



Hannah Wann

Bill Analysis
Legislative Service Commission

H.B. 431

126th General Assembly
(As Introduced)

**Reps. Peterson, McGregor, J., Ujvagi, Reidelbach, Schaffer, Flowers,
Webster, Allen**

BILL SUMMARY

- Creates the Special Education Scholarship Program to provide scholarships for disabled children to attend alternative public or private special education programs.

CONTENT AND OPERATION

Background

Under the federal Individuals with Disabilities Education Act (IDEA), children identified as disabled are entitled to a "free appropriate public education" that provides special education and related services to enable them to benefit from educational instruction.¹ Under both the IDEA and state law, an "individualized education program" (IEP) must be developed for each child identified as disabled. The IEP specifies the services to which the child is entitled and are therefore guaranteed by law.² A child's school district may provide the services specified in the IEP or it may enter into an agreement with another district or entity to provide those services.

Under Ohio law, school districts and community ("charter") schools receive additional per-pupil funding on top of the base-cost formula amount for each

¹ See 20 U.S.C. 1400 et seq. Related services include transportation and support services such as speech-language pathology and audiology services, psychological services, physical and occupational therapy, counseling services, and diagnostic medical services (20 U.S.C. 1401(26)).

² See 20 U.S.C. 1414 and R.C. 3323.01 (not in the bill). The IEP is developed by a team including representatives of the child's resident school district (or community school) and the child's parent or the parent's counsel.

special education student because of the extra expenses associated with providing educational services for the student. Special education students are assigned to one of six possible categories according to the severity of their disabilities. Each category has a corresponding weight, which is expressed as a percentage of the base-cost formula amount.³ The additional funds generated by the special education weights are shared by the school district and the state in the same percentage as the base-cost funding.⁴

Special Education Scholarship Program

(R.C. 3310.52 and 3310.53)

The bill establishes the Special Education Scholarship Program to provide scholarships for disabled children to attend special education programs other than those offered by their school districts. A scholarship may be used to pay the expenses of a public or private provider of special education programs for implementation of the child's IEP. While a child is using a scholarship, the school district in which the child would otherwise be enrolled has no obligation to provide the child with a free appropriate public education.

Eligibility for scholarships

(R.C. 3310.51(H), 3310.52, and 3310.61)

Under the bill, a child is eligible for a special education scholarship if the child's resident school district has identified the child as disabled and developed an IEP for the child. In addition, the child must either (1) have been enrolled in the district in which the child is entitled to attend school in any grade K to 12 in the school year prior to the year in which the scholarship would first be used or (2) be eligible to enroll in that district in the school year in which the scholarship would first be used. The bill explicitly specifies that a child attending a public special education program under an agreement between the child's school district and the program provider or a child attending a community school may apply for a scholarship.⁵ A child is not eligible for a scholarship while the child's IEP is being

³ R.C. 3317.013, not in the bill. *The special education weights currently are being phased in over an indefinite period. In FY 2006 and 2007, the weights are paid at 90% of their full amounts.*

⁴ See R.C. 3317.022. *School districts may receive an additional "catastrophic cost" subsidy for some special education students if the district's costs to serve the students exceed a statutorily specified threshold (R.C. 3317.022(C)(3)).*

⁵ *Under the bill, a community school is not considered a child's school district of residence (R.C. 3310.51(K)). Therefore, any IEP developed by the community school*

developed or while any administrative or judicial proceedings regarding the content of the IEP are pending.

Alternative providers of special education programs

(R.C. 3310.51(A), 3310.58, and 3310.59)

Scholarships may be used to pay for special education programs provided by alternative public providers or by private entities registered with the Superintendent of Public Instruction.

Alternative public providers (R.C. 3310.51(A)). Under the bill, an alternative public provider must be either (1) a school district other than the district obligated to educate the disabled child (or the child's resident school district, if different) or (2) another public entity that agrees to enroll the child and implement the child's IEP. In addition, the alternative public provider must be an entity to which the child's *parent*, rather than a school district or other public entity, owes fees for the services provided to the child. In other words, a parent cannot use a scholarship to enroll a child in a school district or other public entity to which the child's school district would send the child for special education services because, in that case, the child's district would be required to pay the receiving district or entity for the services provided to the child. Neither may a parent use a scholarship to enroll the child in a community school because the community school, as a public school, would receive funds to educate the child even without the scholarship. The parent must use the scholarship to pay for special education and related services provided by a school district or public entity from which the parent otherwise would not receive those services for the child free of charge.

Registered private providers (R.C. 3310.58 and 3310.59). Nonpublic schools and other private entities may accept scholarship children under the bill, but first they must register with the Superintendent of Public Instruction. To be registered by the Superintendent, the private school or entity must meet the following requirements:

(1) Its special education program meets the minimum education standards established by the State Board of Education;⁶

would not qualify the child to receive a scholarship. It is not clear under the bill whether a community school student would need to enroll in a district school to receive a new district-developed IEP prior to receiving a scholarship.

