



# Ohio Legislative Service Commission

Alexandra Vitale

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 299 of the 131st G.A.

**Date:** April 28, 2016

**Status:** As Passed by the Senate

**Sponsor:** Reps. Blessing and Rezabek

**Local Impact Statement Procedure Required:** No

**Contents:** Permits the custodian of a qualified child to apply for the Autism Scholarship Program and revises testing and graduation requirements for certain nonpublic students

### State Fiscal Highlights

- The bill permits temporary, legal, or permanent custodians of children identified with autism to apply for the Autism Scholarship Program. If this results in students obtaining the scholarship who would have otherwise attended nonpublic programs without a scholarship, state funding may increase.
- The bill permits a student enrolled in a chartered nonpublic school that is accredited through the Independent Schools Association of the Central States (ISACS) and who is attending the school under a state scholarship program to satisfy state testing requirements by taking an alternative assessment approved by the Ohio Department of Education. State spending on assessments, which is primarily funded by the GRF, may decrease, depending on how many chartered nonpublic students opt to take the alternative assessments.

### Local Fiscal Highlights

- School districts will have the scholarship amount, which is the lesser of alternative provider tuition or \$27,000, deducted from their state aid for each additional resident district student who obtains a scholarship due to the bill.
- Districts may also experience a decrease in expenditures due to educating fewer students.

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## Detailed Fiscal Analysis

### Autism Scholarship Program

The Autism Scholarship Program provides autistic students in grades K-12 who have received an individualized education program (IEP) with scholarships to attend an alternative public or private provider. The bill expands the Autism Scholarship Program to allow temporary, legal, or permanent custodians of children identified with autism to apply for a scholarship. Under current law, only natural and adoptive parents of qualified children may apply for the scholarship. The scholarship amount paid is the lesser of the tuition charged by the provider or \$27,000.

Under continuing law, Autism Scholarship students are counted in their resident districts' average daily membership for funding purposes. Funding for the student, however, is deducted from the district's calculated state funding allocation and paid to the alternative provider. If more students participate in the program as a result of the bill, deductions from school districts will increase. Districts may also experience a decrease in expenditures due to educating fewer students, depending on the number of custodians who apply for the scholarship.

Because the scholarship amount is deducted from a district's state funding allocation, an increase in the number of scholarship students generally will have no direct fiscal effect on the state. A possible exception to this, however, is if a student would have attended a nonpublic school even without the scholarship. In these instances, state funding may be higher than otherwise as the number of publicly funded students would be higher.

In FY 2015, a total of \$51.5 million was deducted from the state funding allocations of 405 school districts to fund the Autism Scholarship Program.

### Graduation and testing requirements for nonpublic school students

Under current law, students in a chartered nonpublic school that is accredited through the Independent Schools Association of the Central States (ISACS) and who are attending the school under a state scholarship must take the nationally standardized college and career readiness assessment and each of the seven end-of-course exams to satisfy high school graduation testing requirements.<sup>1</sup> The bill revises this requirement to permit such a student to take an alternative assessment in lieu of the college and career readiness assessment and the seven end-of-course exams, an option already available to students in non-ISACS chartered nonpublic schools regardless of whether they are

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<sup>1</sup> The state scholarship programs are the Educational Choice Scholarship Program, Pilot Project (Cleveland) Scholarship Program, Jon Peterson Special Needs Scholarship Program, and the Autism Scholarship Program.

attending the school under a state scholarship or not.<sup>2</sup> The alternative assessment must be approved by the Ohio Department of Education and selected by the student's school. Accordingly, the bill also revises graduation requirements for students attending an ISACS school with a state scholarship to include attaining a prescribed grade on the alternative assessments as an available graduation pathway.

State assessments are mostly funded by the GRF. Under continuing law, the cost of the alternative assessments will be paid by the chartered nonpublic school. Therefore, state spending on assessments may decrease as a result of the bill, depending on how many chartered nonpublic students opt to take the alternative assessments in lieu of state assessments. Under Ohio's contract with American Institutes for Research, which provides the state's achievement assessments, each content test is \$15.

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<sup>2</sup> Under continuing law, there is no graduation testing requirement for a student attending an ISACS-accredited school without a state scholarship.