4.51%) joined East Palestine with smaller than average percentages of incoming students relative to their ADM.

But districts not only received new students as part of the open enrollment process, they also lost resident students to other districts. The number of those departing students and the percentage of the district's ADM are also reflected in Table 7. Three districts lost 240 to 300 students; East Liverpool (300 FTE or 12.87% of ADM), Salem (290 or 12.76%) and Beaver Local (246 or 13.35%). Leetonia and Columbiana, however, experienced greater percentages of exiting open enrollment students compared to ADM at 19.05% and 17.62% respectively.

But the number and percentage of entering and exiting students examined in isolation from each other masks the real effect of open enrollment on school districts in the county. Consulting the Net Gain and Loss data in Table 7, it is possible to identify the winners and losers in open enrollment. Crestview enrolled 448FTE non-resident students via open enrollment, but lost only 69 resident students to other districts, resulting in a net gain of 379.27 student FTEs, representing 40% of Crestview's enrollment. This is by far the largest number of gained students and percentage of district enrollment attributable to open enrollment. Beaver Local, by contrast, while open enrolling the next largest number of non-resident students (300.81 FTE), lost 246.58 FTE resident students to other districts, resulting in a net enrollment gain of only 2.95%.

Overall, six of the 11 districts experienced a net gain in students as a result of open enrollment. After Crestview, however, the net gains were more modest: Lisbon

(9.21%), United (6.63%), and Southern (4.29%). Net gains in the other two districts, Beaver and Columbiana were less than 3% of ADM.

Among the five districts that experienced a net loss of students as a result of open enrollment, the largest loss, 11.90% of ADM, was recorded by East Palestine. Other districts impacted by a net loss of open enrollment students relative to ADM were Salem (8.25%), Leetonia (8.12%) and East Liverpool (8.05%). The smallest net loss was registered in Wellsville at 2.58% of ADM.

As much of the above analysis suggests, open enrollment students tended to interchange between a number of districts in approximately equal numbers, with few districts big winners or losers in the process. Table 8 displays the exchange of students among individual Columbiana County school districts through open enrollment. Student FTEs open enrolled in and open enrolled out of the districts correspond with the districts listed on the vertical axis. At the bottom of the column are the total number of open enrolled in and out student FTEs associated with all county districts and the number attributable to school districts in other than Columbiana County.

For example, Beaver Local School District gained 1 FTE from Columbiana, while losing 6.47 FTE to Columbiana Local Schools. Beaver Local also gained a total of 300.81 open enrollment FTE from other school districts, all but 3 FTE of which came from districts within the county. Of its 300.81 open enrolled FTE, 211.25 came from East Liverpool. At the same time Beaver Local lost a total of 246.58 FTEs to other districts, most to Crestview (91.20 FTE) and East Liverpool (82.02 FTE), and only 1 FTE to districts beyond Columbiana county.

The Crestview Local School District realized more than 50% of the gain in FTEs attributed to two school systems: Columbiana sent 131.5 FTE and East Palestine 122.26

Table 8
Columbiana County Open Enrollment IN and OUT Movements in FTEs - 2017

School District	County	Beaver		Columbiana		Crestiview		East Liverpool		East Palestine		Leetonia		Lisbon		Salem		Southern		United		Wellsville	
		FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -
Beaver Local	Columbiana			6.47	1.00	91.20	6.16	82.02	211.25	9.35	15.00			29.48	20.77	0.66	1.00	15.40	11.77	0.04	2.57	10.96	28.14
Columbiana	Columbiana	1.00	6.47			131.56	32.41		9.85	7.32	35.30	15.15	30.41	3.00	8.95	2.00	11.07		6.00	4.06	1.84		
Columbiana CCTC	Columbiana								5.47				1.76				57.28				0.89		
Crestview	Columbiana	6.16	91.20	32.41	131.56				3.00	14.32	122.26	4.00	43.28	2.00	17.46	4.90	5.15	1.12			6.00		1.00
East Liverpool	Columbiana	211.25	82.02	9.85		3.00					0.58	1.00		8.94	2.00	1.17	1.00	14.58	3.08			43.02	20.45
East Palestine	Columbiana	15.00	9.35	35.30	7.32	122.26	14.32	0.58				1.00		0.32	1.00	2.17							
Leetonia	Columbiana			30.41	15.15	43.28	4.00		1.00		1.00			40.97	11.00	7.56	37.50			5.93	4.26	1.95	
Lisbon	Columbiana	20.77	29.48	8.95	3.00	17.46	2.00	2.00	8.94	1.00	0.32	11.00	40.97			6.00	12.88	4.14	39.68	8.24	15.63	2.49	2.26
Salem	Columbiana	1.00	0.66	11.07	2.00	5.15	4.90	1.00	1.17		2.17	37.50	7.56	12.88	6.00	1.70	1.70	1.00		52.47	20.28	1.00	
Southern	Columbiana	11.77	15.40	6.00			1.12	3.08	14.58					39.68	4.14		1.00			30.66	5.92	30.25	63.33
United	Columbiana	2.57	0.04	1.84	4.06	6.00						4.26	5.93	15.63	8.24	20.28	52.47	5.92	30.66			2.00	
Wellsville	Columbiana	28.14	10.96			1.00		20.45	43.02				1.95	2.26	2.49		1.00	63.33	30.25		2.00		
Out of the County		3.15	1.00	67.10	16.56	27.45	4.18	3.48	2.24	6.12	9.29	8.21	11.40	4.45	0.47	56.14	108.16	57.26	4.74	66.09	34.09	3.75	1.09
Total Enrollment		300.81	246.58	209.40	180.65	448.36	69.09	112.61	300.52	38.11	185.92	82.12	143.26	159.61	82.52	102.58	290.21	162.75	126.18	167.49	93.48	95.42	116.27

*See a complete full scale table – Appendix N (ODE, 2017e)

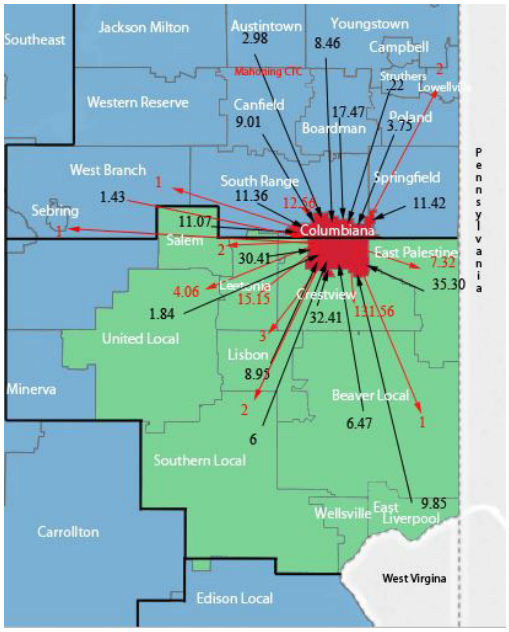
to Crestview. The Leetonia School District lost the majority of its residential students through open enrollment to Crestview, Lisbon and Columbiana, while gaining most of its open enrolled in students from Salem.

Other district open enrollment statistics that stand out were the lopsided exchange of students between Lisbon and Southern. Lisbon picked up 39.68 FTE from Southern while losing only 4.14 FTEs to them. At the same time, Southern more than doubled its gain of student FTEs from Wellsville, as contrasted to those leaving Wellsville. Southern gained 63.33 FTEs while losing only 30.25 FTEs to Wellsville. Wellsville Schools open enrolled most of its students from East Liverpool with 43.02 FTE while losing 20.45 FTEs to East Liverpool. United Local gained 52.47 FTEs from Salem Schools, but lost 20.28 FTEs to Salem. United also open enrolled 66.09 FTE students from out of the county, predominately from Carrollton, Minerva and West Branch, while only losing 34.09 FTE to open enrollment out of the county. Columbiana Schools open enrolled the most students into their schools from outside of the county, 67.1 FTEs, while losing 16.56 to schools outside of the county. Salem lost the most student FTEs to districts outside of the county with 108.16 FTEs or more than a 33% of their departing open enrolled students. Salem students open enrolled in substantial numbers in the following out of county districts: Lorain City, Austintown, Jackson Milton, Sebring, South Range, Springfield, West Branch, Western Reserve, Youngstown City, Meigs, Southeast, Alliance City, Jackson, Labrae and Niles City. Lisbon and Wellsville School Districts had the fewest exchanges with students open enrolled outside of the county. Lisbon gained 4.45 FTEs and lost less than one FTE. Wellsville had the lowest out of county exchanges with 3.75 FTE students in and 1.09 FTE students open enrolling to a district outside Columbiana County.

To examine the pattern of interdistrict open enrollment and attempt to assess possible factors influencing open enrollment choices, open enrollment movement was mapped for several districts. Next those maps are set out along with one likely explanation for the patterns observed.

The Columbiana Exempted Village School District, which shares half of its district with Mahoning County, is depicted in Figure 6. The arrows demonstrate the flow of open enrollment in (black arrows) and out (red arrows) of the Columbiana Exempted Village School District. Additionally, the image demonstrates a uniqueness of the district, as it is split almost in half with its boundaries spanning parts of both Columbiana and Mahoning Counties. The Columbiana District has residential students in both counties and draws over 30% of its open enrolled students from Mahoning County. The geographical location also demonstrates the flow of students both in and out of the school district within about a 20-mile radius with the exception of its eastern border with Pennsylvania about 7 miles away.

Figure 6
Columbiana School District Open Enrollment FY17



In Figure 7, at the center of Columbiana County, is the Lisbon Exempted Village School district. With the exception of a few students, Lisbon exchanges students through open enrollment with districts sharing borders with it within Columbiana County. The general flow of students comes from about a 10 mile radius around the Lisbon's district boundaries. The buffer of county districts, and not sharing its borders with any of the surrounding counties keeps Lisbon's exchange of students with other counties at a low 4.92 FTEs.

Figure 7
Lisbon School District Open Enrollment FY17

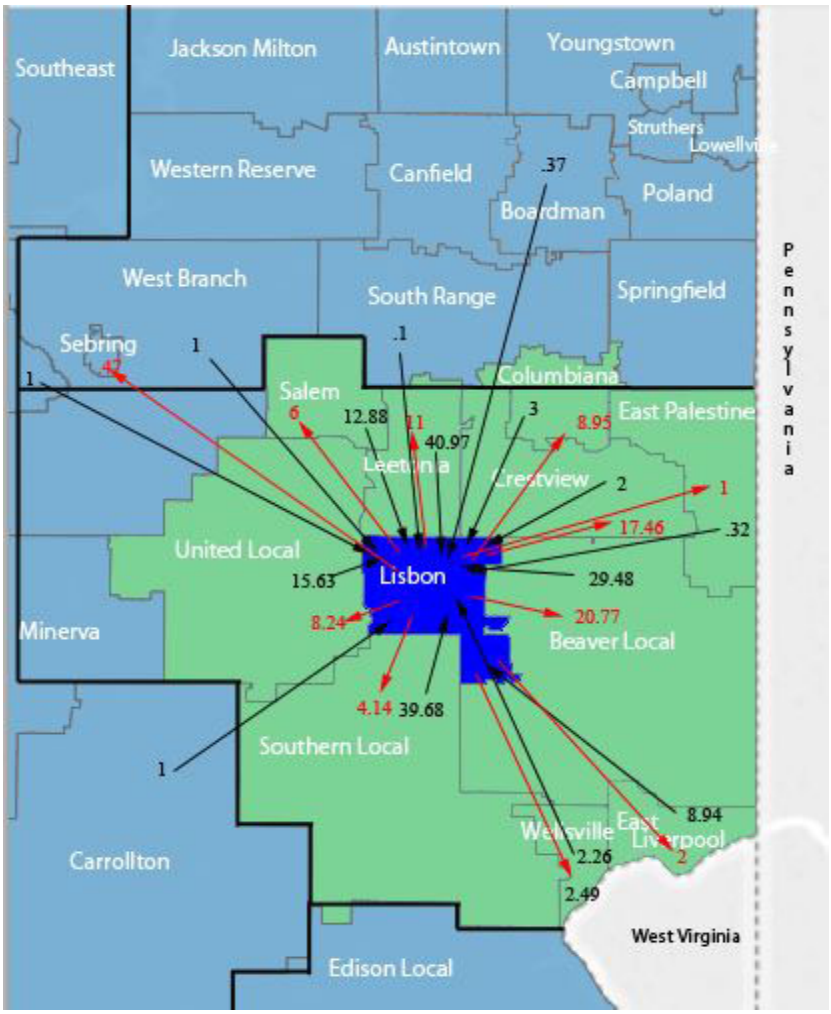
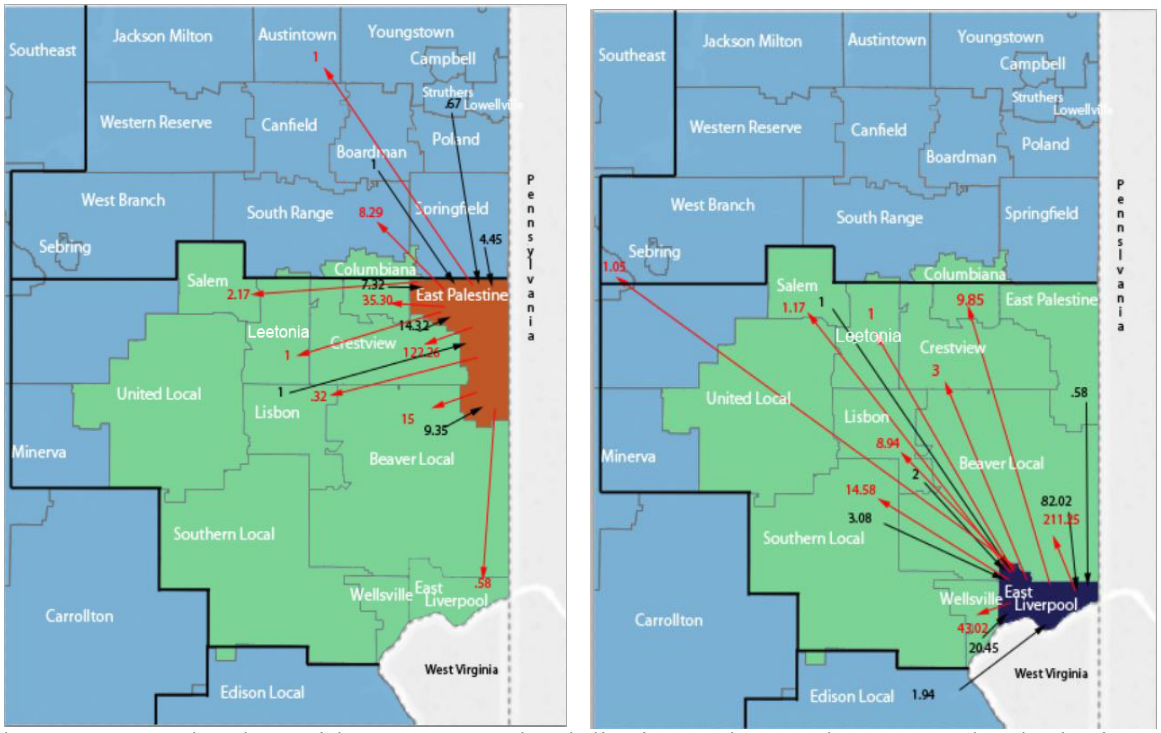


Figure 8 depicts two districts, East Palestine and East Liverpool that have Pennsylvania and / or West Virginia as one or more of their borders. Exchanges of open enrollment students are somewhat limited for districts that border another state. Columbiana and Lisbon have the opportunity to draw students from a radius of 10 to 15 miles. The graphic representations demonstrate what the data represents in terms of numbers showing interchanges with other districts. It is clear that East Palestine shares borders with 3 Ohio school districts and East Liverpool shares borders with only 2 districts. Most school districts in Ohio that do not abutt other states or the Great Lakes,

Figure 8
East Palestine and East Liverpool School Districts Open Enrollment FY2017

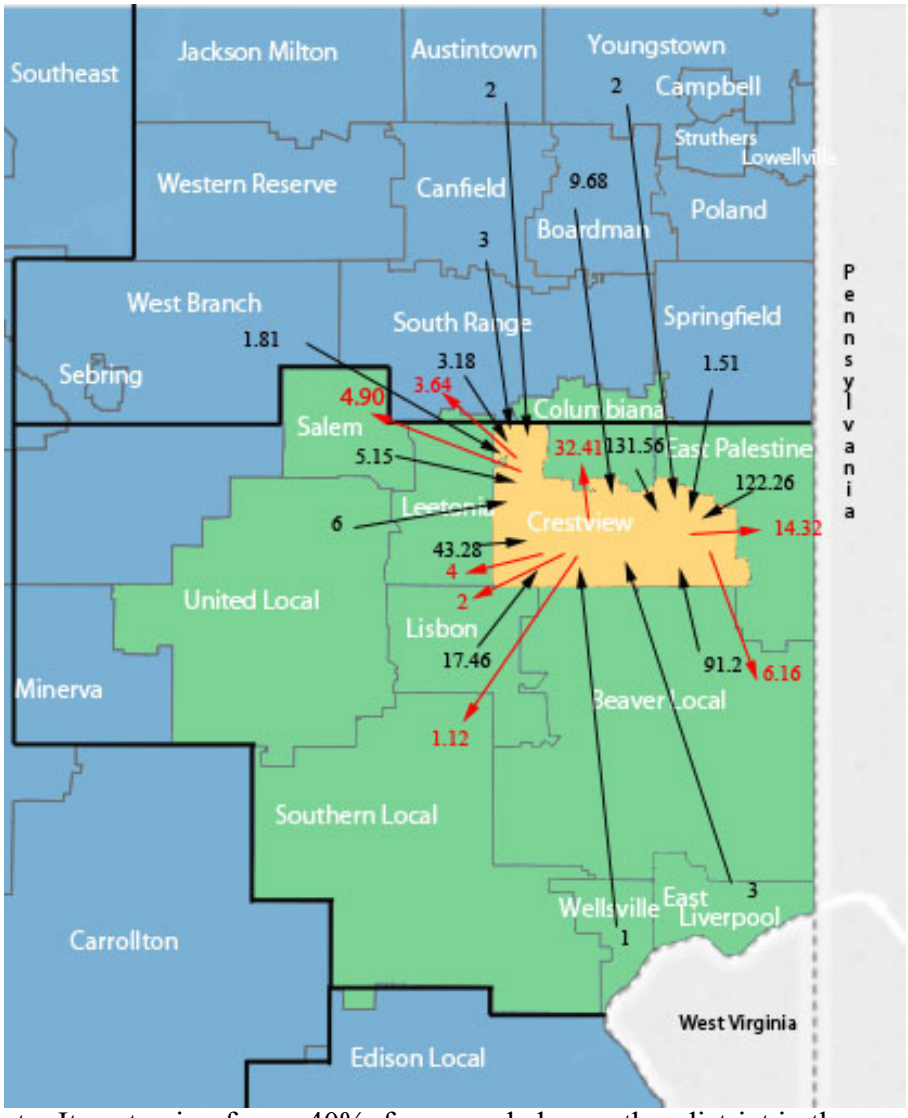


have common borders with 4 or more school districts. The South Range School District in Mahoning County, for instance, shares common public school borders with 9 school districts in Columbiana and Mahoning Counties. Opportunities for open enrollment are

obviously greater. The Sebring School District is completely surrounded by the West Branch School district, even more limiting in terms of open enrollment options.

Figure 9 illustrates the open enrollment flow of students for the Crestview Local School District, which experienced the largest net gain of open enrollment students

Figure 9
Crestview School District Open Enrollment FY17



in the county. Its net gain of over 40%, far exceeded any other district in the county. Of the 448.36 FTE students who open enrolled into Crestview, 91% came from its closest neighboring districts. Further analysis revealed that of all students in the county open

enrolling into another district about 92% chose an adjacent district. This clearly suggest that proximity or time and distance, plus the absence of district provided transportation, has a substantial impact on open enrollment choices.

Because open enrollment and school choice is often adopted on the supposition that it will allow students trapped in underperforming school districts an opportunity to escape to a higher performing school district, data was arrayed to test this explanation for enrollment patterns in Columbiana county. Each school district in the county was assigned a grade point average (GPA) based on their state report card grade on fives measures the state has subsequently decided should be used in calculating an overall grade for a school district. As explained previously, 4 points was awarded for an A, 3 for a B, 2 for a C, a 1 for a D, and 0 for a F for each of the five graded measures.

A composite GPA was computed based on the points awarded for each of the five measures divided by the number of measures. District GPAs ranged from a 1.0 to 3.20. Individual district GPAs were as follows: Columbiana highest at 3.20 followed by Crestview at 2.83, United at 2.67, Beaver at 2.33, East Palestine 2.33, Southern at 2.20, East Liverpool at 1.83, Leetonia at 1.33, Salem at 1.33, Wellsville at 1.33, and Lisbon the lowest at 1.00. Reviewing the direction of choice made between districts, 1181 FTE or 63% of students moved to a higher performing district via open enrollment. A similar analysis for community school transfers however revealed on decidedly different pattern as all but two students or 99% chose a lower performing community school than the resident district they left.

Economic Impact of School Choice

Enrollment numbers drive funding in Ohio. Each full-time equivalent student represents a value in terms of dollars and cents. In general, all but one school choice

option means lost revenues for public schools. The only option available that can generate positive revenues for public schools is open enrollment, and then only if the district attracts more non-residents than resident students it loses. All other choice options pose an economic loss to the traditional K-12 system. Table 9 breaks down the economic impact by district of various choice options in terms of dollars transferred from resident districts as a result of choice.