⁶ *The State Board must prescribe minimum standards for public and private elementary and secondary schools. These standards cover teacher certification, administrative*

(2) It does not discriminate on the basis of race, ethnicity, national origin, religion, sex, disability, age, or ancestry;

(3) It agrees to conduct criminal records checks of applicants for employment positions that are responsible for the care, custody, or control of a child, if it is not already required to do so pursuant to law;⁷

(4) Its teaching and nonteaching professionals, or those employed by a subcontractor providing special education services on its behalf, hold credentials determined by the State Board to be appropriate for working with the scholarship children enrolled in the program;

(5) It meets applicable health and safety standards for school buildings;

(6) It agrees to retain any documentation required by the Department of Education;

(7) It demonstrates fiscal soundness to the Department's satisfaction; and

(8) It agrees to meet any other requirements for registration specified by the State Board.

If the Superintendent of Public Instruction determines that a private school or entity no longer meets these criteria, the Superintendent must revoke its registration. The school or entity must be allowed a hearing prior to revocation.

Scholarship amount

(R.C. 3310.56)

Each scholarship is worth the *lesser* of (1) the total fees charged by the alternative provider of special education services to the child or (2) the amount that otherwise would be calculated for state and local funding for the school district's provision of special education and related services to the child. The latter amount comprises the base-cost and special education funding, both state and local

organization, graduation requirements, curriculum, assessments, health and safety issues, length of the school day, and other topics. (See R.C. 3301.07(D), not in the bill, and Ohio Administrative Code Chapter 3301-35.)

⁷ *Under the bill, private entities must conduct criminal records checks in the same manner as must chartered nonpublic schools under continuing law. While the bill requires a private school or entity to conduct criminal records checks of future applicants prior to hiring, it does not mandate that the school or entity request records checks of current employees.*

shares, that would be calculated for the student under the state formulas. For example, for a Franklin County student who has been identified as having a visual disability, the latter amount would be approximately \$14,165 in FY 2007.⁸

Payment of scholarships

(R.C. 3310.52, 3310.54, 3310.55, 3310.57, and 3317.03(A) and (B))

The Department of Education must make periodic payments throughout the school year to each scholarship child's parent until the full amount of the scholarship has been paid. The amount of the scholarship is deducted from the state aid account of the school district in which the child is entitled to attend school. That district is authorized under the bill to count the child in its formula ADM and special education ADM.⁹

A parent may use the scholarship only to pay fees charged by the alternative special education program in which the scholarship child is enrolled for implementation of the child's IEP. The Department must prorate a child's scholarship amount if the child withdraws from the alternative special education program before the end of the school year. No payments may be made to a parent while the content of the child's IEP is subject to administrative or judicial proceedings.

⁸ *This amount consists of \$5,560 in base-cost funding plus \$8,605 in "category three" special education weighted funding. Franklin County has a relatively high cost-of-doing-business factor. To offset the recent phasing down of the cost-of-doing-business in the base-cost formula, school districts in some counties with lower factors may have their base-cost payments calculated based on the FY 2005 formula amount of \$5,169 multiplied by their higher FY 2005 factor, if that calculation yields a greater amount than the current formula. (See R.C. 3317.012, 3317.013, 3317.02(N), none in the bill, and 3317.022(A).)*

⁹ *Formula ADM is the number of full-time-equivalent students reported as attending school in the district during the first full week of October. Special education ADM is the portion of that number for which the district must provide special education and related services. The scholarships deducted from a district's account count toward the minimum amount the district must spend for special education and related services and for speech language pathology services for its disabled students under continuing law (R.C. 3317.022(C)(5) and (6)). Scholarship students are counted in determining a school district's poverty index for purposes of the state poverty-based assistance subsidy, and they are counted in determining a district's ranking for purposes of the state parity aid subsidy (R.C. 3317.029 and 3317.0217).*

Transportation of scholarship children

(R.C. 3310.60)

Under the bill, scholarship children are entitled to transportation to and from the alternative special education programs they attend in the same manner as disabled students attending nonpublic schools.

Continuing law requires school districts to provide transportation to nonpublic school students in grades K to 8 who reside in the district and live more than two miles from the school they attend. Districts may also transport high school students to and from their nonpublic schools. Districts must provide transportation for all students who "are so crippled that they are unable to walk to and from the school . . . which they attend." A district, however, is not required to transport students of any age to and from a nonpublic school if the direct travel time by school bus from the district school the student would otherwise attend to the nonpublic school is more than 30 minutes.¹⁰ In the case of some special education students, transportation might be mandated by their IEPs.

Effective date of program

(R.C. 3310.62; Section 3)

The Special Education Scholarship Program must be operational by July 1, 2006. The State Board of Education must adopt rules in accordance with the Administrative Procedure Act so that they are in effect by that date. Those rules must include application procedures and deadlines and standards and procedures for the registration of private providers of special education programs.

COMMENT

Autism Scholarship Pilot Program

Am. Sub. H.B. 66 of the 126th General Assembly (the 2005-2007 biennial budget act) reauthorized, for fiscal years 2006 and 2007, a temporary pilot program to pay scholarships to the parents of certain autistic children, which may be used for services at public or nonpublic special education programs that are not operated by or for the child's resident school district. The pilot program was originally established in Am. Sub. H.B. 95 of the 125th General Assembly (the

¹⁰ R.C. 3327.01, not in the bill. These are the same requirements that apply to the transportation of students to and from public schools. When transportation by the district is impractical, the district may offer payment to a student's parent instead of providing the transportation.

2003-2005 biennial budget act). H.B. 66 also increased the maximum amount of the scholarship to \$20,000 (from \$15,000 under prior law). The bill does not affect this program.

HISTORY

| ACTION | DATE |
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| Introduced | 11-22-05 |

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