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House Finance House Bill 166 Testimony Lisa Gray, Ohio Excels May 8, 2019

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera and members of the House Finance Committee, thank you for the opportunity to provide written testimony on House Bill 166, the state's biennial budget. My name is Lisa Gray, and I am the president of Ohio Excels.

Ohio Excels is a new business coalition focused on helping to improve the educational outcomes for all Ohio students. Our focus on education includes early childhood, K-12 and post-secondary education experiences. And, as part of that, we are committed to working with the broader business community, policymakers, educators and other community leaders to support our students, educators and schools.

Overall, Ohio Excels is pleased with the investments found in the budget. We would like to highlight a select few proposals from each of our focus areas: early childhood, K-12 and higher education.

Early Childhood Education

Early Childhood Investments

Ohio Excels **applauds the financial commitment** the budget makes to increasing the quality of early childcare providers. The Step Up to Quality program – the state's system for developing and rating high-quality providers – has ambitious goals. This includes the goal of having all public funds go to providers earning three or more stars in the rating system by 2025. The budget's investment in the quality of programs will help Ohio achieve this goal. However, moving forward, the state must also focus on increasing access to high-quality early childhood education experiences for the students who need it the most.

Early Childhood Supports

Learning begins at birth. This budget includes proposals that acknowledge how important it is for young children to be healthy and ready to learn. The budget includes an additional \$30 million over the biennium to expand access to evidence-based home visiting programs. The budget also includes Books from Birth, which seeks to provide a monthly book for the first years of a child's life. Ohio Excels supports these efforts to increase kindergarten readiness and early literacy.

K-12 Education

Wraparound Services

Ohio Excels supports Governor DeWine's proposal to allocate additional funding outside of the K-12 school funding formula to provide wraparound supports for students. Furthermore, **we are grateful to the House for increasing this investment** by another \$125 million over the biennium. While all districts and charter schools receive student wellness and success funds, the funding is wisely targeted to communities with high poverty. Those are the communities that need it the most. Schools, working in partnership with community members, have the flexibility to develop services and initiatives to meet local needs. We encourage our schools and districts to maximize these resources with the other state investments in the Departments of Health, Mental Health, ODJFS and the like to ensure our students are better prepared to learn and thrive.

Industry Credentials

Students who leave high school with an in-demand industry credential are set up for success. Ohio Excels **strongly supports** the focus that the budget gives to technology industry credentials. The budget includes three new funding provisions for credentials at the K-12 level:

- The Innovative Workforce Incentive Program would offer schools, out of \$8 million in funds each year, a \$1,250 bonus for each qualifying credential earned by a student in the district.
- This program also includes \$4.5 million for schools to develop credentialing programs, with priority given to schools that create senior-year programs.
- The budget also includes \$8 million in each fiscal year to pay for the cost of high school students' credentialing exam or journeyman certification, some of which can cost thousands of dollars.

Ohio Excels **supports these proposals**, and we believe they will help encourage more students to pursue a career path and prepare them for success after high school. While Ohio Excels supports these investments, we would recommend two additions. First, we believe that the state should prioritize funding for schools and districts with high enrollment of low-income students. Second, we believe that all juniors and seniors should be notified of this benefit, not just students currently in career-technical programs. This may help attract more students to career technical education.

Industry credentials are a component of the state's current graduation requirements. Current law requires the state to approve credentials – including how many points each credential is worth – that all Ohio seniors can use to demonstrate they are ready to graduate. The House added a new proposal that would allow Career Tech Planning Districts to independently determine how many points industry credentials are worth. Ohio Excels is **strongly opposed to this provision**. We believe that the same credential should count for the same number of points from school to school and district to district, especially if they will be used for graduation purposes. A student's credential could potentially "lose" value and prevent a student's graduation if that student moves to a district that assigned a lower value to the same credential. Allowing different weights for the same credentials will result in a confusing patchwork of credential requirements at the same time the state is working hard to better coordinate the education requirements and workforce needs.