A number of the choice options attract few students and in turn have relatively

Table 9
Adjustments to Columbiana County School Budgets Associated with School Choice: 2017

District	Cleveland Scholarship	EdChoice Scholarship	Jon Peterson	Autism Scholarship	Career and Technical	Community Schools	Open Enrollment Out	Open Enrollment In	Aggregate Impact
Beaver	-	-	$ (1,000.35)	$ (57,240.00)	$ (123,256.18)	$ (395,797.15)	$ (1,457,746.90)	$ 1,779,180.00	$ (255,860.58)
Columbiana	-	-	$ (30,015.00)	$ (55,095.65)	$ (37,428.73)	$ (124,781.37)	$ (1,070,693.30)	$ 1,227,112.00	$ (90,902.05)
Crestview	-	-	-	-	$ (86,204.30)	$ (144,216.66)	$ (406,260.00)	$ 2,630,196.00	$ 1,993,515.04
East Liverpool	-	$ (81,375.00)	-	-	-	$ (816,720.15)	$ (1,791,105.45)	$ 673,615.62	$ (2,015,584.98)
East Palestine	-	-	-	$ (9,827.60)	$ (57,471.97)	$ (137,193.05)	$ (1,105,518.48)	$ 214,260.00	$ (1,095,751.10)
Leetonia	-	-	-	$ (49,522.00)	$ (39,454.55)	$ (105,470.43)	$ (820,824.62)	$ 484,594.90	$ (530,676.70)
Lisbon	-	-	$ (10,005.00)	-	$ (72,132.50)	$ (207,722.16)	$ (477,670.14)	$ 920,940.00	$ 153,410.20
Salem	-	-	**$ (35,229.50)**	$ (8,910.00)	-	$ (347,606.74)	$ (1,651,782.44)	$ 595,161.68	$ (1,448,367.00)
Southern	-	-	-	-	$ (139,344.33)	$ (335,904.33)	$ (733,094.43)	$ 952,628.24	$ (255,714.85)
United	-	-	$ (10,005.00)	-	$ (16,688.17)	$ (46,849.98)	$ (544,262.68)	$ 982,521.40	$ 364,715.57
Wellsville	-	-	-	$ (27,000.00)	$ (92,173.70)	$ (187,118.74)	$ (696,905.95)	$ 564,624.00	$ (438,574.39)
Totals	$ -	**$ (81,375.00)**	**$ (86,254.85)**	**$ (207,595.25)**	$ (664,154.43)	**$ (2,849,380.76)**	**$ (10,755,864.39)**	**$ 11,024,833.84**	**$ (3,619,790.84)**
Average per Student		$ (5,812.50)	$ (9,334.94)	$ (21,967.75)	$ (2,292.40)	$ (7,902.22)	$ (5,952.83)	$ 5,990.87	$ (5,670.63)

* Career and Technical is Basic Aid Only

(ODE, 2017e)

limited impact, while others attract more students and have a greater economic impact. Even though the EdChoice Scholarship Program impacted only one district in the county, East Liverpool, the 14 students resulted in an $81,375 adjustment to its FY17 funding. Jon Peterso*n* Scholarships contributed $86,254.85 in adjustments to the funding associated with five districts in the county. Salem and Columbiana were impacted the most with Peterson Scholarship transfers of $35,000 and $30,000 respectively. Heartland

Christian School is the only Jon Peterson provider in the county and is located in the center of the Columbiana School District.

The Autism Scholarship resulted in a more substantial adjustment in the amount of $207,595.25 representing an average of $21,967.75 for each of the students electing this scholarship. Three districts- Beaver, Columbiana, and Leetonia combined to bear $150,000 of the Autism Scholarship- related adjustments, while East Palestine and Salem contributed smaller amounts, approaching $10,000 and $9,000 respectively, to the county total.

An even more substantial adjustment totaling $664,154 is made to district funds for the nearly 300 students who elect to attend the Columbiana County Career and Technical School. Southern and Beaver Locals experience adjustments of $139,344.33 and $123,256.18 respectively, followed by Wellsville's $92,173.70 and Crestview's $86,204.30 adjustment. The other five districts all incurred transfers less than half that of Crestview.

Community Schools account for the second largest adjustments to Columbiana County public school district funds, representing a reduction of 2.5 million dollars. East Liverpool Schools incurred the largest adjustment, a negative $816,720.15, more than twice the next largest reduction that affected the Beaver Local Schools at $395,797.15. Salem and Southern Local negative adjustments both exceeded $330,000, while Lisbon and Wellsville School's adjustments approached $200,000 and community school adjustments to funds of Columbiana, Crestview, East Palestine and Leetonia all exceeded $100,000. Thus community schools had a substantial impact countywide and exceeded $100,000 in each of the affected districts.

Open Enrollment was by far the most commonly utilized choice program in Columbiana County. This choice accounted for gross transfers in excess of $11 million dollars into school districts for incoming students, and negative adjustments of only $10.7 million dollars to district funds. Thus overall, districts in the county netted adjustments to the positive of $268,969, attributable to the larger number of students that open enrolled into Columbiana County districts from outside the county. Almost 22 million dollars in adjustments associated with open enrollment circulated between public school districts within Columbiana County and with a few districts in other counties.

The economic impact of open enrollment varied from district to district. Two districts, Beaver and Columbiana, had numbers of incoming students that would garner more than a million dollars in positive adjustments, and one district, Crestview, would record more than $2.5 million dollars in open enrollment transfers. While Beaver and Columbiana would give back almost an equal amount in adjustments based on students leaving their districts to open enroll elsewhere, Crestview would net over $2.2 million dollars as a result of open enrollment.

While six districts would realize net positive economic gains attributable to open enrollment, five districts would lose funding because the number of students leaving to open enroll elsewhere exceeded those enrolling into their districts. East Liverpool and Salem both experienced negative transfers exceeding one million dollars due to open enrollment, even after adjusting for incoming students. The three other districts experiencing a net loss attributable to open enrollment included East Palestine (over $750,000), United Local ($400,000+), and Leetonia $350,000+).

Because Open Enrollment is the only choice option that can benefit public school districts economically, those districts with net reductions due to open enrollment found

their resources exacerbated by any losses attributable to other forms of choice. Thus, the losses attributable to all forms of choice exceeded one million dollars for two districts, Salem ($1,448,366) and East Palestine ($1,095,749), and $2 million dollars for East Liverpool ($2,015,585). Other districts that experienced losses attributable to all forms of choice taken together included: Leetonia ($530,767), Wellsville ($439,172), Southern ($255,714). Additionally, while Beaver and Columbiana had net gains for open enrollment students, they still experienced overall losses attributable to school choice options in the amounts of $255,859 and $90,900 respectively. Taken together, these public school districts experienced a negative economic impact of $3.4 million dollars as a result of school choice policies.

This effectively left only three of the 11 districts in the county with a positive net adjustment taking into account all school choice options. These were Lisbon ($153,408), United ($364,717) and Crestview with nearly $2 million dollars ($1,993,516) in net gains attributable to Ohio's school choice options.

Locally-Generated Dollars vs. State Aid

One of the major issues with school choice is how it is funded. State, federal, and local aid are distributed to schools based on different formulas and needs. Local dollars are collected based on locally voted decisions within a multitude of municipalities. State aid is assessed and collected based on decisions made by elected law-makers. Schools are awarded dollars from the State of Ohio based on a funding formula. The formula over time has morphed to accommodate changes in requirements imposed by lawmakers and to provide for a thorough and efficient education for all of Ohio's students. Today's state funding formula has built-in schemes to balance the wealth of school districts and attempt to provide a quality education to all of its children. The State formula also

Table 10
Columbiana County School Revenues Per Pupil - 2017

1 School District	2 District Square Mileage FY17	3 Year-End Enrollment FY17	4 State Formula for Revenue Per Pupil FY17	5 Local Revenue Per Pupil FY17	6 Federal Revenue Per Pupil FY17	7 District Total Revenue Per Pupil FY17	8 Actual Formula Funding Per Pupil FY17
Beaver	112	1,795.59	$ 5,894.73	$ 3,408.59	$ 1,032.61	$ 11,678.04	$4,906.71
Columbiana	16	1,035.21	$ 3,682.88	$ 5,136.54	$ 749.43	$ 11,662.23	$2,910.49
Crestview	38	1,268.29	$ 4,896.13	$ 2,671.46	$ 542.31	$ 11,100.15	$7,808.14
East Liverpool	14	2,100.81	$ 10,539.77	$ 1,902.04	$ 1,839.31	$ 14,779.08	$7,956.96
East Palestine	31	1,043.99	$ 8,297.37	$ 2,303.53	$ 824.35	$ 12,418.79	$4,973.18
Leetonia	22	649.28	$ 9,592.44	$ 2,648.54	$ 1,157.54	$ 15,173.03	$7,255.81
Lisbon	25	898.51	$ 6,863.69	$ 1,922.09	$ 1,050.14	$ 11,359.65	$7,173.93
Salem	18	2,049.73	$ 5,365.57	$ 4,306.71	$ 850.48	$ 11,151.31	$3,253.05
Southern	100	826.15	$ 9,526.44	$ 2,980.02	$ 1,124.24	$ 15,647.44	$8,256.73
United	81	1,160.29	$ 6,290.39	$ 3,305.70	$ 683.05	$ 11,707.87	$6,619.84
Wellsville	10	779.5	$ 11,434.15	$ 1,118.41	$ 1,361.33	$ 14,984.89	$9,772.47

*Totals of col.4, 5 and 6 do not equal values in col 7 due to omission of other minor revenue sources
(ODE, 2017b)

makes, as part of its adjustments, accommodations for students in specific categories. Those categorical funds are generally associated with the student based on the student's needs and follow the student when they chose other avenues of education away from their residential public school district. Columbiana County is a microcosm of the majority of the state in terms of the operation of choice funding. The formula is manipulated by caps and guarantees. Districts that are capped will lose dollars that the state formula has indicated they would otherwise receive due to factors such as growth in taxable property. Guarantees prop up districts that would actually lose dollars as determined by the formula because student population has declined. Table 10, column four, displays dollar amounts that the formula would have produced in State Revenue Per Pupil in FY17 for each of the Columbiana County districts if the state fully funded the formula. This column assumes the formula would be fully funded. Column eight identifies the actual per pupil dollar amount each district received once the whole formula was applied by the State of Ohio. The table also depicts locally-generated (Column 5) and federal dollars (Column 6)

collected per pupil which provides transparency regarding the source of funds per pupil and overall funding levels. In short, the table provides critical insight to transparency issues associated with formula funding design and actual funding school districts receive in state aid. Additionally, the table provides a snapshot of county-wide funding from local, state, and federal revenue sources.

Open Enrollment and Community School as a Factor

The difference between a school district's actual state revenues and the $6,000.00 basic opportunity grant dictated by the state for school choice purposes must come from the resources generated locally by the residential school district. An exchange for students can be logically assumed to be subtracted from other per pupil sources or from state resources intended for other students who elect to receive educational service from the district in which they reside. For instance, Beaver Local, Columbiana, East Palestine, and Salem School Districts all receive state per pupil funding below the state established

Table 11
Columbiana County Schools Lost Local Revenue Attributed to Choice Transfers

School Distict	Actual State $ Per Student Aid	Choice Transfers	Difference to Transfer
Beaver	$4,906.71	$6,000.00	$ (1,093.29)
Columbiana	$2,910.49	$6,000.00	$ (3,089.51)
East Palestine	$4,973.18	$6,000.00	$ (1,026.82)
Salem	$3,253.05	$6,000.00	$ (2,746.95)

(ODE. 2017b)

$6,000.00 level for students who elect open enrollment or community schools. Even assuming categorical funds were not also lost via school choice options, each of the four districts identified lost revenues beyond their collected state formula funding per pupil.

A non-special needs student or non-career tech student lost to another school system to open enrollment or community school would be represented in Table 11.

Each of these districts must use other revenues to make up the difference between state funded aid for students and the amount of resources transferred to other educational providers through the school choice process. Each district either dilutes state funding for other students, utilizes local dollars voted by its residents, or federal dollars to make up the difference.

On the other hand, the seven other public school districts in the county keep dollars from the State of Ohio for students they do not educate. Table 12 reveals the economic implications for these districts associated with the loss of a typical student to open enrollment or a community school. Each of these seven county districts retain a portion of the state aid for students who leave the district for other choice options. No additional state aid, federal funding, or locally-generated dollars are necessary to transfer out when these districts lose a student to school choice. Crestview and East Liverpool realized almost $2,000 in state aid for students they did not educate. Southern Local gained almost $2,300 per student for those who opted for other choice options, while

Table 12
Columbiana County Schools Gained Revenues Attributed to Choice Transfers
FY2017

School Distict	Actual State $ Per Student Aid	Choice Transfers	State Aid $ Retained by District
Crestview	$7,856.96	$6,000.00	$ 1,856.96
East Liverpool	$7,956.96	$6,000.00	$ 1,956.96
Leetonia	$7,255.81	$6,000.00	$ 1,255.81
Lisbon	$7,173.93	$6,000.00	$ 1,173.93
Southern	$8,256.73	$6,000.00	$ 2,256.73
United	$6,619.84	$6,000.00	$ 619.84
Wellsville	$9,772.47	$6,000.00	$ 3,772.47

(ODE, 2017b)

Wellsville kept almost $3,800 per student educated elsewhere. United Local benefited, but by a lesser amount ($600 plus dollars) per student who elected to be educated elsewhere.

Autism & Jon Peterson Scholarships

Local school districts receive categorical or supplemental aid for students with disabilities, the amount being determined by the student's disability as explained previously. The amount received by the district is based on the number of students falling in various disability categories, multiplied by the district's State Share Index. This determines the amount the residential district will realize for each of the six categorical special education funding amounts. Because of the operation of the state share index, different resident districts realize different amounts from the state for students with the same disability, some receiving substantially less than the value nominally designated by the legislature for a given disability category.

Since students may qualify for the Jon Peterson Scholarship at any of the categorical levels, it may be difficult to compare what the residential district receives for the specific student attending the school choice program. However, FY17 category 2 (specific learning disability, intellectual disability or OHI-minor) qualified for $10,005 in aid. United, Lisbon, and Columbiana data indicates that all of the Jon Peterson Scholarship students from those districts were funded at that level. Columbiana is funded per the state formula at $1,517.45 per student additionally for category 2 special needs students. Therefore, Columbiana receives $2,910.49 in per student state aid, plus $1,517.45 for a category 2 student or a total state aid package of $4,427.97 per category 2 special needs student. Thus this district loses $10,005 per student minus the total state aid received $4,427.97 for the student who leaves on the Jon Peterson Scholarship.

Consequently, Columbiana Schools needs an additional $5,577.06 to make up the difference between what the state afforded the district for the student versus what was transferred from district resources to the Jon Peterson Scholarship provider. The district lost three students to the Jon Peterson Scholarship netting a loss of ($16,731.18) in other resources. Lisbon and United schools are slightly different given their different State Share Index values. Lisbon receives $7173.93 per student in state aid. They receive an additional $2,456.55 per category 2 students for a total of $9,630.48 in state aid. The difference for Lisbon is $374.52 which the district must make up to satisfy the $10,005 going out with the Jon Peterson Scholarship. United Local receives $6,619.84 in state aid plus their calculated additional category 2 special education dollars for a total of $8,802.32 in state support leaving $1,202.68 for the district to close the gap. Salem and Beaver are similar but appear to mix several categorical dollars.

The Autism Scholarship is more straight-forward since it represents a category 6 autism student in all cases. Determining whether or not state funding to the residential district covered the cost of the scholarship can be calculated by adding the districts' state aid per pupil plus the category 6 additional funding, and comparing that with the value of the scholarship that is deducted from the resident district. Extracted data from SFPR forms in Table 13 demonstrates the economic implications of the Autism Scholarship for

Table 13
Columbiana County School Autism Scholarship Funding- 2017

Distict	Actual State Aid	Category 6 Funding	Autism Scholarship ADM	Autism Scholarship	Per Pupil Difference	Adjustment Effects
Beaver	$ 4,906.71	$ 13,087.80	2.22	$ 25,783.78	$ (7,789.27)	$ (17,292.18)
Columbiana	$ 2,910.49	$ 9,713.72	3	$ 18,365.22	$ (5,741.01)	$ (17,223.03)
East Palestine	$ 4,973.18	$ 16,574.52	0.37	$ 26,561.08	$ (5,013.38)	$ (1,854.95)
Leetonia	$ 7,173.93	$ 16,737.76	1.9	$ 26,064.21	$ (2,152.52)	$ (4,089.79)
Salem	$ 3,253.05	$ 12,487.63	0.33	$ 27,000.00	$ (11,259.32)	$ (3,715.58)
Wellsville	$ 9,772.47	$ 22,135.95	1	$ 27,000.00	$ 4,908.42	$ 4,908.42

(ODE, 2017e)

various resident districts. For instance, based on what Beaver Local received from the state for a student with Autism, compared to what was transferred to another service provider via the Autism Scholarship, Beaver had to make up a difference of $7,789.27 per pupil or a total $17,292.18 for its 2.22 FTE students with autism who chose another provider. Salem Schools incurred the greatest differential, $11,259.32, between state aid received for a student with autism and the amount transferred pursuant to the Autism Scholarship

By contrast, one of the six districts that had students participating in the Autism Scholarship actually gained state dollars for not educating the student who chose the scholarship. Wellsville received $9,772.47 in per pupil aid from the state, and $22,135.95 per pupil for a category 6 student with autism, for a total of $31,908.42 in state aid. The Wellsville student who chose the scholarship program deducted the full $27,000, but the district realized a net gain of $4,908.42 in state aid based on its high state share index.

The amount of any choice driven transfer that exceeds the state aid received by the district for students dilutes resources per pupil for the remaining students in their residential district. In some instances, additional state aid for special education students still does not cover the cost when the student chooses to leave the district in which they live, because that aid is discounted by the operation of the state share index. This causes the district to send additional funding beyond the state aid provided per student. Consequently, the transferring of money from the resident district beyond the low state share denies horizontal equity because it has the effect of de-equalizing the resources that resident students are otherwise entitled to under the state foundation formula.

Conversely, districts that lose students but whose state aid exceeds the amount due another district, because of a student's decision to exit for a choice program, do not return state dollars. The excess state dollars are retained along with local and federal per pupil funds to enhance the educational resource for the remaining residential students. In this instance, when a high state share district retains money for students that it does not education , this is inequitable and similarly de-equalizing because students in that district have more per pupil resources that the state formula is intended to provide them.

Chapter Summary

School choice has an impact on school funding for Columbiana County. Enrollment plays a large role in the State of Ohio's system for financing schools. The funding of choice options is complex and difficult to follow as the method is largely hidden from public view. Open enrollment is the largest school choice option for this rural Appalachian county in northeastern Ohio. Access to and utilization of other choice options is minimal in comparison to open enrollment, but certainly plays some role in the budgets of the majority of the public schools in the county. With school choice options changing and growing across the state, it is vital that school leadership, tax-payers, and lawmakers work together to understand the flow of dollars and how parents and students utilize choice in and around the counties where they live. Districts realize different dollar amounts which are awarded based on changing populations, dynamics, and funding. The data in this chapter begins to shed a light on the flow of state and local revenues based on school choice options and its implication for public school budgets.

This section examined the choice programs affecting school districts in the county and the number of students in each program by district and for the county as a whole. It also explained the adjustments to public school district budgets as a result of the exercise

of choice, and whether districts realized a net gain or loss in available resources as a result of choice. Additionally, it illuminated the extent to which choice-related adjustments exceeded state aid to some public districts while resulting in excess funds to other districts. Finally, patterns of choice were examined to ascertain the potential influences of several factors suggested to be important to the overall big picture including proximity and district academic performance.

In the next chapter findings, conclusion and recommendations are set out.

Chapter 5

Findings, Conclusions and Recommendations

This chapter provides a summary of the findings from the data described in the previous chapter, explores implications, and includes policy recommendations based on the research findings, as well as suggestions for further research.

The study undertaken drew primarily on data from the Ohio Department of Education's School Finance Payment Reports to track both the movement of students and the flow of resources associated with the school choice options provided under Ohio law. Students and resources were followed from their district of residence to other public schools, community schools, and a variety of private educational providers who serve students electing one of three scholarship programs. The objective of the study was to assess the prevalence of choice options, the frequency which each was utilized, and the economic impact of choice options singularly and collectively on public school districts in this rural Ohio county. Finally, the study sought to illuminate the largely unrecognized or masked method by which choice options are funded and the extent to which the method determined by the state dilutes and strains local resources in some districts while creating excess funds with regard to state aid in other districts.

Summary of Findings and Conclusions

1. **What are the demographics of public school districts in Columbiana County?**

Columbiana County is a predominately rural county containing 11 public school districts with enrollments ranging from 730 to 2200 students K-12 and averaging approximately 1,335 students. Two of the districts are characterized as "Small towns" and the rest as "Rural" by the state. More than half of the student population in the

county is economically disadvantaged with district percentages ranging between 31% in one district (Columbiana) to two districts with over 80% students experiencing poverty (East Liverpool- 98% and Wellsville- 84%). Six of the 11 districts have disability populations exceeding the state average, but the range is substantial from a low of 10.46% in one district (Crestview), that has the largest number of open enrollment students, to more than 21% in the smallest district in terms of overall enrollment (Leetonia Exempted Village Schools).

In only two districts do racial minorities comprise more than 3% of the population, but in those two districts (East Liverpool and Wellsville) they make up 13 to 16% of the enrollment. Only one district has any significant number of LEP students at 4% (Salem). The expenditures per student range from approximately $8,200 to $16,500 per student, with nine of the 11 districts expending less than $10,000 per student. The schools register performance indexes on the state report cards ranging from 70.5 to 102.6 on a 120-point scale, while the number of indicators met on the same report cards ranged from 0 (East Liverpool) to 17 (Columbiana) out of 24. District GPA calculations based on 2016-17 state report cards also attest to substantial differences in district academic performance from below 2.0 in five districts to one district earning above 3.0. The geographic location and community type as well as certain demographic characteristics are similar, although variation exists with respect to academic benchmarks, poverty levels, students with disabilities, and language minority populations.

