



August 12, 2019

To: Select Superintendents and Treasurers
From: Robert A. Hancock, CPA
Treasurer, Hamilton City School District
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Re: Ed Choice Scholarships

We have put together a spreadsheet that illustrates the potential financial impact the traditional Ed Choice Scholarships will have on Ohio school districts in FY20. The spreadsheet district level detail is for districts that had their first school building qualify for the Ed Choice Scholarship Program in FY20. You can find Ed Choice Scholarship information at the following web address: <http://education.ohio.gov/Topics/Other-Resources/Scholarships/EdChoice-Scholarship-Program>

Please note there are two Ed Choice scholarship programs. The original program, which this memo addresses and the Ed Choice Scholarship Expansion Program. The original program comes as a deduction from your state foundation while the expansion program is paid directly by the state without going through the district.

The fatal flaw is the legislature suspended the formula and is paying all districts the same base State Aid in FY20 and FY21 that we received in FY19. You will experience an increase in your Ed Choice scholarship deduction, but you will not get any additional base state aid to fund the deduction. The vast majority (127 of 142) students that applied for the Ed Choice Scholarship in our district were not enrolled in our district in FY19 and we were a capped district.

The criteria for one of your schools being designated as an Ed Choice school can be found at the following web address: <http://education.ohio.gov/getattachment/Topics/Other->

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[Resources/Scholarships/EdChoice-Scholarship-Program/Criteria-for-EdChoice-Designated-Public-Schools.pdf.aspx?lang=en-US](https://resources.scholarships.edchoice.org/criteria-for-edchoice-designated-public-schools.pdf.aspx?lang=en-US)

Please note that once a student is awarded an Ed Choice Scholarship, they can continue to receive that scholarship, provided they meet the program guidelines, until they graduate even if your building comes off the designated list due to improved performance.

How far back are we going to go? Looking at grades 9-12 the state is using the 2013, 2014 and 2018 report card data. Think about this, seniors in 2013 would have been freshmen in the 2009-10 school year. In FY20 school districts across Ohio are going to have millions of dollars which they have not received from the State of Ohio, deducted from their funding based on data that is up to a decade old.

The scholarship amount is up to \$4,650 for grades K-8 and up to \$6,000 for grades 9-12. You may have some instances where K-8 tuition is less than \$4,650 annually.

The attached spreadsheet illustrates districts that will experience Ed Choice Scholarship deductions for the first time in FY20. A potential deduction of \$10,080,900 (27%) of the potential increase in Ed Choice Scholarship deductions. Districts that had Ed Choice Scholarship deductions in FY19 have a potential loss of \$27,363,900 (73%) in additional Ed Choice Scholarship deductions in FY20 as compared to FY19.

We have limited the districts that we are contacting to those that have high schools that qualified for the first time this year. We would encourage you to check this information with your EMIS person or the person you have designated to review the Ed. Choice Scholarship applications.

Upon verification of your data, please begin contacting your State Senator and State Representative and share how this will impact your district.