2. **What types of choice options were utilized by students residing in each district and countywide?**

Most all choice options were represented within the county. All 11 school districts were affected by a resident student electing to participate in one or more choice

options**.** Three districts were impacted by 5 of the six choice options, another 6 districts by four options, and the remaining 2 districts by three choice programs. Thus, virtually all districts had to contend with multiple choice programs, all of which except one could reduce district enrollments and have negative financial implications for the district. Of the districts, all 11 were affected by resident students participating in open enrollment and in community school options, while 9 districts were impacted by the career technical option. A lesser proportion, 5 districts, were affected by the Autism Scholarship and 4 by the Jon Peterson Scholarship Programs. The Ed Choice Scholarship Program impacted only a single district.

3. **What number and percentage of students associated with each district and countywide elected various choice options?**

School Choice for Columbiana County was dominated by open enrollment and not by the nationally publicized charter or community school movement. Of the over 14,000 county students, only 360 students or about 2.5% chose a community school. Participation in other choice options was even smaller. The Ed Choice Scholarship Program did not attract even 1/1000 of a percent of the county school population. The combined number of students taking advantage of the Jon Peterson Scholarship and the Autism Scholarships totaled a similarly miniscule percentage.

By contrast, nearly 1900 students or 14% of the county students chose open enrollment to other public schools, almost all within Columbiana County. It is clear that school choice in rural Columbiana County centers upon choosing another public school district. The numbers suggest parents in rural Columbiana County appear to believe that public schools are a solid option, even if they are not completely satisfied with their district of residence. It may also reflect the absence in the county of brick and mortar

community schools employing more traditional delivery methods that may be preferred by residents in this predominately rural county, as the only two community schools in the county are ones driven by an e-curriculum with limited teacher interaction (ODE, 2017e).

Open enrollment accounts for over 70% of all choices exercised by parents who seek an education for their son or daughter other than in their district of residence. The reliance on public school choice found in Columbiana County is likely to be substantially greater than in more urbanized areas of the state, such as Cuyahoga County where only two of 31 districts accept non-resident students (Vergon, 2017), and where the number and variety of community schools are more common (ODE, 2018b).

School Choice programs have centered on the publicized failings of major urban public schools of the state, and where student populations and funding for other choice providers are at their highest (ODE, 2018a). The rural areas like Columbiana County are a secondary thought when it comes to examining school choice, and the financial impact is something that lawmakers have yet to appreciate. Large concentrations of student populations that make up enrollment numbers are greatest in large cities and what is commonly referred to as the big eight in Ohio: Akron (Summit County), Canton (Stark County), Cincinnati (Hamilton County), Cleveland (Cuyahoga County), Columbus (Delaware, Fairfield, and Franklin Counties), Dayton (Montgomery County), Toledo (Lucas County) and Youngstown (Mahoning County). These cities and the suburbs that surround them have the state's largest enrollment numbers.

Enrollment numbers are associated with dollars that provide opportunity for profitability, and profitability attracts educational entrepreneurial service providers. The attractiveness of the larger enrollment is the greater opportunity to capitalize on the public dollars associated with the state's students. Private entities are permitted to create

educational programs to compete for the demands of services either not provided or presumed ineffective through the current public school system. Privatization, another ideology, is established to rescue the perceived disenfranchised student from the public system, and with that comes the ability to potentially increase efficiencies and profit from service. The laws established to permit alternative sources of educational service open the door for choice at public expense. Where you live in the State of Ohio determines the number of choices practically available to families. The greater the population of people, the greater the population of students, and the greater the opportunity to seize the public enrollment dollars that flow with students.

Columbiana County's population, according to the 2010 census, was 27th out of 88 counties with 103,077 (U.S. Census Bureau QuickFacts: Ohio). Franklin County, which is encompassed by Columbus is number one with 1,291,981 people, and Cuyahoga County is a close second at 1,248,514 (U.S. Census Bureau Quick Facts). It would stand to reason that when it comes to charter and community schools, the larger number of providers would occur where the larger number of students reside. Columbiana County would have many fewer charter or community school options than Franklin or Cuyahoga counties, for instance, and the impact of the demographic and economic realities contributes to open enrollment being the most highly used school choice option in Columbiana County.

One of the more interesting findings of the study was where the county students chose to open enroll. An exploratory analysis of open enrollment patterns was undertaken. The extent to which students chose to open enroll in adjacent districts suggests the importance of proximity and time and distance. Since under state law transportation is not required to be provided for open enrolling students, upwards of 92%

enroll back and forth between adjacent districts. The vast majority of open enrolling students are limited to about a 10-mile radius from the residential district for travel to a school in which they open enroll. Those school districts that border other states are limited to about this same distance, but for less than the 360-degree radius that other districts enjoy. The two largest beneficiaries of open enrollment were Lisbon and Crestview. Crestview with nearly 450 open enrollment students had substantially more than any other district in the county, over 90% of which were from immediately adjacent districts. For the Beaver Local School District, which enrolled the second largest number of open enrolled students (300+), 97% came from adjacent districts. The centrality of their geographic location in the county and number of bordering districts may be a factor in their prominence in enrolling non-resident students, as well as other factors explored later.

While this pattern suggests the importance of proximity in open enrollment, two districts were an exception, enrolling less than less 50% of their open enrolled students from adjacent districts. In Columbiana Exempted Village School District, only 43% of its 209 FTE open enrolled students were from an adjacent district. Similarly, the Salem School District attracted just 44% of its 102+ FTE open enrolled students from adjacent districts. This may be explained by Columbiana School's boundaries spanning two counties: Mahoning and Columbiana, while Salem's Columbiana County boundary has its most northern section completely surrounded by Mahoning County. With the exception of these two districts, the other districts in the county enrolled a substantial preponderance of their open enrolled students from an adjacent district.

To the extent that proximity of schools appears to influence this choice option, the transportation rules established by the State of Ohio may substantially help explain this

preference. Parents are responsible for transporting their children either to a regularly designated pick up point or to the school building itself in the district where they seek to enroll. Thus as a practical matter, taking time and distance and transportation into account likely leads many families to adjacent districts. This finding coincides with studies of open enrollment in Minnesota (Lau, Lange, Ysseldykke 1995 and Ysseldyke, Lange, Delaney, & Lau 1993).

In addition to proximity, the exploratory analysis sought to analyze open enrollment patterns in terms of whether students tended to move to districts that were higher performing academically. To begin to answer this question, the number and proportion of students open enrolling into a higher performing, a lower performing, or a similar performing school district were calculated. The direction of movement was based on a comparison of the grade point averages of the districts, computed as described previously. That analysis suggested, that on a countywide basis, students participating in open enrollment tended to enroll in a higher performing school district (62%) versus one that was lower performing than the school district of their residence (33%), although the strength of the trend varied appreciably by school district in some instances. For instance, 100% of students open enrolling into Columbiana chose a higher performing district, while 96% of those that open enrolled to Beaver Local came from an equal or poorer performing district, and 70% of those choosing Crestview realized a higher performing district. In that these districts had among the most substantial gains in open enrollment and relatively high GPAs, the countywide statistics favor academically positive student movement, potentially masking negative moves in terms of school performance in other districts. For instance, of those open enrolling in Lisbon (100%) and Salem (80%) were from districts performing at a similar or higher level

academically. Thus, while these patterns suggest open enrollment choices made, whether consciously or unconsciously, result in a majority of students attending higher performing districts, they also confirm that this is not the dispositive factor for a third of all students participating in open enrollment. Parental perception in choice programs can range from convenience factors like location of day care programs and transportation issues to school environmental factors: such as teacher effectiveness, curricular options, and extra-curricular activities. Parents choose open enrollment for a variety of reasons that are based on the special needs of their children and unique family circumstances, and a unified theme may not always be transparent due to the different concerns and needs parents seek for their children (Ysseldyke, Lange, Delaney, & Lau 1993).

The academic trend in choosing a community school is decidedly different than with open enrollment. In Columbiana County, 100% of the students electing a community school ended up attending a lower performing school than the one in their district of residence. Obviously, for these families something other than a school's performance rating drove their choice. In Columbiana County, since all the options exercised were to either a fully on-line school or one that featured a computer-driven curriculum, families selecting these options may be driven by factors such as a general distrust or negative experiences associated with the public district previously attended, a child's maladjustment to the structure of a typical public school, or the lack of a practical public school alternative convenient to the family's residence. Whatever the factors, the pattern of leaving a public school district for community schools in Columbiana County contradicts the commonly advanced reason for providing choice – allowing students in poor performing schools to seek enhanced educational opportunities elsewhere (Friedman 1955, Arcalean & Schiopu 2015, Chubb & Moe 1990).

4. What were the fiscal implications of various school choice options and all options in the aggregate for individual districts and for districts countywide? What tended to be the net effect of adjustments – positive and negative – associated with school choice?

All forms school choices exercised by resident students in Columbiana County resulted in gross transfers of nearly $15 million dollars between and among public school districts and other providers of educational services. The largest adjustment countywide was attributable to open enrollment, accounting for a total of approximately $11,000,000. Adjustments associated with other choice options included, in order of magnitude: Community Schools ($2,849,381); Career & Technical Education ($664,154); Autism Scholarship ($207,000); and Jon Peterson Scholarship ($86,250). Together adjustments of $14,806,785 were made for choice options in the aggregate.

While the gross value of all adjustments, including both additions and subtractions, to public school district resources totaled nearly $15 million dollars, the net effect of the adjustments totaled substantially less: $3,619,791. This lesser amount takes into account positive adjustments to district resources that resulted from students gained via open enrollment as well as negative ones associated with those students lost via open enrollment or one of the other choice options. Since nearly all open enrollment represented exchanges of students among county districts, and few students elected other choice options, the net effect of adjustments countywide was more modest, representing an average of about $330,000 per district.

The net effect on districts, however, varied substantially. Three districts realized a net gain attributable to school choice, while eight experienced a net reduction in resources. Crestview ($1,993,515), United Local ($364,716), and Lisbon ($153,410) had

a positive net result associated with school choice, gaining more open enrollment students than they lost and having a limited number of students electing any of the other options that would create a negative adjustment.

Of the eight districts that experienced a net decline in resources as a result of resident students choosing charter or community schools, or one of several special scholarship programs, three did so, even though they had a gain in open enrollment students. These districts and the amount of the net loss included Beaver ($255,861), Southern Local ($255,715), and Columbiana ($90,902). The net losses in the five other districts were the result of both the loss of more open enrollment students than those transferring to the district and adjustments made for students electing other options. The negative net results attributable to student choices totaled over a million dollars in three districts: East Liverpool ($2,015,585), Salem ($1,448,367), and East Palestine ($1,095,751). The net financial impact on the two other districts was in the $500,000 range: Leetonia ($530,677) and Wellsville ($438,574).

These net figures indicate that open enrollment plays a vital role in determining whether school choice options, taken together, have a positive impact on district resources or a negative one. In a few districts it contributes to an actual gain in resources, in others it reduces the net loss of resources attributable to other forms of choice. In still others it exacerbates the loss incurred due to the exercise of other choice options. Community schools and scholarship transfers all have a negative effect on the resources of the county's public school districts. Although the number of students that utilized options other than open enrollment was relatively small, school district resources countywide were reduced by over $3,200,000 (ODE, 2017e). The impact of non-open enrollment–related transfers in rural Columbiana consequently are in stark contrast to the

likely impact of such transfers in counties with major urban districts, where charter schools or community academies are more prevalent and opportunities for open enrollment are frequently closed by districts that do not open their doors to non-resident students.

While this study focuses on the financial impact of school choice on traditional public schools, it does so because of the concern for the capacity of districts to provide a thorough and efficient education that meets the need of all students. For districts losing substantial resources as a result of school choice, it may be difficult to quickly adjust staffing due to drops in enrollment, given constraints imposed by collective bargaining agreements and the potential enrollment fluctuations that can occur annually, given the terms of Ohio's school choice policies. In these districts inefficiencies will inevitably result as class sizes drop and educational programs must inevitably be cut. Districts may face financial watch or emergency declarations if they are not able to make adjustments in expenses quickly enough.

Even the loss of relatively smaller numbers of students to choice options have negative consequences that impact the education received by students remaining in the district of their residence. A diminishing effect takes place in a number of ways. For instance, one $6,000 opportunity grant loss in revenues can equate to approximately two years of a purchased service for the average sized Columbiana County school district based on $3.00 per ADM. Those types of services can be virtual class content, web-site software, and other soft costs that impact instruction. Reductions have impacts on not only instructional services, but services and supplies that school districts purchase for the greater good of entire K-12 school populations such as technology support and supplies, social and emotional programs, and school environment improvements or maintenance.

All resources for educational purposes are subject to budgetary cuts based on a school district's bottom line.

On the other hand, for a few districts in the county, school choice had positive financial benefits, such in Crestview where a net gain of over 400 open enrollment students, representing 40% of the district enrollment, added more than $2,000,000 in available resources. Such an increase in students necessitates adding staff and allows for expanded educational programs and opportunities as the result of economies of scale.

Losing or gaining approximately 10% of a district's average daily membership, as was the case in the majority of the districts in the county, is still likely to change some decisions made by school leaders and student programs and services, although in a less substantial way. A school district like Lisbon, for instance, that experienced an almost 10% enrollment gain via open enrollment realized additional resources, but would not necessarily have had to increase staffing or facilities. The 77 FTE open enrollment students filtered into Lisbon's K-12 system would result in about 6 students per grade level, a number that imaginably could have been accommodated without adding staff, thus maximizing efficiencies. Other districts that lost about 10% of enrollment, such as East Liverpool, East Palestine, Leetonia, and Salem may experience overstaffing facing possible cuts. Staffing reductions or reductions in program spending may ultimately be necessary to efficiently sustain operational funds. The other five county school districts may experience similar challenges, but to a lesser extent.

5. What are the sources of the fiscal resources reallocated via school choice in Ohio? How does losing a student to school choice impact districts differently, draining local resources in some districts, while providing excess funding in state aid in others?

The State of Ohio funds school choice through adjustments to local public school district revenues via the transfer and adjustments reflected on the SFPR. As explain previously, the state determined amount of dollars for students participating in open enrollment and community schools was set legislatively at $6,000 in the form of the 2017 Opportunity Grant. This amount is deducted from the state aid that flows to the district for every student that exercises school choice, irrespective of the amount of per pupil aid received from the state by the local school district, which is a function of the district's state share index. The state share index is a purposeful function of the state funding system to equalize resources between districts with varying degrees of local wealth. With that being understood, the function of the formula with respect to the state share index is for wealthier districts to assume more economic responsibility than poorer districts.

If the state share index is low, the state aid per pupil received by the resident district is less than the Basic Opportunity Grant that will be transferred to another public school as a result of a student choosing open enrollment or a community school. To make up the difference, district resources, generated via millage voted by local residents to support their local school district, must be utilized, having the effect of reducing the resources that would otherwise be available to resident children who remain at the local school district. This has a de-equalization effect on the intended state aid provided to districts based on the state formula. As reported in Chapter 4, the amount of locally-generated resources that are effectively used to cover the open enrollment transfers for regular education students can be substantial, depending on the number of students and the district's state share. Salem, for instance, incurred adjustments in the amount of nearly $800,000 more than they received from the state. The Columbiana School District transfers $1,083,900 to other public school systems as a result of departing open

enrollment students, but $558,119.98 of those dollars are in excess of state aid Columbiana received for those students, thus representing locally-generated resources.

Conversely, if the state share index is high, school districts will receive state aid in excess of the $6,000 Opportunity Grant that flows out of the district as a result of a student exercising school choice. A de-equalization effect also takes place in high state share districs, increasing the per pupil resources above what the state formula intended. Because these districts only experience a $6,000 adjustment as indicated on their SFPR, even though they receive substantially more state aid for the exiting student, they effectively retain the remaining state resources attributable to students that they do not educate. East Liverpool realized a gain in state revenue of $588,000 and Wellsville of $438,600 for the students that left their districts via open enrollment or community schools to be educated elsewhere.

The operation of this method of funding school choice in Ohio is further complicated and the fiscal implications magnified by additional categorical grants the state provides for certain populations of students, such as students with disabilities. Open Enrollment special needs students are billed back in the form of excess costs to the residential district based on the established state declared amounts associated with each student's disability category and any other services deemed necessary through the IEP process. This is a dollar amount established by law that the educating district may charge the residential district in order to meet the needs of the student with a disability that exceeds the funding received through the opportunity grant. The amount other public schools bill back and receive from the resident school district does not take into account the reduced rate of state aid attributable to the residential district's state share index. This is the case, even though monies received by the resident district from the state for the

student with a disability have been discounted for that disability category by the resident district's state share index. The result is a further negative effect on locally-generated resources in districts with low state share indexes and excess gains in state aid for those with high state share indexes.

Recommendations

One recommendation is that the state policy makers should adopt a more direct and transparent means of funding school choice options in Ohio, one that does not use public school districts as the medium for the transfer of resources. Since it is unclear that policy makers foresaw that funding of school choice would impact local school district budgets in the way that it does, the state should review its current policy. Aid proportional to school choice should be withheld by the state to account for the numerous choice programs to include open enrollment. This will allow the state to determine and fund the providers of educational services at a rate consistent with the cost of providing a thorough and efficient education with additional adequate amounts to meet the special needs of students including those with disabilities at a level determined appropriate by the state. A fully state funded choice program provides a transparent methodology for implementing choice policy advocated by the state's policy makers. Additionally, it will increase the perception that the state is not redistributing wealth and minimize the mistrust of the local taxpayer when local dollars are moving to choice options as a result of state policy.

The State of Ohio must determine a basic aid dollar amount consistent with meeting the needs of a variety of students to include students with disabilities or students identified as gifted. That basic aid should be the fundamental amount transferred by the state directly to service provider which include excess costs for students with disabilities

or gifted services. Additional services chosen beyond a state established fundamental basic aid for both typical learners and learner with special needs necessary to provide a thorough and efficient education should be at the cost of the educating entity. The state share index may continue to be utilized in a similar function as it is today to equalize the playing field for an equal opportunity for a quality education. This can be accomplished in a manner that does not penalize districts both when they receive state funding and again when parents choose options other than the residential district. All students participating in school choice options in Ohio are entitled to the established fixed rate to educate a students, but its provision should not contribute to inequities in wealthy or low state share districts for the remaining resident students, nor should it create inequities in poor or high state share indexes by the retention of state formula for students that it no longer serves as a result of school choice. Therefore, the state should directly fund school choice in an amount it deems appropriate so that inequities are not created as it occurs as it does today when funding is accomplished through a system of transfers involving school districts. A failure to do so creates inequities, contributes to inefficiencies, frustrates transparency and public accountability. Local tax payers have to live with the consequences of the policy of the state. When it comes to local support levels, citizens do not understand the loss of local revenues attributable to choice and thereby need a clear and transparent system. Such a funding system proposed will begin to remedy the issues between local and state revenues generated for education. Additionally, it will remedy what is today the lack of understanding among many school administrators, school boards of education, and local communities of how school choice is funded and its impact on district revenues.

If the state does not adopt a new method of funding school choice, another recommendation is that the state lawmakers should amend the current system. In an effort to increase transparency, the state of Ohio should eliminate the lost local revenues experienced by the districts of the state with low state share indexes by providing gap funding. Gap funding may be established to reduce lost local support that currently undermines districts needing additional resources, who now must go the ballot to achieve such results. Lost support includes those students attending elsewhere where the parents no longer are connected to the district, and parents who open enroll their student to the district and cannot support local taxes. Reducing the redistribution of local school tax dollars perceived by the local tax payer as inequitable, would result potentially in increased local support for levies. Increased local support of schools will reduce the school district's dependency on state aid and increase the state's ability to appropriately fund its choice options from the state level.

Students participating in any choice program should be funded at the state share index of the resident district, plus any gap aid determined by the difference of the state share index and the established value of the opportunity grant. Categorical funds should be allocated in a similar manner. If the state determines a child's handicap meets a certain dollar threshold, the same amount should be funded to the district and transferred to the choice program, effectively holding the local district harmless by virtue of the gap aid paid for by the state. Districts that receive state aid exceeding the opportunity grant transferred to the provider of the choice educational option should not be entitled to keep those excess state aid dollars. To fail to return those dollars to the state, reduces accountability, efficiency, and responsibility, and negates a means to fund the gap aid. If the state identifies a particular percentage or fixed dollar amount of state aid that is

designated for building operations beyond individual student educational purposes, the state should indicate so for all districts. Any additional funding needed should be compensated through gap.

School choice, overall, creates flexibility for parents to choose other educational programs for their children, but at a cost to local districts. Local districts are finding it more and more difficult to raise additional local funding when parents who live and vote in the district choose to have their children educated outside of the residential school system. As the state increases the opportunity grant year after year, it increases the loss of school revenues and for some school districts, a loss of local funding. While the total may seem insignificant to Ohio lawmakers (ODE, 2017b), at the local level in Columbiana County, public school districts battle one another in a competition for open enrollment ADM. Participating in the State of Ohio's open enrollment program has become a necessity when it comes to minimizing district's ADM losses via other school choice program. A re-examination of the transfer of funding for open enrollment and other school choice options should be considered. Regardless of the state's regulations in school choice, locally funded dollars established for the local public school should be minimally, if at all, in the mix of transferred monies where the state policy establishes choice options.

There were problems with Ohio school funding model before today's school choice options. And, although the policy makers may not have intended today's local budgetary impact from choice, the compounding effect of school choice is attributable to the state and the state should find a means to manage it. Local dollars provide for local control over a local public school district. Locally voted on millage is inappropriate to transfer on the decision of a parent to evoke a choice option. Additionally, there is no

indication that funds transferred will be spent on the child that moved with the money. This further disrupts the idea that funding for schools is transparent and that of the education provided is thorough and efficient.

Another recommendation is that the funding of school choice options should be conditioned on the realization of the state's policy goal for adopting choices. Many school choice programs provide an excellent opportunity for students' needs to be met. In some cases, student needs are met better via a choice, as students find an option that enhances their education. The idea of choice is offered under the premise of improving a child's educational opportunities. On the other hand, many choice programs, such as community schools and scholarship programs, function with little or no state oversight in terms of whether they provide an enhanced education over that available in the resident district or even a minimally adequate education.. If the policy justification for choice is to provide enhanced educational opportunities to those trapped in underperforming districts, then state funding should be conditioned on movement to a similar or better performing school district, community school or education provider.

Parents should be required to provide the information as to the reasons for choosing choice options as a condition of utilizing public dollars to educate their child in a program other than the public district of residence. Data would be reported to the state through the Educational Management Information System which would allow choice programs to provide local, regional, and statewide data necessary to understand the specific reasons parents elect various choice options. This would be of potential use to individual school districts that desire to improve the retention of resident students and to policy makers who might more readily evaluate the intended and unintended effects of the policies they adopt.

Future Research Directions

Studies of school choice and the financial impact of choice in other counties would allow comparisons to be made of similarities or differences associated with other rural counties or counties that include a major urban district. County dynamics can be as different as the districts within them and may yield similar or different patterns to those found in Columbiana County. It is highly likely that those counties with a major urban district or vastly different ADM populations may differ in substantial ways in terms of the availability of various choices, the types of choices made, the fiscal implications of those choices for districts, as well as the potential educational implications.

A further study of open enrollment in Columbiana County could present vital information about the policies, programs and practices of local school districts that experience varying levels of gains or losses of students via open enrollment, or levels of students participating in community schools or various scholarship programs. Comparative case studies would be particularly helpful in discerning potentially important differences between districts.

One district benefits immensely from open enrollment, more than any other in Columbiana County. A closer look at the district's transportation practices and other open enrollment policies could identify factors that contribute to its success. Recruitment and rescinding practices could be discovered by such a qualitative approach. Special education students' access to such programs should be reviewed since Crestview has the highest open enrollment population in the county and the lowest special education percentage. A focused look at the additional staffing, programs and facilities necessary to accommodate large numbers of additional students would also help understand the

economies and potential inefficiencies as well as efficiencies that may result from programs such as in Crestview.

A case study examining the ways different school districts respond to substantial gains or losses in enrollment and funding and the efficiencies or inefficiencies that result would also provide potentially useful guidance for other districts that in the future might be significantly affected by changes in patterns of school choice involving their district.

A study that surveyed parents regarding the importance of various reasons influencing the choices they made with regard to their children's education would provide useful information to school district officials as they attempt to adapt strategies to maintain and maximize their district's enrollment and the resources available to educate students. How parents weigh factors such as proximity or convenience against a district's academic standing or the quality of a district's facilities would help inform decision making for local officials. Local officials could also gain insight into how district-provided transportation might affect participation in open enrollment. Such a survey could contribute to strategic district policies and practices for maximizing enrollment gains and mitigating economic consequences attributable to school choice.

Finally, a study examining patterns of choice statewide could illuminate how various factors in addition to proximity and academic reputation of districts figure into the dynamic process of school choice. A statewide study on the flow of students influenced by a multitude of educational factors and programming practice would provide for learning opportunities for educational leadership, boards of education and policy makers. Major factors to be considered in a study involving patterns should include school size, efficiency standards, local contract agreements, racial composition, special education programming, available technologies, STEM initiatives, extra-

curricular programs, facilities, and local practices to name a few. By examining the very differences between existing public options, patterns could rise to the forefront of what drives parent's desires to choose educational programs and inform the greater public.

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YOUNGSTOWN STATE UNIVERSITY

One University Plaza, Youngstown, Ohio 44555
Office of Research
330.941.2377

April 17, 2018

Dr. Charles Vergon, Principal Investigator
Mr. Donald Mook, Co-investigator
Department of Counseling, School Psychology & Educational Leadership
UNIVERSITY

RE: HSRC PROTOCOL NUMBER: 149-2018
TITLE: The Pressure for School Choice & Funding Issues for Public Schools

Dear Dr. Vergon and Mr. Mook:

The Institutional Review Board has reviewed the abovementioned protocol and determined that it is exempt from full committee review based on a DHHS Category 4 exemption.

Any changes in your research activity should be promptly reported to the Institutional Review Board and may not be initiated without IRB approval except where necessary to eliminate hazard to human subjects. Any unanticipated problems involving risks to subjects should also be promptly reported to the IRB.

The IRB would like to extend its best wishes to you in the conduct of this study.

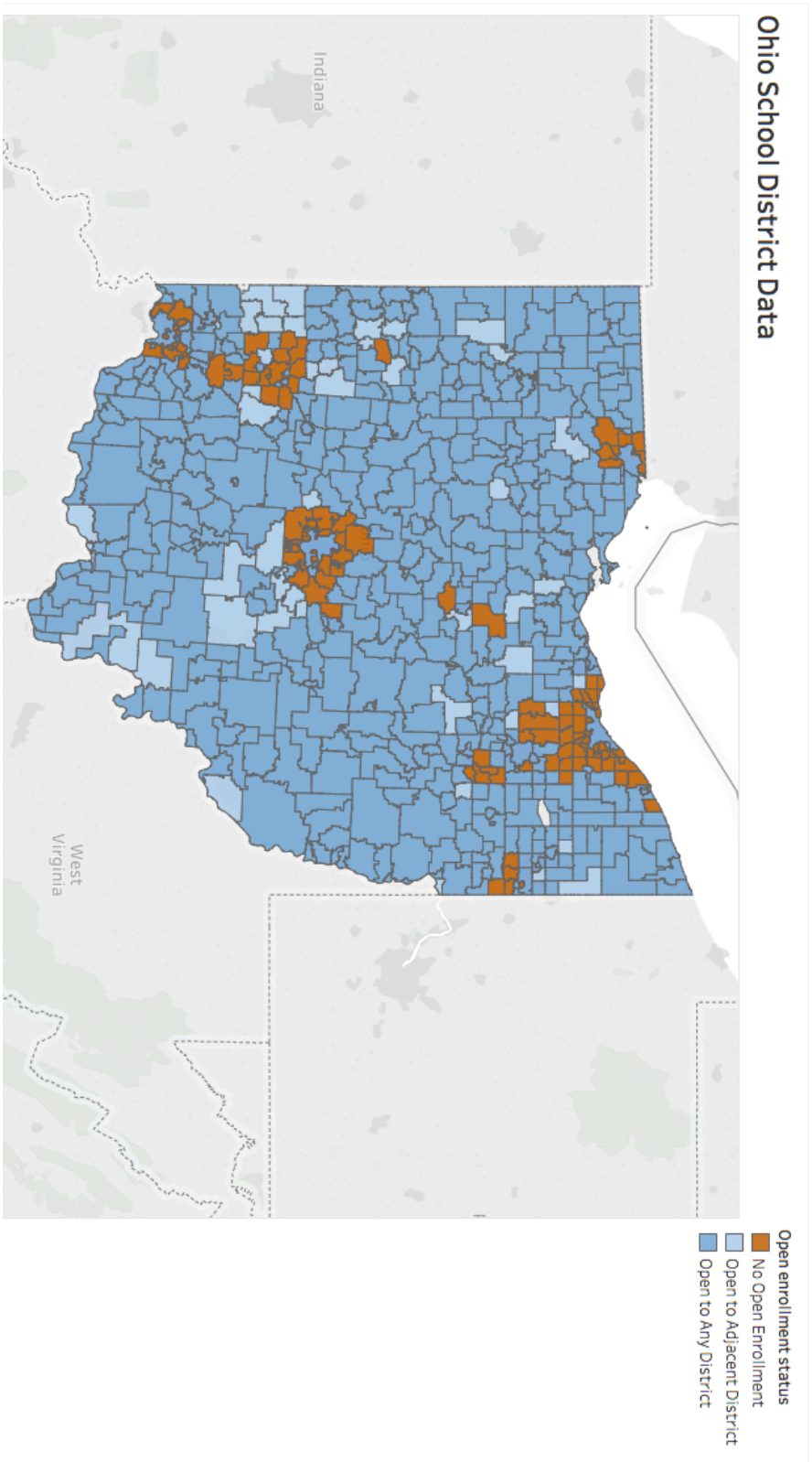
Sincerely,

Michael A. Hripko
Associate Vice President for Research
Authorized Institutional Official

MAH:cc

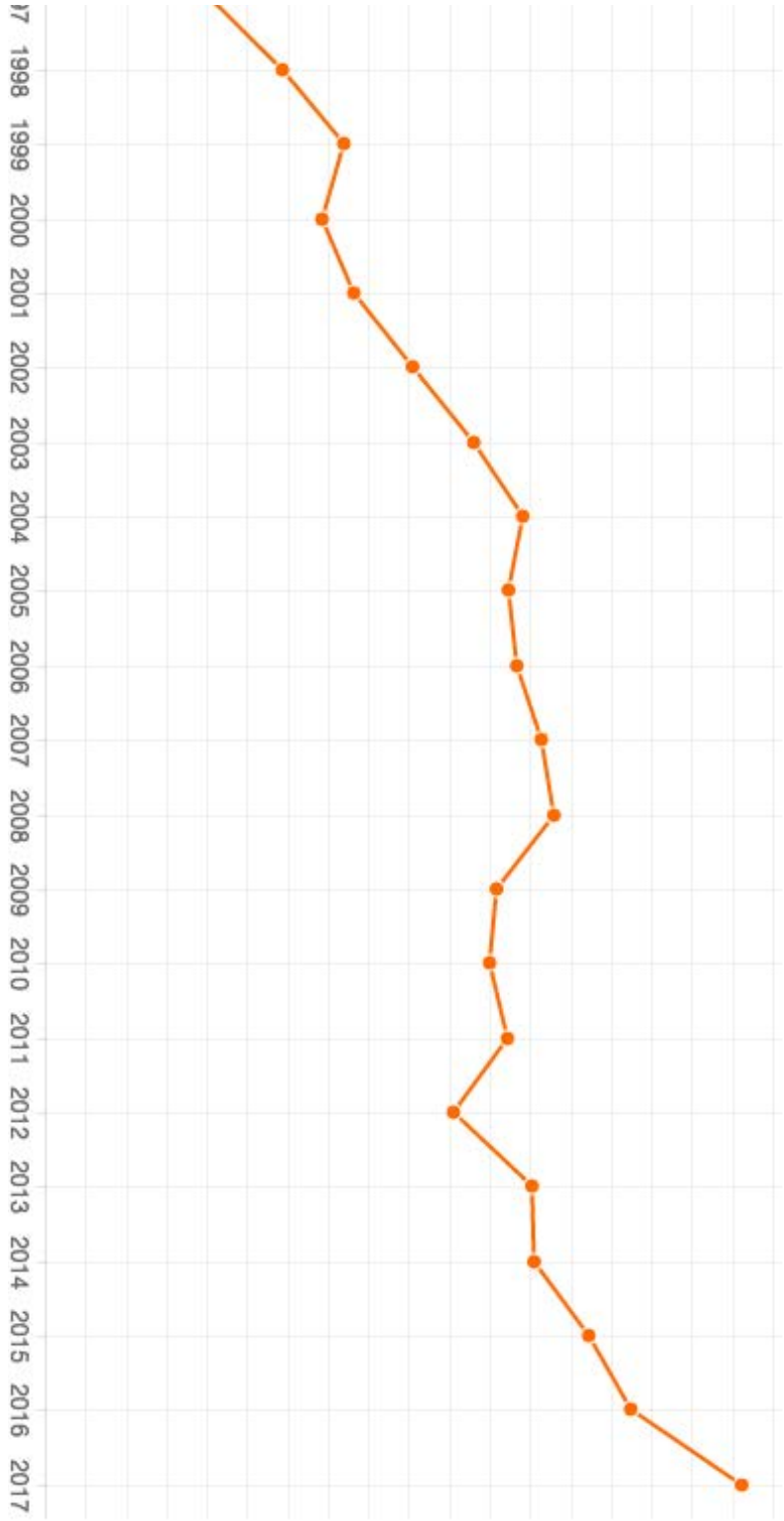
c: Dr. Jake Protivnak, Chair
Department of Counseling, School Psychology & Educational Leadership

Appendix B: Open Enrollment Map of Ohio School Districts

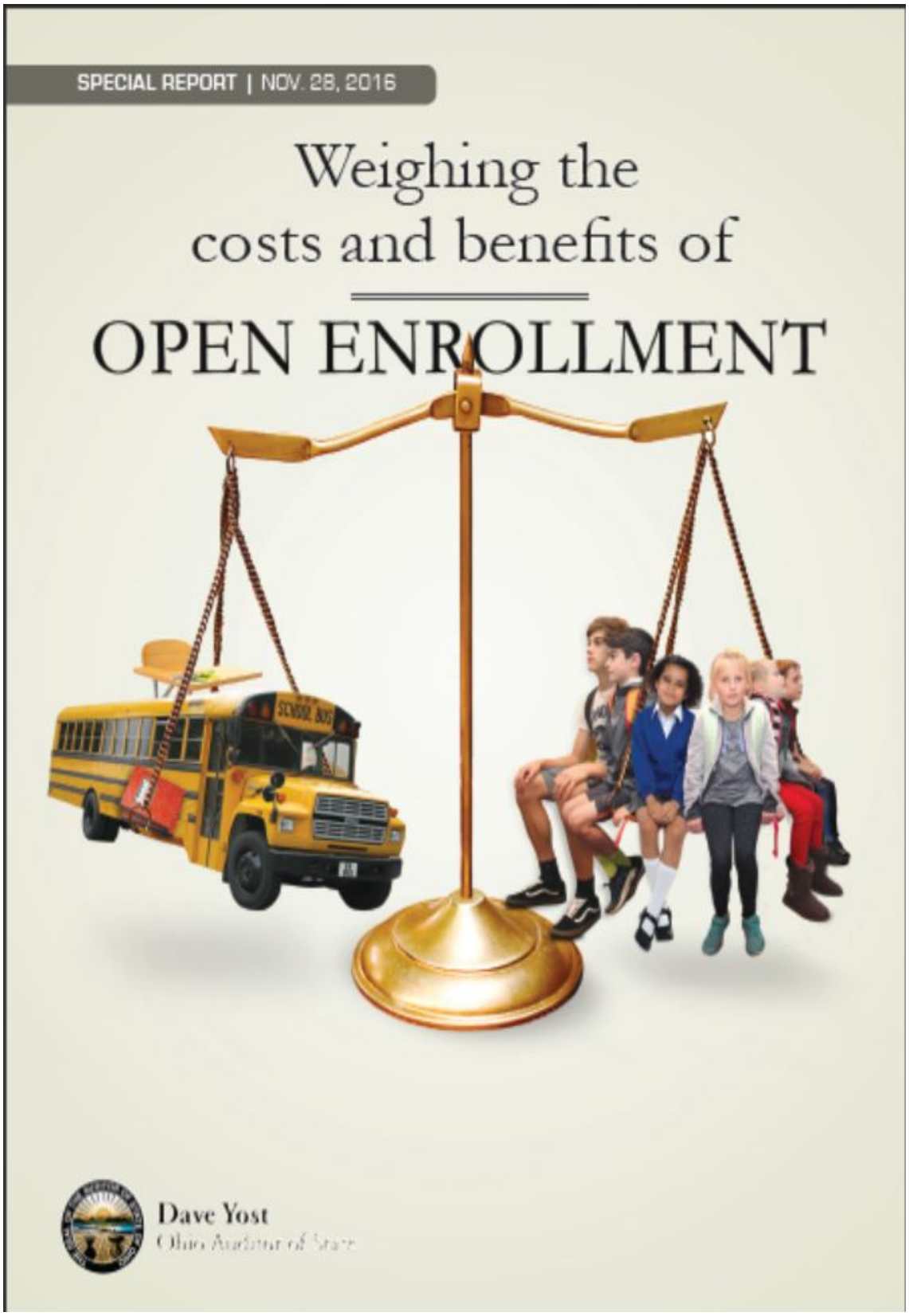


The Impact of School Choice on Funding Ohio's Public Schools

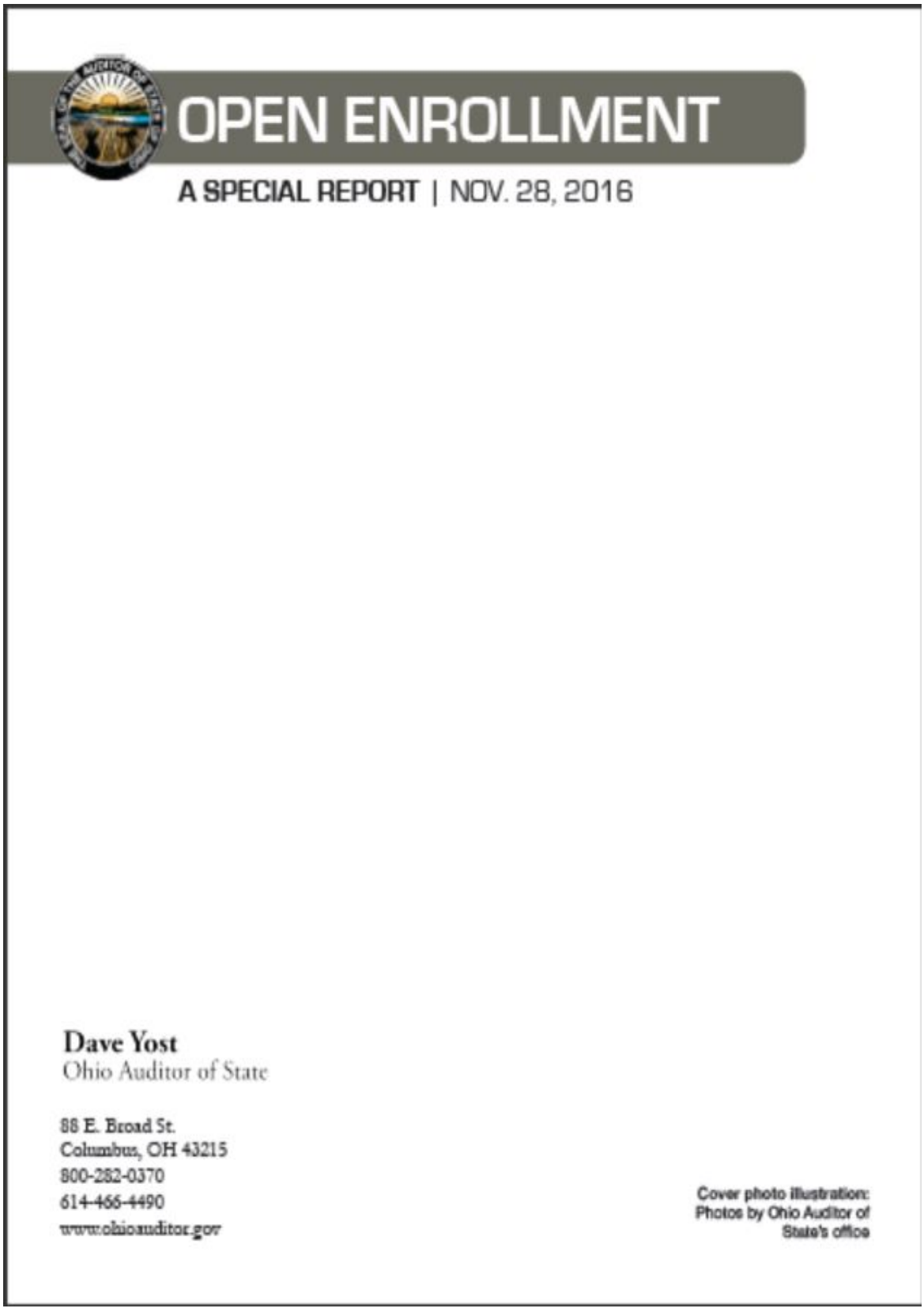
Appendix C: Ohio's Cleveland Scholarship Program Participation



Appendix D: Weighing the Costs and Benefits of Open Enrollment



Appendix D: Weighing the Costs and Benefits of Open Enrollment



Appendix D: Weighing the Costs and Benefits of Open Enrollment

Dave Yost
Ohio Auditor of State

OPEN ENROLLMENT

A message from the Auditor

Nothing in life is more important than our children. Our concern for their well-being is why we hold education in such high regard, and why questions involving school funding and school choice provoke such emotions.

There was a similar emotional reaction to the performance audits we released this year of four Ohio schools that admit students from outside their districts through "open enrollment." Performance audits, conducted by request or at districts facing fiscal emergency, are designed to identify operational inefficiencies and provide recommendations to eliminate them.

The audits found some districts use their open enrollment policies effectively – accepting students from area districts to maximize their efficiencies through increased revenues, but without additional expenses. We also found districts that were not closely monitoring the costs associated with open enrollment and were effectively subsidizing the education of non-resident students with local tax dollars.

The audits ignited debate in some communities – a policy conversation that is worthwhile, even if it sometimes becomes uncomfortable. Two audits recommended that open enrollment be curtailed to reduce costs, advice that some translated into an anti-open enrollment agenda.

Determining policy for Ohio schools is not the role of our office. Local policy is for local officials to decide. Our duty is to help educate local leaders on the true costs associated with open enrollment so they can establish sound policy and manage that policy – in whatever form it takes.

We created this report to help local school leaders and taxpayers understand the factors they should consider when establishing policy for open enrollment. The data shows open enrollment is not a passing fad but an increasingly popular option in the Buckeye State.

I hope you find this report useful in setting policy or reviewing what has already been established.

Sincerely,

Dave Yost

Dave Yost
Auditor of State

Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Summary

Since 1989, open enrollment has enabled thousands of Ohio students to attend schools located outside of their home districts. Its popularity has continued to grow, as shown in the chart below. In 2016, the Auditor of State's Ohio Performance Team (OPT) evaluated open enrollment practices and policies at four northeast Ohio school districts to identify efficiencies and cost savings.

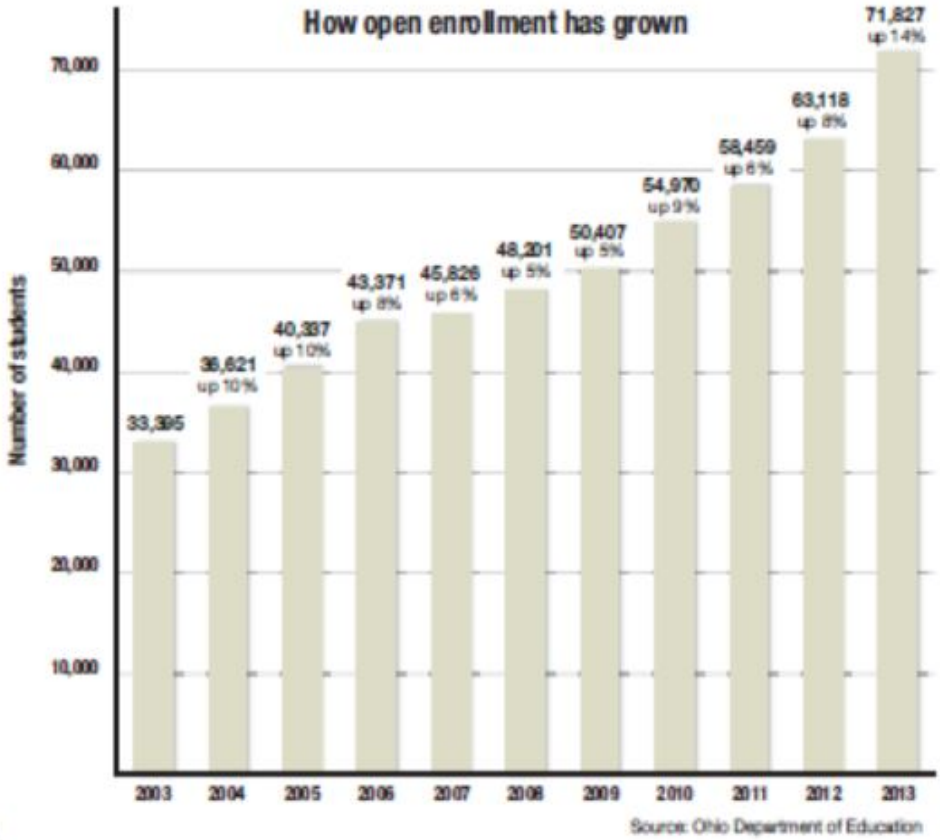
The performance audit findings suggest that open enrollment, when managed properly, can offer districts a gateway to healthier finances. However, when related expenses are overlooked, the costs of educating non-resident students can outweigh the rewards.

In the audit reports, OPT highlighted several key elements districts should take into account when forming open enrollment policies. If an objective of open enrollment from an economic standpoint is to increase revenue without adding significant additional costs, district leaders must first understand the differences between state and local funding as they apply to open enrollment.

While open enrollment students generate more state funding than resident students, local funding does not transfer from an open enrollment student's home district to the district they choose to attend. As a result, local taxpayers subsidize students attending their districts via open enrollment. This also means open enrollment student revenue reduces, or "dilutes," the total amount of revenue generated by the resident district on a per-student basis.

The bottom line is that school leaders must weigh the actual costs of open enrollment with the actual revenue open enrollment students bring with them. To guide school districts during this often challenging process, OPT recommends all open enrollment districts implement and adhere to formal policies containing important parameters, such as capacity limits and student-teacher ratios.

Due to open enrollment's fluid nature, districts must monitor their current and projected resident and non-resident student populations and their current and projected source of revenues and costs on an ongoing basis to ensure their outcomes meet expectations.



Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Introduction

At least 70,000 Ohio students currently attend schools located outside of their home districts. Since the Ohio General Assembly passed open enrollment into law in 1989, thousands more have pursued the tuition-free school choice option. Consequently, school districts have faced numerous management and policy decisions over the years related to open enrollment, the results of which have had varying financial impacts on both schools and their communities.

In 2016, the Auditor's Ohio Performance Team (OPT) released performance audits of four northeast Ohio school districts that offer open enrollment:

- Austintown Local School District (Mahoning County)
- Coventry Local School District (Summit County)
- Hubbard Exempted Village School District (Trumbull County)
- Madison Local School District (Lake County)

Auditors noted a variety of open enrollment policies and practices at the districts, as well as a range of financial outcomes, both positive and negative. This report highlights some of the key factors analyzed during the course of the audits, the same elements that school leaders should consider when evaluating open enrollment at their districts.

Summary of Audit Process

For each of the four performance audits, OPT first determined the level of the district's open enrollment in relation to its total student population. Auditors chose to include open enrollment in the reviews due to the potential financial impacts of the districts' open enrollment student populations.

Performance auditors then conducted a detailed analysis of the district's revenue streams, comparing the amounts generated from open enrollment students against those from resident students. Auditors narrowed their reviews to only the revenue available to directly educate students – excluding money set aside for expenses like debt service. The team then used these dollar amounts to calculate how the district's average per-pupil revenue was diminished, or "diluted," by the addition of open enrollment students. This calculation determined the revenue side of the equation.

On the expense side, auditors evaluated the district's expenditures, extracting all costs that were not affected by the amount of open enrollment students attending the district.

Using the factors discussed in the following sections of this report, auditors then looked for opportunities to generate savings and boost efficiency by optimizing open enrollment.

State Revenue

Funding for open enrollment students comes entirely from the state, primarily through the Opportunity Grant, which amounted to $5,800 per student in fiscal year 2015. Some districts may receive additional funding on a per-pupil basis for students with disabilities or receiving a career technical education.

School districts receive the entire Opportunity Grant amount for open enrollment students, but just a portion of the grant for resident students. However, not all school districts receive the same amount in state funding for resident students. When distributing the funds, the state calculates the grant amount for resident students using the State Share Index, a calculation that determines a district's capacity to raise local revenue. The basis for this calculation is the three-year average property value, median income index, and a wealth index of the district. As a result, a district's ability to generate revenue from local taxes impacts the amount of state funding that is available for resident students.

Local Revenue

Local revenue for school districts is generated from local property taxes and voted tax levies. It is important to note

Continued on next page

Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

State and local revenue

	AUSTINTOWN LOCAL SCHOOL DISTRICT Mahoning County	COVENTRY LOCAL SCHOOL DISTRICT Summit County	HUBBARD EXEMPTED VILLAGE SCHOOL DISTRICT Trumbull County	MADISON LOCAL SCHOOL DISTRICT Lake County
Total student population	5,061	2,076	1,947	2,955
Open-enrolled students	686 (13.6%)	782 (37.7%)	219 (11.2%)	243 (8.2%)
Student/teacher ratio	19.2:1	24:1	18.5:1	25.5:1
Open enrollment recommendation	Optimize for a savings of $766,300	Optimize for a savings of $1,582,041	N/A	Establish formal open enrollment capacity limits
State revenue per student	$4,448 resident $5,867 open-enrolled	$2,804 resident $5,997 open-enrolled	$5,296 resident $5,805 open-enrolled	$4,758 resident $6,400 open-enrolled
Local revenue per student	$4,133 resident $0 open-enrolled	$8,299 resident $0 open-enrolled	$4,765 resident $0 open-enrolled	$3,714 resident $0 open-enrolled
Total revenue per resident student	$8,581	$11,103	$10,060	$8,472
Overall revenue per student with dilution	$8,147	$8,701	$9,413	$8,268
Total open enrollment expenditures	$4,048,334	$5,692,575	$237,866	$1,375,120
Total open enrollment revenue	$4,022,682	$4,690,021	$1,240,649	$1,553,404
Net revenue loss/gain	($25,652)	($1,002,554)	$1,002,783	$178,284

Continued from previous page

that local funding does not follow open enrollment students out of their home districts to the districts they choose to attend. This means school districts that offer open enrollment receive the full amount of state funding for an open enrollment student, but do not receive any additional local revenue from the student's home district. The local money remains in the open enrollment student's home district even though the student is not being educated there.

On the other hand, districts receive a smaller portion of state funding for resident students than open enrollment students, but the district keeps all locally-generated revenue. The combination of both state and local revenue for resident students outweighs the total amount of state revenue for open enrollment students. To make up for the gap in educational costs for open enrollment students, local taxpayers subsidize non-resident students attending their district.

When resident and open enrollment student revenue are combined, the per-pupil average for resident district students is reduced, or "diluted," because the out-of-district students do not contribute as much financially.

As shown in the chart on Page 12, a resident student of the Austintown Local School District generated an average of $8,404 in state and local revenue in 2015, after accounting for debt payments.

In contrast, an open enrollment student generated an average of $5,867 in state revenue only. When resident student and open enrollment student revenues were combined, the average revenue at the district was $8,147 per student, a reduction of $257 (3.1 percent).

Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Expenditures

One of the biggest risks for school districts considering or already offering open enrollment is tunnel vision. In some cases, OPT's experience has shown district administrators have focused almost exclusively on the potential for additional revenue but failed to consider the increased costs that can result from a larger student population.

If managed properly, open enrollment should increase revenue for a district without adding significant costs. If expenditures are overlooked, however, the costs of teaching open enrollment students can actually outweigh revenue, resulting in a financial loss for a school district.

Auditors saw this firsthand at the Coventry Local School District, which suffered a $1 million net loss in 2015 as a result of its open enrollment practices. The district generated $4.7 million in revenue from its 782 open enrollment students, who made up 37 percent of Coventry's total student population, but spent $5.7 million to educate them.

To understand the costs of teaching students, it is useful to consider the fixed and variable costs for a district. In relation to open enrollment, the fixed costs are those costs that stay constant regardless of how many open enrollment students are accepted. For example, every school district pays to have a superintendent regardless of the amount of students. On the other hand, the variable costs in this case are the expenditures that are dependent on the number of open enrollment students at a district – such as the number of teachers, buses, support staff, etc.

When a district admits an increased amount of open enrollment students, it may accrue higher variable costs from the additional resources needed to accommodate the students. To illustrate this, consider a first-grade class with 20 resident students but a classroom capacity for 25. The school district could fill out the class by admitting five open enrollment students, filling all of the empty seats. This option would not incur substantial variable costs because the district is already paying for the seats and would not require substantial additional resources.

However, if the district decided to admit 15 first-grade open enrollment students, its variable costs (i.e. additional staff such as educational service providers (ESP), administrators, clerical support, etc.) would increase due to the need for an additional classroom, teacher and materials needed to accommodate the extra students and teacher. As a result, the increased variable costs would negate revenue increases the district could generate from the open enrollment students.

To maintain an ideal financial balance between open enrollment revenue and expenditures, districts should establish formal policies that lay the foundation for how open enrollment will be managed.

Costs attributed to open enrollment: Coventry

Total students: 2,076 | Open enrollment students: 782 | Percentage of open enrollment students: 37.7%

Expenditure	Total cost	Open enrollment cost
Regular Instruction 1	$9,338,970	$3,534,458
Special Instruction 2	$2,754,341	$657,237
Vocational Instruction	$83,667	$31,521
Support Services Pupils	$954,591	$311,078
Support Services Instructional Staff	$201,558	$75,934
Support Services Administrative	$1,693,455	$445,580
Operation and Maintenance of Plant Services	$2,225,704	$38,695
Support Services Pupil Transportation	$1,350,307	$285,727
Support Services Central	$614,987	$231,336
Extracurricular Activities 3	$505,523	$81,009
Total Expenditures	**$19,723,103**	**$5,692,575**
Open Enrollment Revenue		**$4,690,021**
Net Revenue/(Loss)		**($1,002,554)**

Expenditures for open enrollment = 28.8% of total

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Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Expenditures

Costs attributed to open enrollment: Austintown

Total students: 5,061 | Open enrollment students: 686 | Percentage of open enrollment students: 13.6%

Expenditure	Total cost	Open enrollment cost
Regular Instruction	$20,489,883	$2,786,624
Special Instruction	$6,024,950	$60,426
Vocational Instruction	$213,434	$29,027
Support Services Pupils	$2,287,933	$311,159
Support Services Instructional Staff	$899,910	$122,388
Support Services Administrative	$4,129,755	$561,647
Fiscal Services	$614,935	$83,631
Operation and Maintenance of Plant Services	$334,421	$45,481
Extracurricular Activities	$352,578	$47,951
Total Expenditures	**$35,347,799**	**$4,048,334**
Open Enrollment Revenue		**$4,022,682**
Net Revenue/(Loss)		**($25,652)**

Costs attributed to open enrollment: Madison

Total students: 2,955 | Open enrollment students: 243 | Percentage of open enrollment students: 8.2%

Expenditure	Total cost	Open enrollment cost
Regular Instruction	$12,940,680	$988,747
Special Instruction	$3,633,135	$152,236
Support Services Pupils	$1,800,382	$41,112
Support Services Instructional Staff	$212,433	$4,509
Support Services Administrative	$2,201,540	$3,775
Operation and Maintenance of Plant Services	$2,143,485	$15,967
Support Services Pupil Transportation	$2,032,687	$111,770
Support Services Central	$353,154	$29,591
Extracurricular Activities	$919,766	$27,414
Total Expenditures	**$26,237,262**	**$1,375,120**
Open Enrollment Revenue		**$1,553,404**
Net Revenue/(Loss)		**$178,284**

Costs attributed to open enrollment: Hubbard

Total students: 1,947 | Open enrollment students: 219 | Percentage of open enrollment students: 11.2%

Expenditure	Total cost	Open enrollment cost
Support Services - Pupils	$992,757	$106,266
Fiscal Services	$361,510	$39,538
Support Services - Business/Central	$30,661	$3,448
Water and Sewer	$18,967	$2,133
Instruction Supplies and Materials	$248,252	$27,924
Special Education Supplies and Materials	$5,261	$268
Extracurricular Activities (Net Cost)	$518,390	$58,309
Total Expenditures	**$2,165,798**	**$237,886**
Open Enrollment Revenue		**$1,240,649**
Net Revenue/(Loss)		**$1,002,763**

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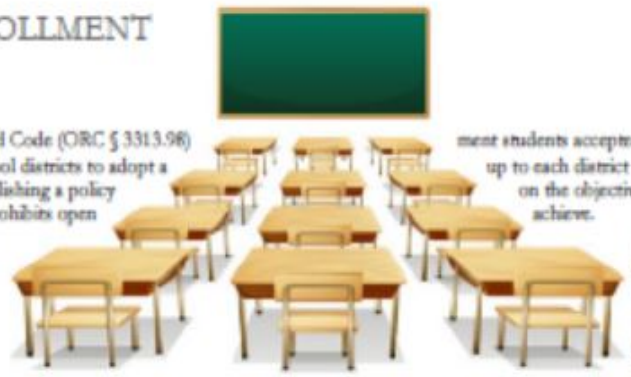
Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Policy



The Ohio Revised Code (ORC § 3313.98) requires all school districts to adopt a resolution establishing a policy that "either entirely prohibits open enrollment into their district, permits open enrollment of all students, or permits open enrollment of students only from adjacent districts."

According to data from the Ohio Department of Education, 74 percent of the state's 652 school and vocational districts offered open enrollment to any district in the state during the 2016-17 school year, with an additional eight percent accepting non-resident students from adjacent districts only. The remaining 18 percent of districts had policies prohibiting open enrollment.

State law also requires districts to have the following procedures in place if they allow open enrollment from anywhere in the state:

- Application procedures, including deadlines for application and for notification of students and the superintendent of the applicable district whenever an adjacent or other district student's application is approved.
- Procedures for admitting adjacent or other district applicants free of any tuition obligation to the district's schools, including, but not limited to:
  - The establishment of district capacity limits by grade level, school building, and education programs;
  - A requirement that all native students wishing to be enrolled in the district will be enrolled and that any adjacent or other district students previously enrolled in the district shall receive preference over first-time applicants; [and]
  - Procedures to ensure that an appropriate racial balance is maintained in the district schools.

While some district policies simply mirror the language of the ORC, such an approach does not satisfy the legal requirements to actually establish limits. The Auditor of State's office recommends district leaders go beyond minimum requirements by developing thorough policies tailored to the specific goals and priorities of their districts.

One of the first questions districts may want to ask when evaluating their policies is, "What objective are we trying to achieve through open enrollment?" The answer to this question may serve as the driving force to other policy decisions as they arise.

At a minimum, districts offering open enrollment should establish capacity limits based by grade level, school building, and/or educational program for the number of open enrollment students accepted into the district. It is up to each district to set these limits based on the objectives they are trying to achieve.

One way to carefully manage these limits is to base each threshold on whatever it takes to provide services for resident students and then fill the remaining empty seats with open enrollment students. The Hubbard Exempted Village School District's use of this practice was recognized as a "Noteworthy Accomplishment" in its audit report, allowing it to generate a net gain of more than $1 million in fiscal year 2015.

Student-teacher ratios are another important factor directly related to capacity limits. In some cases, low student-teacher ratios are ideal because they allow students to have increased interaction with teaching staff due to a small class size. Districts should evaluate this benefit in relation to the revenue they expect to generate from open enrollment. Increasing student-teacher ratios can potentially offer an opportunity for increased revenue because more seats will be available for open enrollment students. Still, this practice must be managed carefully to ensure class sizes do not become large enough to require additional teaching staff or classrooms, both of which increase costs. Districts will need to balance the financial benefits of having higher student-teacher ratios vs. the benefits of more intimate learning environments.

Districts also should have up-to-date enrollment projections and analyze projected changes to their student populations to determine how many seats will be available in future years. As the number of students moving in or out of districts fluctuates, districts should adjust their capacity limits accordingly.

For example, it would not be in the best interest of a district with growing residential enrollment to fill all empty seats with open enrollment students if doing so would require additional classrooms and teachers to accommodate a future increase in resident students. On the other hand, a district with shrinking residential enrollment may want to fill more seats with open enrollment students, or it may want to consider the potential efficiencies that could result from fewer open enrollment students, such as savings from reducing teaching staff or closing school buildings.

It is important to remember that a policy is useless if it is ignored or unrealistic. When crafting a policy, district leaders should take the time to evaluate all relevant factors and ensure the contents of the policy are practical. In addition, open enrollment's fluid nature requires continuous monitoring to achieve positive financial results. School districts should constantly evaluate the outcomes of their policies and practices and make adjustments when necessary.

Appendix D: Weighing the Costs and Benefits of Open Enrollment

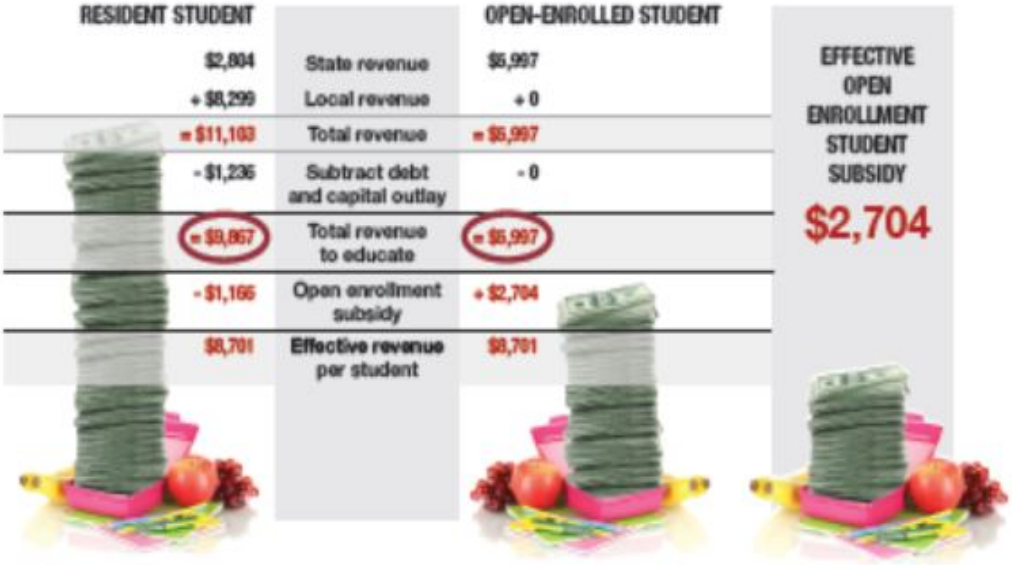
OPEN ENROLLMENT

Performance audit findings

Coventry Local School District

Audit released July 19, 2016

The graphic below shows the breakdown of revenue generated by both resident and open-enrolled students in the Coventry Local School District. The revenue available for a resident student's education is reduced once debt and capital outlay are deducted, then further reduced (or diluted) once the open-enrollment subsidy is included.



The Coventry Local School District admitted the most open enrollment students in the state in fiscal year 2015, with 782 students making up 37 percent of its total student population. While those open enrollment students generated nearly $4.7 million in revenue that year, the costs of educating them totaled $5.7 million, resulting in a $1 million net loss for the district.

After accounting for debt payments, Coventry generated an average of $9,867 in state and local revenue from its resident students. However, open enrollment students generated an average of $5,997 in state revenue only (local tax dollars do not follow the student out of the home district). When resident student and open enrollment student revenues were combined, the average revenue from resident students decreased to $8,701 per student. Consequently, resident student revenue was diluted by $1,166, or 13.4 percent.

To help alleviate the conditions that led to the district's fiscal emergency status, auditors recommended the district reduce open enrollment to a level that maximizes staff resources to save $1.6 million annually. Based on available data, OPT found the district could admit 116 open enrollment students if it increases its total student to general teacher ratio to 25:1. Alternatively, the district could admit 58 open enrollment students and still maintain its current 24:1 ratio. However, this option would limit the revenue the district could receive from open enrollment.

The audit report also recommended the district establish open enrollment capacity limits by grade level, school building and/or educational program. Doing so would help the district predetermine the amount of open enrollment students to accept each year based on the number of openings. Additionally, this would allow the district to better define staffing levels and space availability without increasing expenditures.

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Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Performance audit findings

Madison Local School District

Audit released Oct. 13, 2016

The graphic below shows the breakdown of revenue generated by both resident and open-enrolled students in the Madison Local School District. The revenue available for a resident student's education is reduced once debt and capital outlay are deducted, then further reduced (or diluted) once the open-enrollment subsidy is included.

RESIDENT STUDENT		OPEN-ENROLLED STUDENT
$4,758	State revenue	$6,400
+ $3,714	Local revenue	+ 0
= $8,472	Total revenue	= $6,400
- $81	Subtract debt and capital outlay	- 0
= $8,391	Total revenue to educate	= $6,400
- $123	Open enrollment subsidy	+ $1,868
$8,268	Effective revenue per student	$8,268

EFFECTIVE OPEN ENROLLMENT STUDENT SUBSIDY

$1,868

The Madison Local School District's effective open enrollment practices generated a net positive impact of $178,284 in fiscal year 2015 and earned it a "Noteworthy Accomplishment" in its audit report.

OPT determined that the positive impact stemmed from the district's practice of limiting the amount of open enrollment students it accepts to reflect the available resources needed to educate its resident student population. The district educated a total of 243 open enrollment students, making up 8.2 percent of its total student population.

That year, the district's state revenue totaled $6,400 for each open enrollment student. Resident students generated $4,758 in state revenue for the district, in addition to $3,714 in local revenue for resident students for a total of $8,472. Debt and capital outlay of $81 per student reduced that total to $8,391. When resident and non-resident student revenues were combined, the average per-student revenue totaled $8,268, a reduction of $123 per resident student.

While the district limits its open enrollment in practice, auditors found the district had not established formal capacity limits. As a result, auditors issued a recommendation similar Coventry's, suggesting the district establish formal limits in policy to assist in determining the optimal amount of open enrollment students to accept each year.

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Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Performance audit findings

Austintown Local School District

Audit released Oct. 18, 2016

The graphic below shows the breakdown of revenue generated by both resident and open-enrolled students in the Austintown Local School District. The revenue available for a resident student's education is reduced once debt and capital outlay are deducted, then further reduced (or diluted) once the open-enrollment subsidy is included.

RESIDENT STUDENT		OPEN-ENROLLED STUDENT
$4,448	State revenue	$5,867
+ $4,133	Local revenue	+ 0
= $8,581	Total revenue	= $5,867
- $177	Subtract debt and capital outlay	- 0
= $8,404	Total revenue to educate	= $5,867
- $257	Open enrollment subsidy	+ $2,280
$8,147	Effective revenue per student	$8,147

EFFECTIVE OPEN ENROLLMENT STUDENT SUBSIDY

$2,280

Auditor found the Austintown Local School District could save $766,286 per year by adjusting its open enrollment practices. In fiscal year 2015, the district's 686 open enrollment students made up 13.6 percent of its total student population, bringing in $4,022,682 in revenue. However, the costs associated with teaching open enrollment students totaled $4,048,334, resulting in a $25,652 net loss.

The performance audit determined that a resident student of Austintown generated an average of $8,404 in state and local revenue, after accounting for debt payments. On the other hand, an open enrollment student generated an average of $5,867 in state revenue only. When resident student and open enrollment student revenues were combined, the average revenue decreased to $8,147 per resident student, resulting in resident student revenue being diluted by $257, or 3.1 percent.

To save $766,286, OPT recommended the district reduce open enrollment and realign staffing to accommodate fewer students. To accomplish this, the district could increase its total student to general education teacher ratio to 25:1 for grades K-2, allowing it to admit 125 open enrollment students without increasing general education teacher expenditures.

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Appendix D: Weighing the Costs and Benefits of Open Enrollment

OPEN ENROLLMENT

Performance audit findings

Hubbard Exempted Village School District

Audit released Oct. 25, 2016

The graphic below shows the breakdown of revenue generated by both resident and open-enrolled students in the Hubbard Exempted Village School District. The revenue available for a resident student's education is reduced once debt and capital outlay are deducted, then further reduced (or diluted) once the open-enrollment subsidy is included.

RESIDENT STUDENT		OPEN-ENROLLED STUDENT
$5,296	State revenue	$5,806
+ $4,766	Local revenue	+ 0
= $10,060	Total revenue	= $5,806
- $178	Subtract debt and capital outlay	- 0
= $9,882	Total revenue to educate	= $5,806
- $469	Open enrollment subsidy	+ $3,608
$9,413	Effective revenue per student	$9,413

EFFECTIVE OPEN ENROLLMENT STUDENT SUBSIDY

$3,608

The Hubbard Exempted Village School District's careful management of it open enrollment program helped it realize a net gain of more than $1 million in fiscal year 2015. The district's policy earned it a "Noteworthy Accomplishment" in its audit report, and auditors suggested other school districts use Hubbard's open enrollment policy as a model if they are considering open enrollment.

During that school year, the district's 219 open enrollment students (11.2 percent of student population) generated $1.2 million in revenue, outpacing $238,000 in costs to teach them by $1 million. The audit credits the district's accomplishment, in part, to capacity limits established in district policy.

The district bases its capacity levels on the amount of students that can be accommodated without increasing educational costs. The policy states, "The number of openings in a particular program for students from other Ohio districts will be determined by optimum size for a particular program, classroom/school building, or grade level which is the number of students that can be accommodated without increasing the District expenditures for staff or equipment."

The policy also requires each building principal to "notify the Superintendent by March 1st, the programs and classrooms which have space available for students from another Ohio district and for tuition students."

In addition, the district's low student-teacher ratio enabled it to accommodate its open enrollment students without incurring additional staff expenditures or requiring extra classrooms. Historically, Hubbard's average number of students per grade has remained below its maximum overall student-teacher ratio.

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Appendix D: Weighing the Costs and Benefits of Open Enrollment

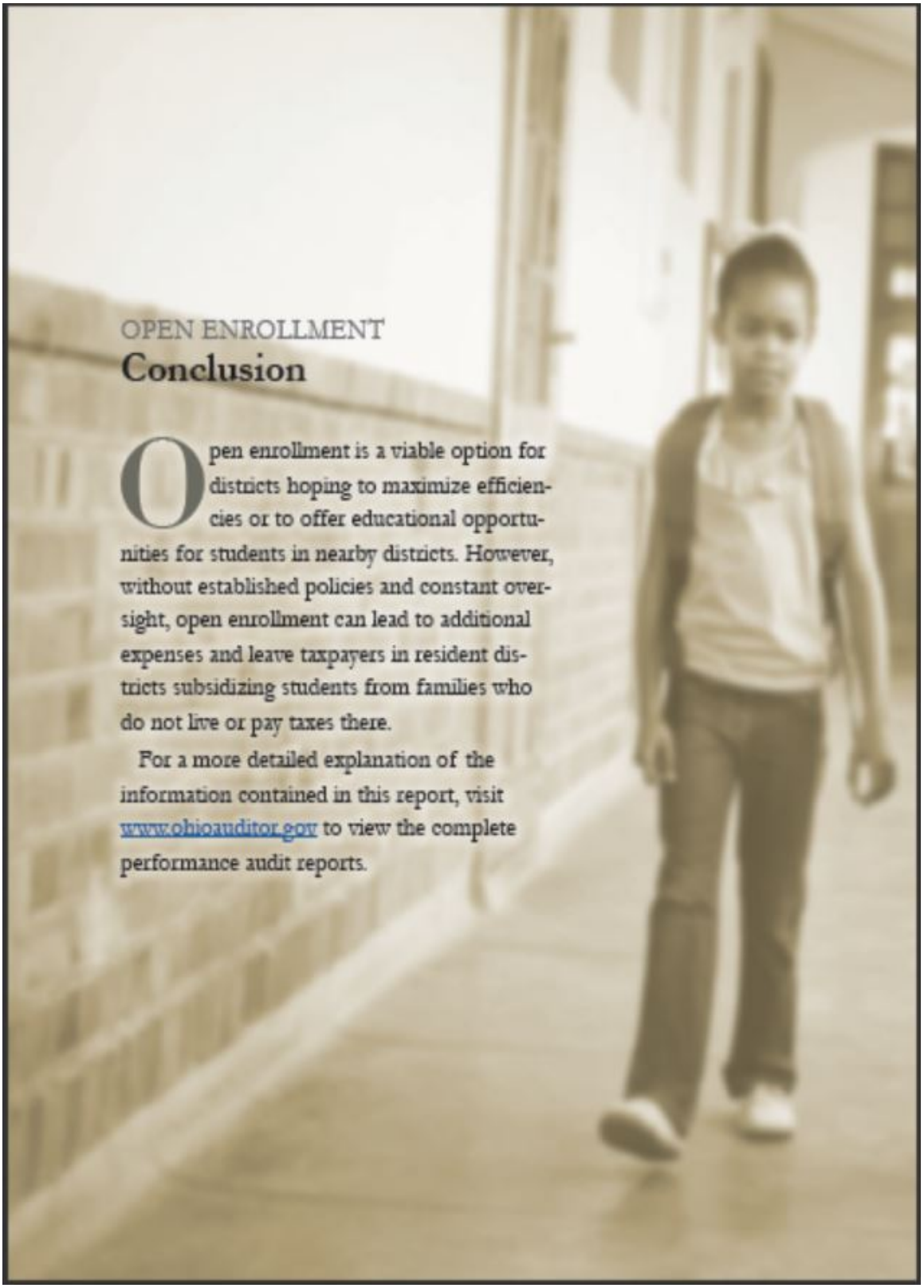


Figure 1: FY17 Summary School Funding Report

OHIO DEPARTMENT OF EDUCATION 07/14/2017
OFFICE OF BUDGET AND SCHOOL FUNDING
FY17 SUMMARY SCHOOL FUNDING REPORT FOR CITY, EXEMPTED VILLAGE AND LOCAL SCHOOL DISTRICTS
(FY2017 June #2 Payment, Data as of 06/07/2017)

IRN: 045328 District: COLUMBIANA EX VIL S.D. County: COLUMBIANA

	FOUNDATION FUNDING COMPONENTS:	CALCULATED FUNDING	STATE FUNDING
A	Opportunity Grant:	2,305,536.17	2,037,666.64
B	Targeted Assistance:	89,555.04	79,150.06
C	K-3 Literacy Funding:	57,876.63	51,152.21
D	Economic Disadvantaged Funding:	34,673.89	30,645.29
E	Limited English Proficiency Funding:	430.42	380.41
F	Gifted Education Funding:	57,439.46	50,765.84
G	Transportation Funding (Generally Exempted from Cap):	260,700.18	260,700.18
H	Special Education Additional Funding (Generally Exempted from Cap):	339,588.67	339,588.67
I	Career Tech Education Funding (Exempted from Guarantee & Cap):	1,445.88	1,445.88
J	Capacity Aid (Exempted from Cap):	196,024.07	196,024.07
K	Graduation Bonus (Exempted from Cap):	11,944.73	11,944.73
L	Third Grade Reading Bonus (Exempted from Cap):	11,570.48	11,570.48
M	Total Foundation Funding Before Guarantee:	3,366,785.62	3,071,034.46
N	Transitional Aid Guarantee:	0.00	0.00
O	Total State Funding:		3,071,034.46
	ADDITIONAL AID ITEMS:		
P	Preschool Special Education Funding:		65,149.82
Q	Special Education Transportation Funding:		0.00
R	Total Additional Aid Items:		65,149.82
	TRANSFERS AND ADJUSTMENTS:		
S	Education Service Center Transfer:		-140,544.10
T	Open Enrollment Adjustment:		158,410.62
U	Community School Transfer:		-155,091.24
V	STEM School Transfer:		0.00
W	Scholarship Transfer:		-126,015.00
X	Other Adjustments:		-5,395.87
Y	Total Transfers and Adjustments:		-268,635.59
Z	Net State Foundation Funding:		2,867,548.69

Figure 2: Columbiana County Reference in the State of Ohio

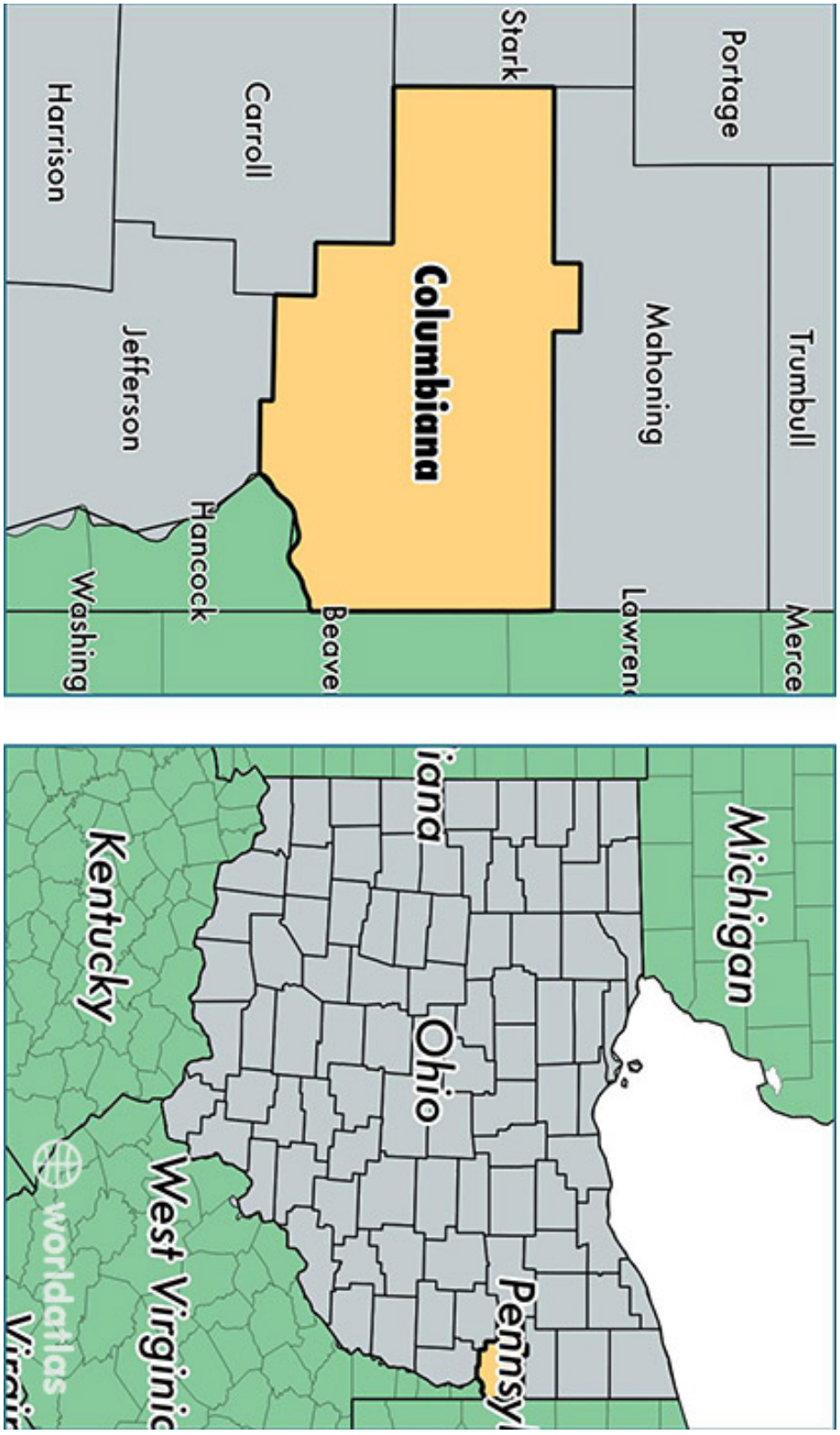


Figure 3: Ohio Appalachian Counties

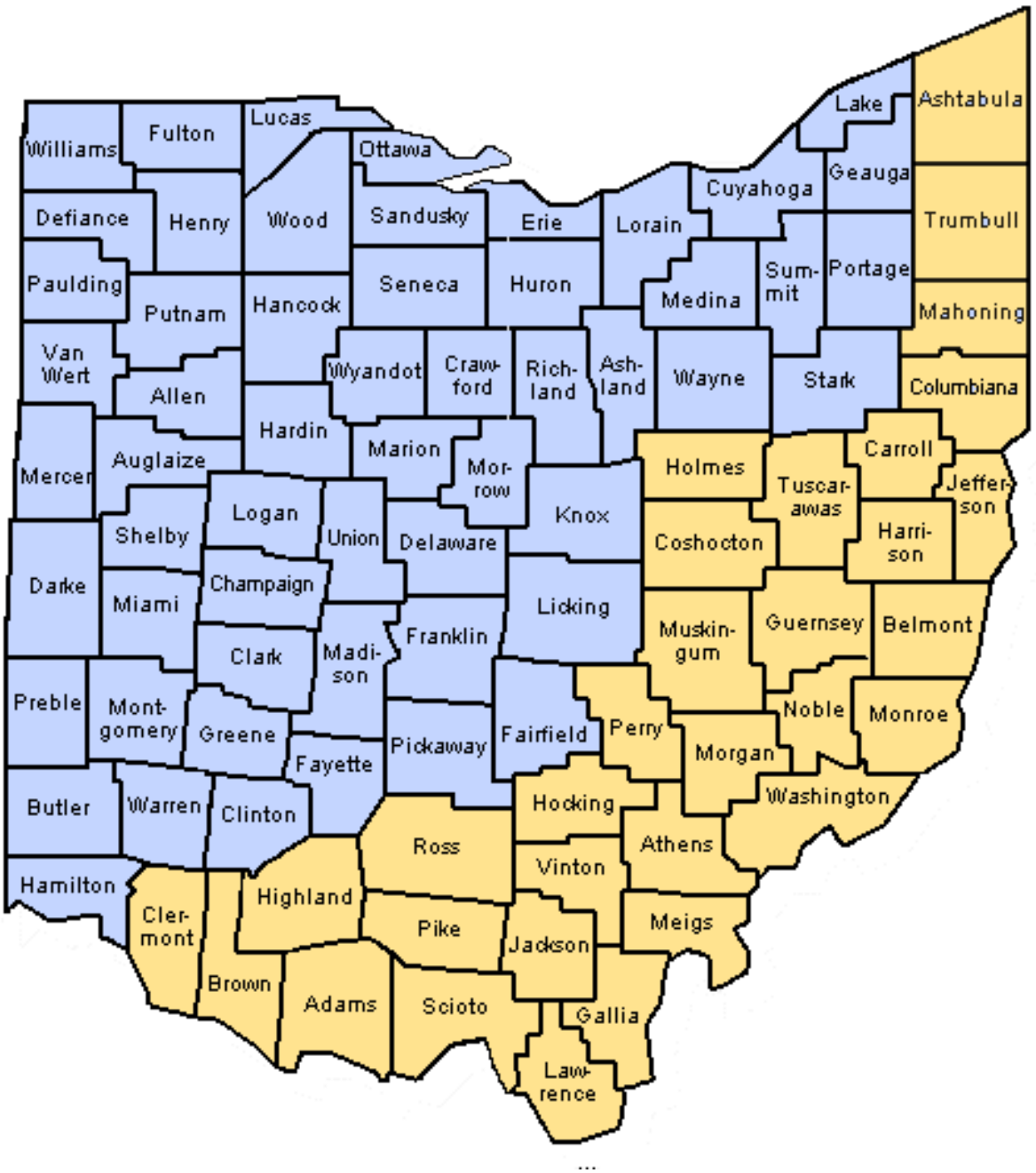


Figure 4: Columbiana County School Districts

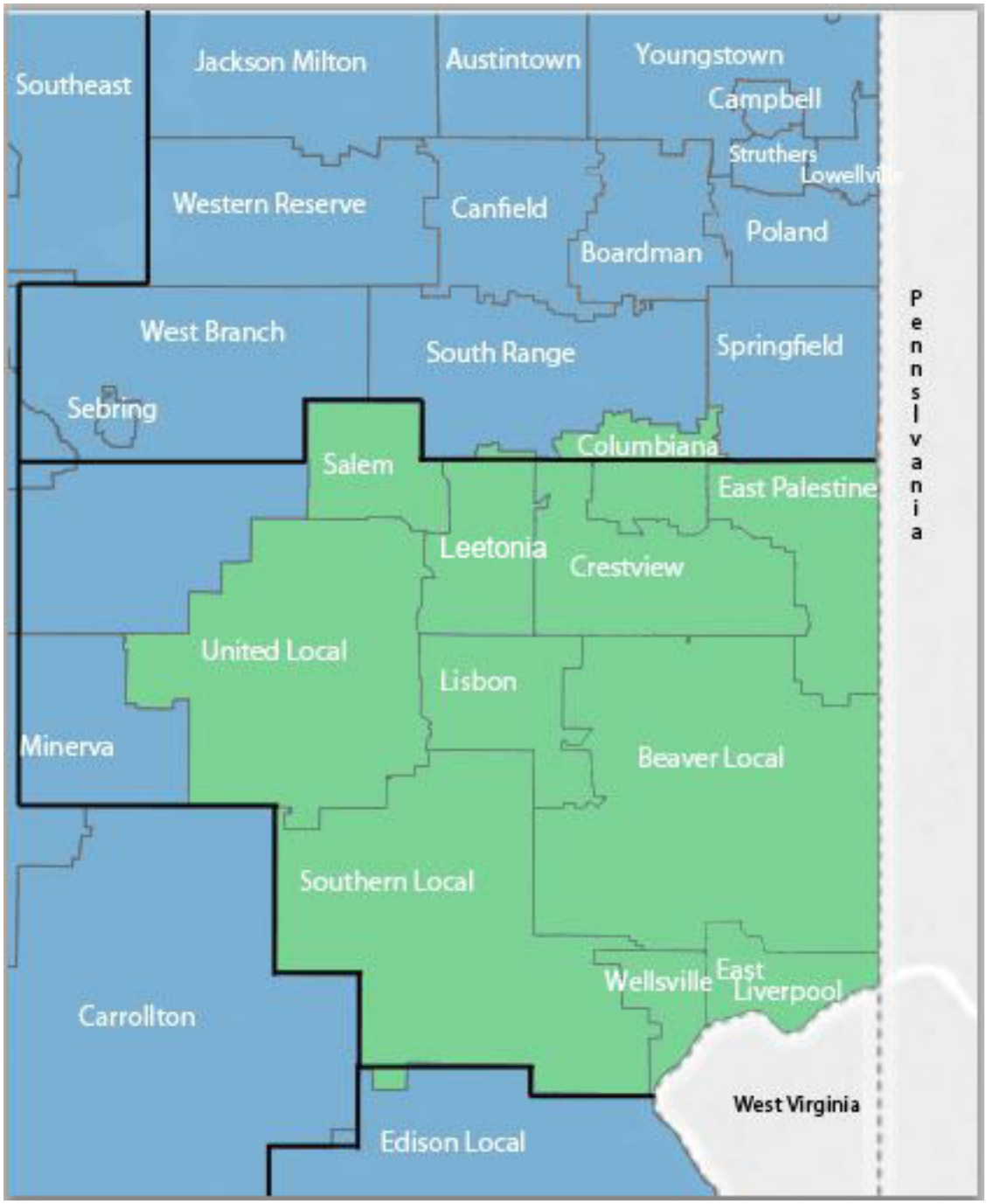


Figure 5: Open Enrollment School Districts

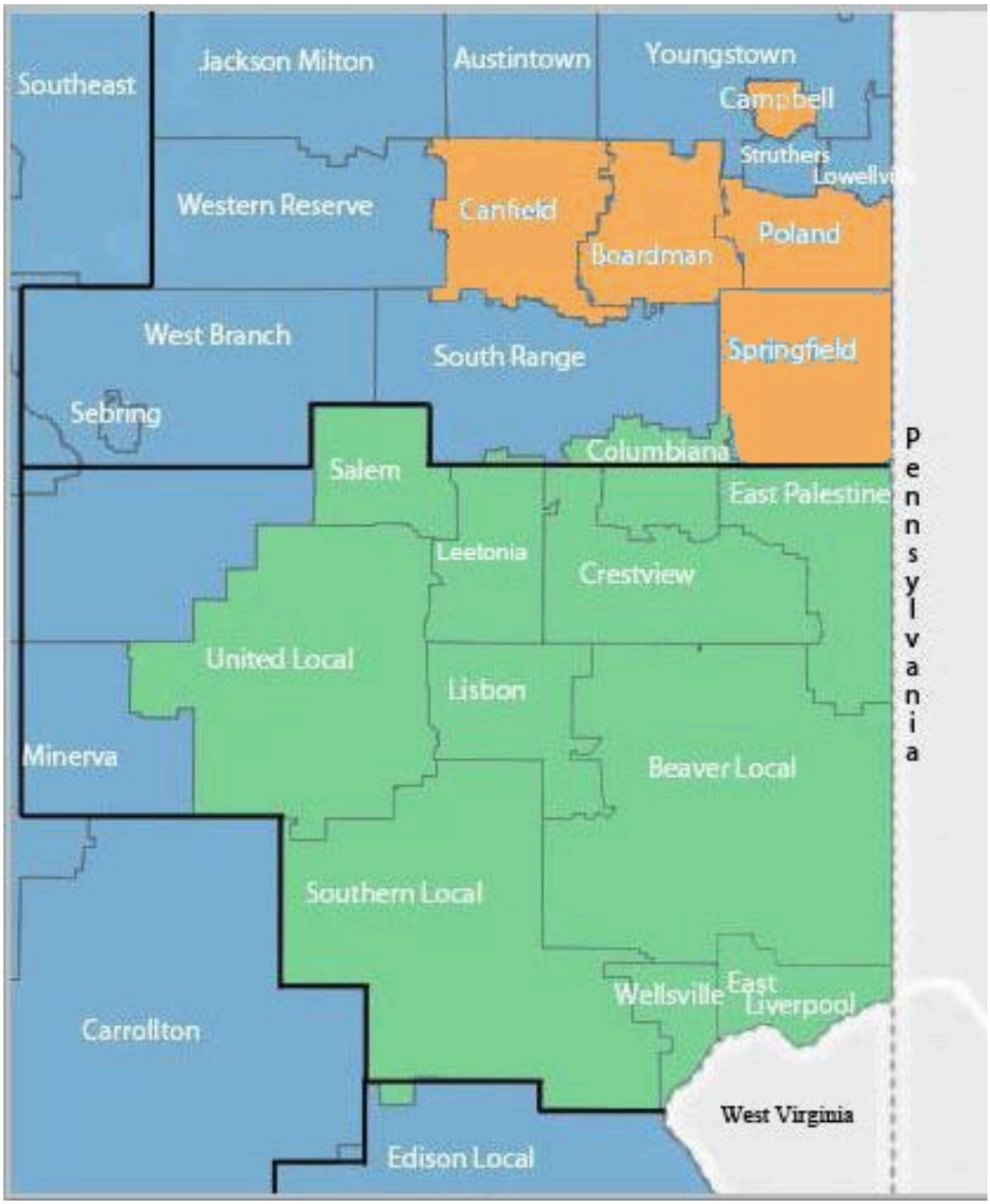


Figure 6: Columbiana School District Open Enrollment FY17

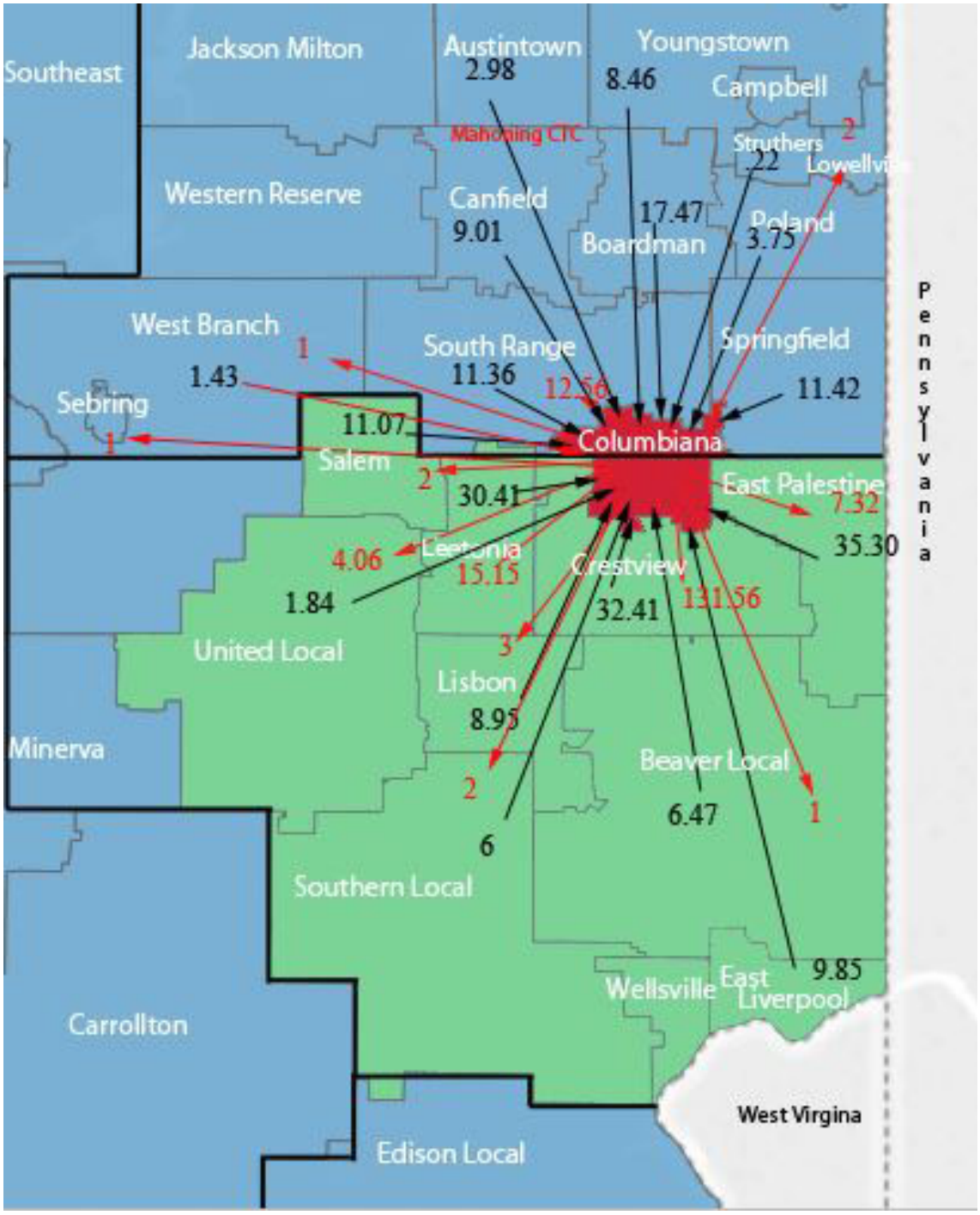


Figure 7: Lisbon School District Open Enrollment FY17

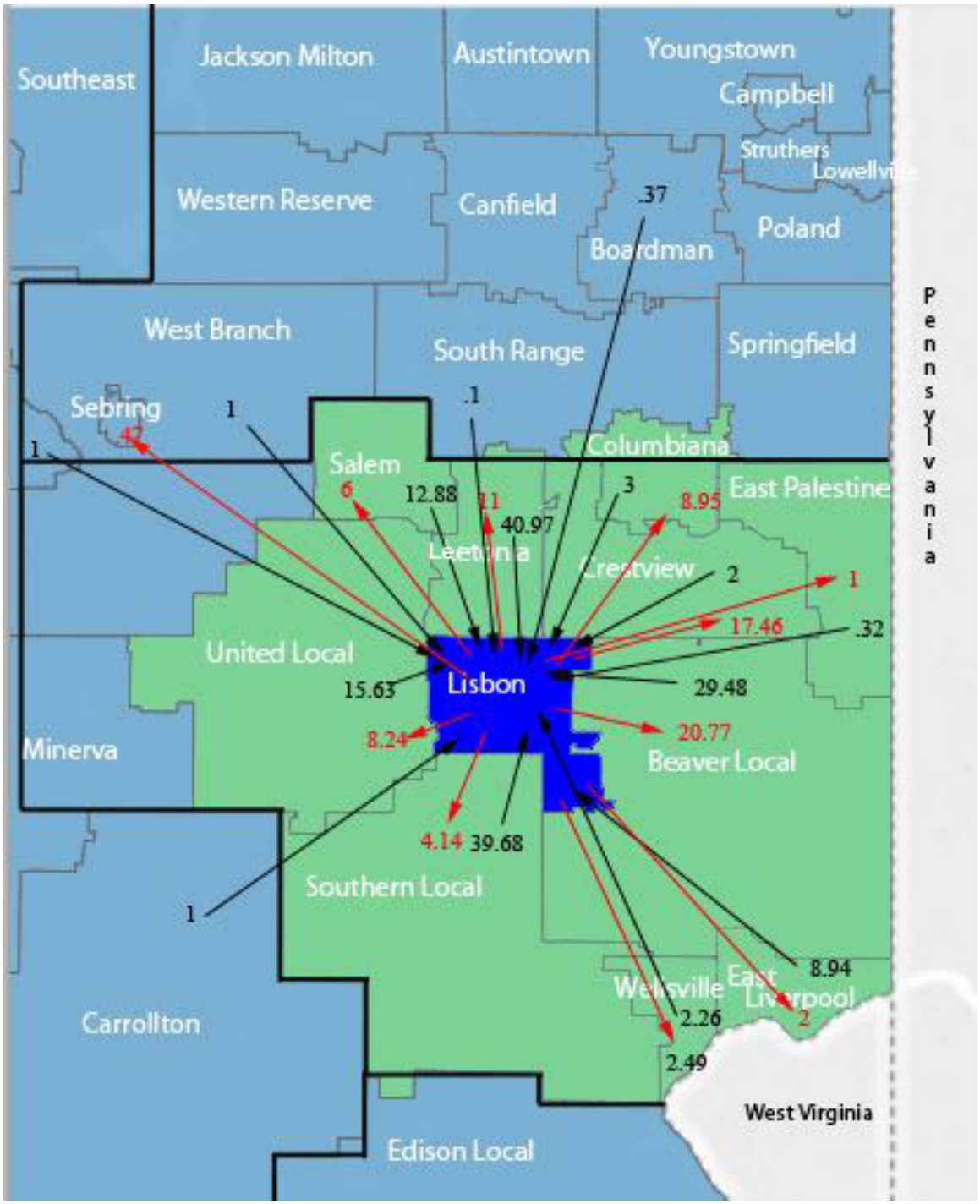
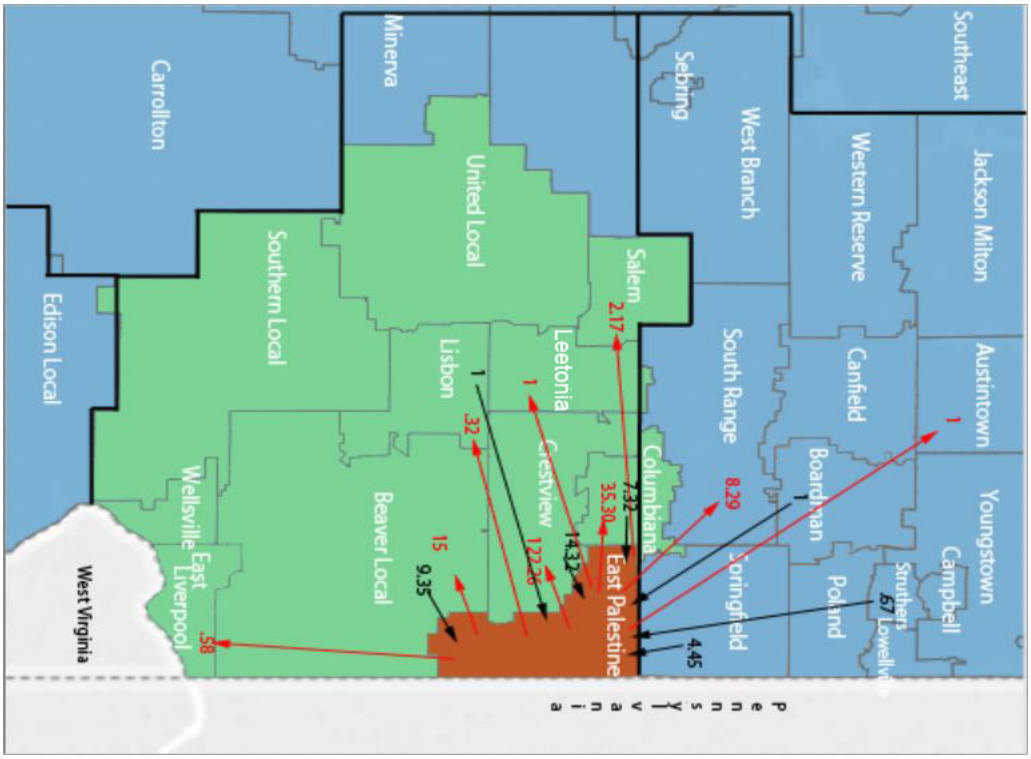


Figure 8: East Palestine and East Liverpool Open Enrollment FY17



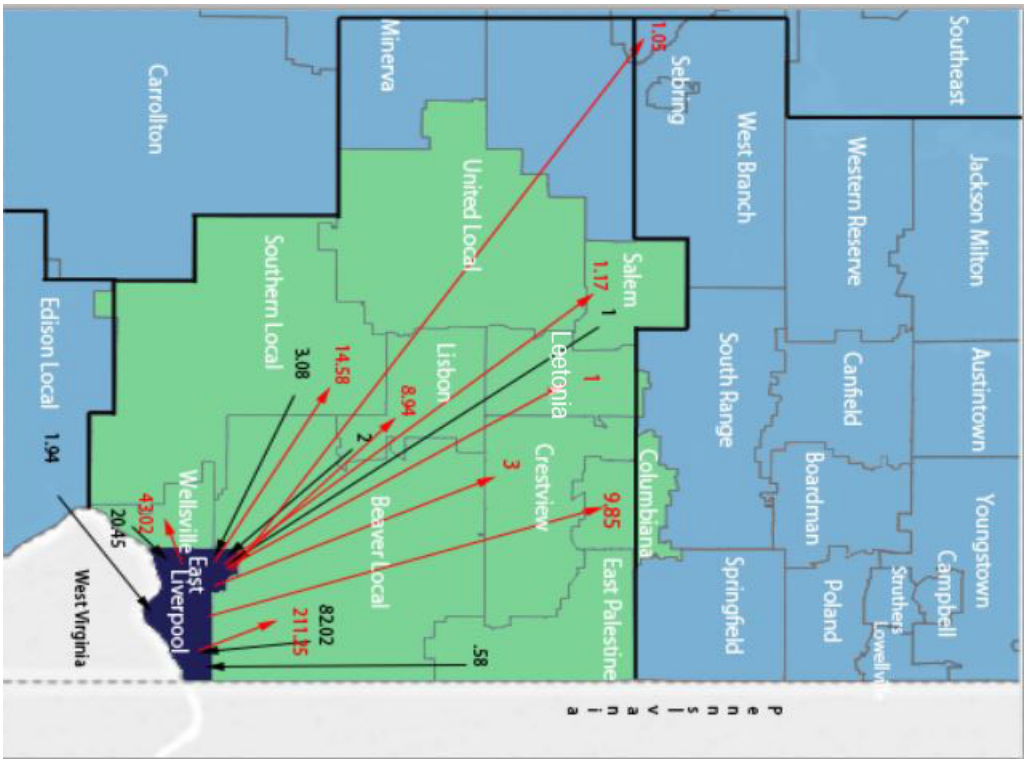


Figure 9: Crestview School District Open Enrollment FY17

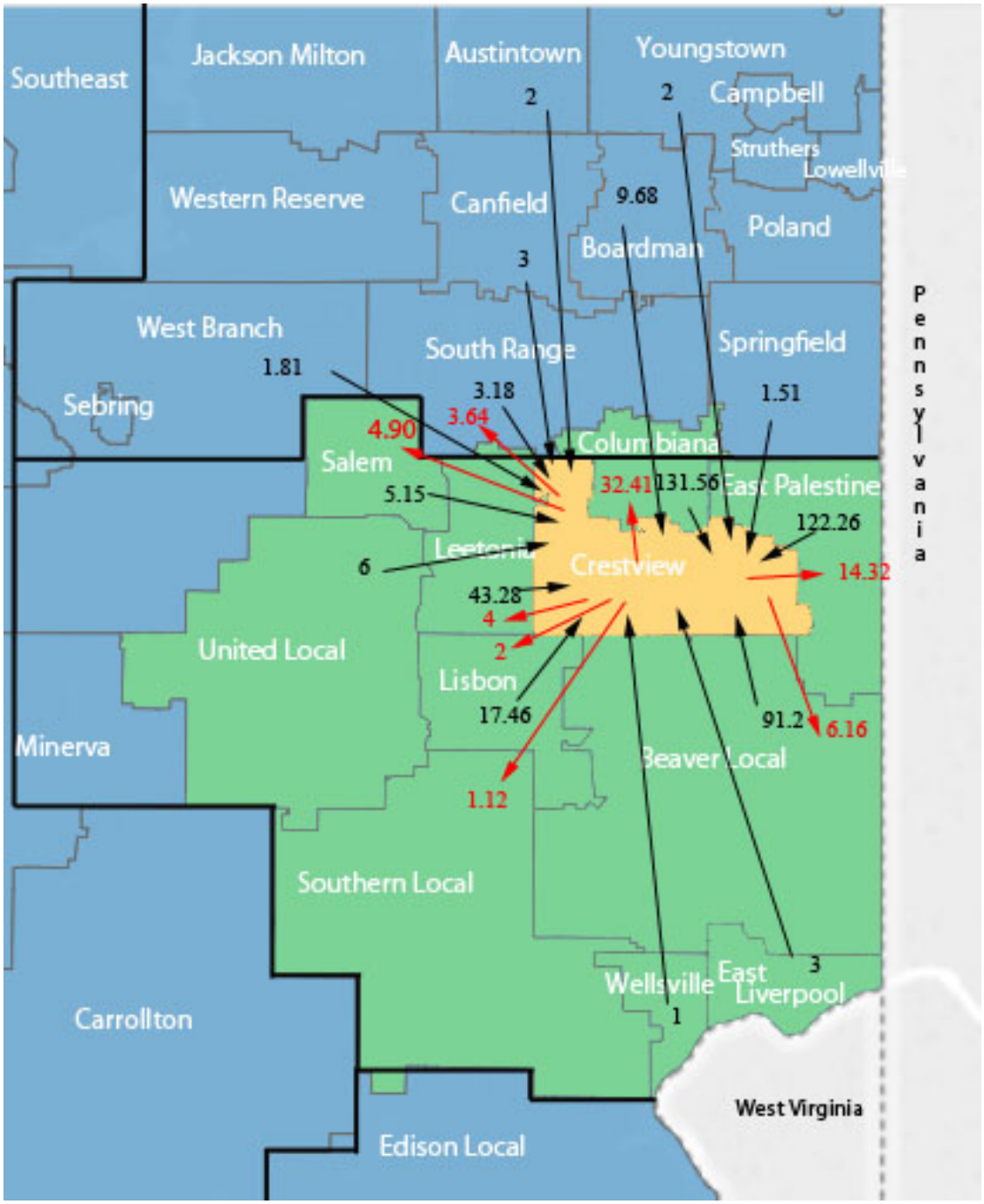

Southeast
Jackson Milton
Austintown
Youngstown
Campbell
Struthers
Lowellville
Western Reserve
Canfield
Boardman
Poland
West Branch
South Range
Springfield
Sebring
Columbiana
Salem
East Palestine
Crestview
Leetonia
United Local
Lisbon
Minerva
Beaver Local
Southern Local
Carrollton
Wellsville
East Liverpool
Edison Local
West Virginia
Pennsylvania
2
2
9.68
3
1.81
3.18
3.64
4.90
1.51
5.15
32.41
131.56
122.26
6
14.32
43.28
4
2
17.46
91.2
6.16
1.12
3
1

Table 1: Profile of Districts in Columbiana County by Selected Characteristics

Profile of Districts in Columbiana County by Selected Characteristics

District	Type	Enrollment 2015-16	% Student Poverty	% Disability	% Minority	Total Revenues PP	State Aid PP 2015-16	Local Aid PP 2015-16	Federal Aid PP 2015-16	Other Revenue PP 2015-16	Total Expenditures PP	Performance Index 2015-16
Beaver Local	Rural	2064	46%	14.68%	2%	$ 9,349	$ 4,576	$ 2,942	$ 361	$ 1,470	$ 16,502	71.60%
Columbiana Exempted Village	Small Town	1004	35%	15.35%	5%	$ 9,180	$ 2,819	$ 4,327	$ 580	$ 1,454	$ 8,259	80.60%
Crestview Local	Rural	1220	41%	10.47%	1%	$ 9,797	$ 6,327	$ 2,339	$ 638	$ 493	$ 9,115	73.10%
East liverpool City	Small Town	2212	57%	18.01%	13%	$ 10,703	$ 7,750	$ 1,492	$ 1,048	$ 413	$ 11,524	55.20%
East Palestine City	Rural	1265	51%	14.46%	3%	$ 9,236	$ 6,170	$ 1,795	$ 581	$ 690	$ 8,276	65.90%
Leetonia Exempted Village	Rural	732	47%	21.71%	3%	$ 10,037	$ 6,449	$ 1,850	$ 771	$ 967	$ 8,292	72.90%
Lisbon Exempted Village	Rural	1005	54%	15.71%	2%	$ 8,958	$ 5,289	$ 1,544	$ 852	$ 1,273	$ 8,440	71.30%
Salem City	Small Town	2093	48%	12.89%	4%	$ 9,301	$ 4,310	$ 3,588	$ 801	$ 602	$ 8,364	71.80%
Southern Local	Rural	910	56%	18.35%	3%	$ 9,800	$ 5,868	$ 2,047	$ 1,248	$ 637	$ 8,643	67.40%
United Local	Rural	1326	37%	12.64%	2%	$ 9,641	$ 5,231	$ 2,658	$ 558	$ 1,194	$ 9,231	75.80%
Wellsville Local	Small Town	873	64%	17.17%	16%	$ 11,216	$ 8,462	$ 890	$ 1,079	$ 785	$ 9,641	66.10%

* Reports pulled from the lastest data available from ODE advanced reports, Ohio School Report Cards and ODE 2013 Typology Report

** https://www.edresourcesohio.org/Low-profile/publicProfileSummary.php

Table 2a: Columbiana County 2016-17 Report Card Grades

DISTRICT NAME	ACHIEVEMENT COMPONENT GRADE	GRADUATION COMPONENT GRADE	PROGRESS COMPONENT GRADE	GAP CLOSING COMPONENT GRADE	K-3 LITERACY COMPONENT GRADE	PREPARED FOR SUCCESS GRADE	Component GPA 4-Point Scale
Beaver	C	C	B	B	B	D	2.33
Columbiana	B	A	A	B	NR	C	3.20
Crestview	C	A	B	B	B	C	2.83
East Liverpool	C	A	F	C	C	D	1.83
East Palestine	D	B	B	C	A	D	2.33
Leetonia	D	B	B	F	D	F	1.33
Lisbon	D	C	D	F	C	F	1.00
Salem	D	C	B	F	D	D	1.33
Southern	C	A	C	C	NR	D	2.20
United	C	A	A	C	B	D	2.67
Wellsville	D	B	D	F	B	F	1.33

Table 2b: Columbiana County 2016-17 Performance Index and Indicators

School District Order by Academic Achievement	Performance Index out of 120	Indicators Met out of 24
Columbiana	102.6	17
Crestview	95.1	10
United	94.8	11
Beaver Local	91.5	6
Lisbon	89.7	4
Salem	87.1	6
East Palestine	86.9	4
Leetonia	85.9	1
Southern	83.2	3
Wellsville	82.7	2
East Liverpool	70.5	0

Table 3: Columbiana County OSCC Funding 2017

District	Program	Year funded	Total Facility Cost	State Share	Buildings
Beaver	CFAP	2012	$ 52,212,461.00	62%	1
East Liverpool	CFAP	2002	$ 43,879,053.35	87%	3
East Palestine	CFAP	1999	$ 15,615,218.63	91%	2
Leetonia	CFAP	1998	$ 19,891,999.89	91%	1
Lisbon	CFAP	2002	$ 15,089,016.69	85%	2
Southern	CFAP	1999	$ 14,930,891.00	78%	1
Wellsville	CFAP	1997	$ 13,543,099.27	87%	2
			$ 175,161,739.83 : County Total		

Table 4: Disadvantaged, LEP and Disability Students

School District	District Total Year-End Enrollment FY17	District Percent Of Disadvantaged Students FY17	District Percent Of Students With Limited English Proficiency FY17	District Percent Of Students With Disability FY17
Beaver Local	1,795.59	42.07%	0.39%	14.91%
Columbiana	1,035.21	30.81%	0.10%	16.06%
Crestview	1,268.29	36.92%	0.00%	10.46%
East Liverpool	2,100.81	98.43%	0.05%	17.31%
East Palestine	1,043.99	49.65%	0.38%	14.37%
Leetonia	649.28	62.95%	0.00%	20.67%
Lisbon	898.51	52.71%	0.00%	17.05%
Salem	2,049.73	51.62%	4.21%	12.07%
Southern	826.15	66.54%	0.00%	17.26%
United	1,160.29	37.63%	0.03%	12.15%
Wellsville	779.5	84.61%	0.00%	18.22%
Average Totals	1237.03	55.81%	0.47%	15.50%

Table 5: School Choice in Columbiana County

District	Open Enrollment	Autism Scholarship	Cleveland Scholarship	EdChoice Scholarship	Jon Peterson	Career and Technical	Community Schools
Beaver	X	X			X	X	X
Columbiana	X	X			X	X	X
Crestview	X					X	X
East Liverpool	X			X			X
East Palestine	X	X				X	X
Leetonia	X	X				X	X
Lisbon	X				X	X	X
Salem	X	X			X		X
Southern	X					X	X
United	X				X	X	X
Wellsville	X	X				X	X

Table 6: School Choice in FTEs – Columbiana County FY17

District	Cleveland Scholarship	EdChoice Scholarship	Autism Scholarship	Jon Peterson	Career and Technical	Community Schools	Open Enrollment Out	Open Enrollment In	Net Students
Beaver			2.22	0.24	50.3	53.36	246.58	300.81	-51.89
Columbiana			3	3	20.58	18.7	180.65	209.4	-16.53
Crestview					27.6	20.9	69.09	448.36	330.77
East Liverpool		14			4.8	103.8	300.52	112.61	-310.51
East Palestine			1		26.66	18.52	185.92	38.11	-193.99
Leetonia			1.9		37.69	12.59	143.26	82.12	-113.32
Lisbon				1	20.1	24.5	82.52	159.61	31.49
Salem			0.33	4	30.93	37.27	290.01	102.58	-259.96
Southern					21.28	42.27	126.18	162.75	-26.98
United				1	37.7	6.38	93.48	167.49	28.93
Wellsville			1		12.08	22.24	116.27	95.24	-56.35
Totals	0	14	9.45	9.24	289.72	360.53	1834.48	1879.08	-638.34

Net Open Enrollment in FTEs – Columbiana County FY17

School District	District Average Daily Membership	Open Enrollment				Gain / Loss	
		FTE +	FTE+%	FTE -	FTE-%	Net +/-	% +/-
Beaver Local	1846.95	300.81	16.29%	-246.58	-13.35%	54.39	2.95%
Columbiana	1024.97	209.40	20.43%	-180.65	-17.62%	28.95	2.82%
Crestview	948.66	448.36	47.26%	-69.09	-7.28%	379.74	40.03%
East Liverpool	2334.84	112.61	4.82%	-300.52	-12.87%	-187.86	-8.05%
East Palestine	1241.65	38.11	3.07%	-185.92	-14.97%	-147.78	-11.90%
Leetonia	751.84	82.12	10.92%	-143.26	-19.05%	-61.03	-8.12%
Lisbon	839.17	159.61	19.02%	-82.52	-9.83%	77.28	9.21%
Salem	2272.16	102.58	4.51%	-290.01	-12.76%	-187.38	-8.25%
Southern	856.18	162.75	19.01%	-126.18	-14.74%	36.76	4.29%
United	1118.33	167.49	14.98%	-93.48	-8.36%	74.16	6.63%
Wellsville	809.07	95.24	11.77%	-116.27	-14.37%	-20.91	-2.58%

Table 8: Columbiana County Open Enrollment In and Out

School District	County	Beaver		Columbiana		Crestview		East Liverpool		Open Enrollment In/Out		Leetonia		Lisbon		Salem		Southern		United		Wellsville	
		FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -	FTE +	FTE -
Beaver Local	Columbiana			6.47	1.00	91.20	6.16	82.02	211.25	9.35	15.00			29.48	20.77	0.66	1.00	15.40	11.77	0.04	2.57	10.96	28.14
Columbiana	Columbiana	1.00	6.47			131.56	32.41		9.85	7.32	35.30	15.15	30.41	3.00	8.95	2.00	11.07		6.00	4.06	1.84		
Columbiana CCTC	Columbiana								5.47				1.76				57.28				0.89		
Crestview	Columbiana	6.16	91.20	32.41	131.56				3.00	14.32	122.26	4.00	43.28	2.00	17.46	4.90	5.15	1.12			6.00		1.00
East Liverpool	Columbiana	211.25	82.02	9.85		3.00					0.58	1.00		8.94	2.00	1.17	1.00	14.58	3.08			43.02	20.45
East Palestine	Columbiana	15.00	9.35	35.30	7.32	122.26	14.32	0.58				1.00		0.32	1.00	2.17							
Leetonia	Columbiana			30.41	15.15	43.28	4.00		1.00		1.00			40.97	11.00	7.56	37.50			5.93	4.26	1.95	
Lisbon	Columbiana	20.77	29.48	8.95	3.00	17.46	2.00	2.00	8.94	1.00	0.32	11.00	40.97			6.00	12.88	4.14	39.68	8.24	15.63	2.49	2.26
Salem	Columbiana	1.00	0.66	11.07	2.00	5.15	4.90	1.00	1.17		2.17	37.50	7.56	12.88	6.00	1.70	1.70	1.00		52.47	20.28	1.00	
Southern	Columbiana	11.77	15.40	6.00			1.12	3.08	14.58					39.68	4.14		1.00			30.66	5.92	30.25	63.33
United	Columbiana	2.57	0.04	1.84	4.06	6.00						4.26	5.93	15.63	8.24	20.28	52.47	5.92	30.66			2.00	
Wellsville	Columbiana	28.14	10.96			1.00		20.45	43.02				1.95	2.26	2.49		1.00	63.33	30.25		2.00		
Jefferson Area	Ashtabula																	0.28					
Barnesville	Belmont																	2.74					
Carrollton	Carroll												0.72	1.00				6.00	1.00	23.40	0.84		
Columbus City	Franklin																	1.00					
Buckeye Local	Jefferson																	1.00					
Edison	Jefferson	2.00						1.94										34.26	0.73	1.00		3.75	
Indian Creek	Jefferson																	1.44					
Jefferson CJVS	Jefferson																		0.76				
Steubenville	Jefferson		1.00					1.54											0.99				
Toronto	Jefferson								1.00										1.00				1.09
Lorain City	Lorain															1.00							
Austintown	Mahoning	1		2.98		2					1	1.65		0.98		3.77							
Boardman	Mahoning	0.15		17.47		9.68				1.00				0.37									
Campbell	Mahoning																	2.04					
Canfield	Mahoning			9.01		3.00																	
Jackson Milton	Mahoning															1.62							
Lowellville	Mahoning				2.00																		
Mahoning CCTC	Mahoning												2.06				0.02						
Poland	Mahoning			3.75																			
Sebring	Mahoning				1.00										0.47	4.28	3.00						
South Range	Mahoning			11.36	12.56	3.18	3.64				8.29	4.00	5.03	0.10		10.39	28.97						
Springfield	Mahoning			11.42		1.51				4.45						0.37							
Struthers	Mahoning			0.22						0.67													
West Branch	Mahoning			1.43	1.00	1.81						1.00	3.30	1.00		23.94	72.46			19.43	20.98		
Western Reserve	Mahoning												0.29			1.00	2.00						
Youngstown	Mahoning			8.46		2.00						0.56				1.47		1.00					
Meigs	Meigs															0.33							
Switzerland	Monroe																	1.00					
Miamisburg City	Montgomery																	0.50					
Benton	Ottawa								0.19														
James A Garfield	Portage																				3.00		
Kent City	Portage					1.00																	
Southeast	Portage															0.33							
Mansfield City	Richland																						
Minford	Scioto						0.54																
Alliance	Stark								1.05			1		1		5.49	0.71						
Canton City	Stark																	3.00					
Jackson	Stark															0.76							
Louisville	Stark																						
Marlington	Stark																		0.26				
Minerva	Stark																	2.00		22.26	9.27		
Tuslaw	Stark			1.00																			
Champion	Trumbull																						
Howland	Trumbull																						
Labrae	Trumbull					2.27										0.97							
Lordstown	Trumbull																1.00						
Niles City	Trumbull																	1.00					
Warren City	Trumbull					1.00										0.42							
Total Enrollment		300.81	246.58	209.40	180.65	448.36	69.09	112.61	300.52	38.11	185.92	82.12	143.26	159.61	82.52	102.58	290.21	162.75	126.18	167.49	93.48	95.42	116.27

Table 9: Adjustment to Columbiana County Budgets Associated with Choice

District	Cleveland Scholarship	EdChoice Scholarship	Jon Peterson	Autism Scholarship	Career and Technical	Community Schools	Open Enrollment Out	Open Enrollment In	Aggregate Impact
Beaver	-	-	$ (1,000.35)	$ (57,240.00)	$ (123,256.18)	$ (395,797.15)	$ (1,457,746.90)	$ 1,779,180.00	$ (255,860.58)
Columbiana	-	-	$ (30,015.00)	$ (55,095.65)	$ (37,428.73)	$ (124,781.37)	$ (1,070,693.30)	$ 1,227,112.00	$ (90,902.05)
Crestview	-	-	-	-	$ (86,204.30)	$ (144,216.66)	$ (406,260.00)	$ 2,630,196.00	$ 1,993,515.04
East Liverpool	-	$ (81,375.00)	-	-	-	$ (816,720.15)	$ (1,791,105.45)	$ 673,615.62	$ (2,015,584.98)
East Palestine	-	-	-	$ (9,827.60)	$ (57,471.97)	$ (137,193.05)	$ (1,105,518.48)	$ 214,260.00	$ (1,095,751.10)
Leetonia	-	-	-	$ (49,522.00)	$ (39,454.55)	$ (105,470.43)	$ (820,824.62)	$ 484,594.90	$ (530,676.70)
Lisbon	-	-	$(10,005.00)	-	$ (72,132.50)	$ (207,722.16)	$ (477,670.14)	$ 920,940.00	$ 153,410.20
Salem	-	-	$(35,229.50)	$ (8,910.00)	-	$ (347,606.74)	$ (1,651,782.44)	$ 595,161.68	$ (1,448,367.00)
Southern	-	-	-	-	$ (139,344.33)	$ (335,904.33)	$ (733,094.43)	$ 952,628.24	$ (255,714.85)
United	-	-	$(10,005.00)	-	$ (16,688.17)	$ (46,849.98)	$ (544,262.68)	$ 982,521.40	$ 364,715.57
Wellsville	-	-	-	$ (27,000.00)	$ (92,173.70)	$ (187,118.74)	$ (696,905.95)	$ 564,624.00	$ (438,574.39)
Totals	$ -	$ (81,375.00)	$(86,254.85)	$(207,595.25)	$ (664,154.43)	$(2,849,380.76)	$(10,755,864.39)	$ 11,024,833.84	$ (3,619,790.84)
Average per Student		$ (5,812.50)	$ (9,334.94)	$ (21,967.75)	$ (2,292.40)	$ (7,902.22)	$ (5,952.83)	$ 5,990.87	$ (5,670.63)

* Career and Technical is Basic Aid Only

Table 10: Columbiana County School Revenues Per Pupil 2017

1	2	3	4	5	6	7	8
School District	District Square Mileage FY17	Year-End Enrollment FY17	State Formula for Revenue Per Pupil FY17	Local Revenue Per Pupil FY17	Federal Revenue Per Pupil FY17	District Total Revenue Per Pupil FY17	Actual Formula Funding Per Pupil FY17
Beaver	112	1,795.59	$ 5,894.73	$ 3,408.59	$ 1,032.61	$ 11,678.04	$4,906.71
Columbiana	16	1,035.21	$ 3,682.88	$ 5,136.54	$ 749.43	$ 11,662.23	$2,910.49
Crestview	38	1,268.29	$ 4,896.13	$ 2,671.46	$ 542.31	$ 11,100.15	$7,808.14
East Liverpool	14	2,100.81	$ 10,539.77	$ 1,902.04	$ 1,839.31	$ 14,779.08	$7,956.96
East Palestine	31	1,043.99	$ 8,297.37	$ 2,303.53	$ 824.35	$ 12,418.79	$4,973.18
Leetonia	22	649.28	$ 9,592.44	$ 2,648.54	$ 1,157.54	$ 15,173.03	$7,255.81
Lisbon	25	898.51	$ 6,863.69	$ 1,922.09	$ 1,050.14	$ 11,359.65	$7,173.93
Salem	18	2,049.73	$ 5,365.57	$ 4,306.71	$ 850.48	$ 11,151.31	$3,253.05
Southern	100	826.15	$ 9,526.44	$ 2,980.02	$ 1,124.24	$ 15,647.44	$8,256.73
United	81	1,160.29	$ 6,290.39	$ 3,305.70	$ 683.05	$ 11,707.87	$6,619.84
Wellsville	10	779.5	$ 11,434.15	$ 1,118.41	$ 1,361.33	$ 14,984.89	$9,772.47

Table 11: Columbiana County Schools Lost Revenues Attributed to Choice

School Distict	Actual State $ Per Student Aid	Choice Transfers	Difference to Transfer
Beaver	$4,906.71	$6,000.00	$ (1,093.29)
Columbiana	$2,910.49	$6,000.00	$ (3,089.51)
East Palestine	$4,973.18	$6,000.00	$ (1,026.82)
Salem	$3,253.05	$6,000.00	$ (2,746.95)

Table 12: Columbiana County Schools Gained Revenues Attributed to Choice

District	Actual State $ Per Student Per the Formula	Opportunity Grant Transfer	Difference not Transferred
Crestview	$7,808.14	$6,000	$1,808.14
East Liverpool	$7,956.96	$6,000	$1,956.96
Leetonia	$7,255.81	$6,000	$1,255.81
Lisbon	$7,173.93	$6,000	$1,173.93
Southern Local	$8,256.73	$6,000	$2,256.73
United	$6,619.84	$6,000	$619.84
Wellsville	$9,772.47	$6,000	$3,772.47

Table 13: Columbiana County Schools Autism Scholarship Funding 2017

Distict	Actual State Aid	Category 6 Funding	Autism Scholarship ADM	Autism Scholarship	Per Pupil Difference	Adjustment Effects
Beaver	$ 4,906.71	$ 13,087.80	2.22	$ 25,783.78	$ (7,789.27)	$ (17,292.18)
Columbiana	$ 2,910.49	$ 9,713.72	3	$ 18,365.22	$ (5,741.01)	$ (17,223.03)
East Palestine	$ 4,973.18	$ 16,574.52	0.37	$ 26,561.08	$ (5,013.38)	$ (1,854.95)
Leetonia	$ 7,173.93	$ 16,737.76	1.9	$ 26,064.21	$ (2,152.52)	$ (4,089.79)
Salem	$ 3,253.05	$ 12,487.63	0.33	$ 27,000.00	$ (11,259.32)	$ (3,715.58)
Wellsville	$ 9,772.47	$ 22,135.95	1	$ 27,000.00	$ 4,908.42	$ 4,908.42