Educator Investments

The budget includes three major investments in the skills of Ohio's K-12 educators:

- *Teach for America*: The budget includes \$2 million each fiscal year to increase recruitment and training for Teach for America in Ohio. Teach for America recruits diverse, high-performing talent to enter the classroom. This will result in at least 350 new teaching corps members and serve an additional five of our hardest to staff school districts by fiscal year 2021.
- *Computer Science Training for Teachers*: Today's economy is fueled by technology. Educators know that their students need more computer science training, but many of them don't have the skills themselves. The budget includes funding to reimburse the costs of computer science training and credentialing so more educators can get the professional development they need.

- *College Credit Plus Credentialing for High School Teachers*: Ohio Excels believes that more students should have access to post-secondary education and that that education should be affordable. College Credit Plus achieves both of those goals by allowing students to get a head start on their college education at no or minimal cost to them. This is why Ohio Excels supports the budget's proposal to educate and credential additional teachers so they are qualified to provide college instruction in high school.

Ohio Excels strongly supports these investments in our educators. However, **one way to improve** the computer science training and credentialing would be to include a time-limited commitment from recipients of the funds, so that they will continue to serve as teachers and not immediately pursue technology-based employment outside of the classroom.

Quality Charter School Support

Ohio Excels believes all students have a right to be in a high-quality school, whether that's a traditional public school or a public charter school. We have seen some truly outstanding charter schools working with low-income students and achieving great results. This budget includes a provision that rewards the highest-performing charter schools with additional funding. Ohio Excels **strongly supports this proposal**. It will allow high-performing charter schools in Ohio to potentially expand and replicate, and it will help attract quality charter providers from other states to Ohio. Every child that attends a public school, whether it's a traditional district school or a charter school, deserves to be supported fairly by our tax dollars.

While we support this proposal, we also believe it is just a start. The Fordham Institute recently released a report showing the funding disparities between charters and their district peers. Charter schools often receive thousands less in funding for the same students. If this funding gap were closed for all charters, we may have more high-quality options for Ohio's students and families.

Academic Distress Commissions

Helping turnaround our lowest-performing schools and districts is one of the biggest challenges faced in education. Ohio's model of Academic Distress Commissions has been around for many years, and it has not yielded the results policymakers and the public were hoping to achieve. Provisions in the budget bill would prohibit any new commissions from forming until July 2021, and there are other legislative proposals currently being considered in the House and the Senate. While we believe changes need to be made to the current ADC law, we do not believe that the proposals put forth to date are sufficient. We encourage the Governor, House and Senate to continue to work together to develop a comprehensive solution.

District and School Report Cards

Transparency is critical for all public organizations, and strong district and school report cards allow families and communities to understand how students are performing in their schools and identify areas for improvement. It is important that any changes made to these report cards be part of a comprehensive package that results in high-quality and parent-friendly reports. Ohio Excels **strongly opposes** the recent amendments to the report card law and believe these amendments would undermine public accountability for schools and confuse parents. Instead, we encourage the House and Senate to remove this language and work with the Governor and a taskforce of experts to address the issues with the current report cards.

Higher Education

College Affordability

To reach the state's attainment goal of 65 percent of Ohioans with a high-quality degree or credential, we need to help more Ohioans start and complete higher education opportunities. The cost of college and other training programs can be a barrier for many Ohioans. Ohio Excels is pleased to see that the budget increases state aid for low-income students through the Ohio College Opportunity Grant (OCOG). **We support** the additional \$70 million over the biennium for this grant program, including the special \$3 million fund to help students purchase textbooks. This combined with other budget provisions, like the FAFSA incentives, tuition guarantee and AP fee reimbursements, will

help more students – especially low-income and first-generation college students – earn the degrees and credentials they need to be successful in the changing economy.

Western Governors University (WGU)

WGU is a private, nonprofit and regionally accredited online university that expanded to Ohio in 2018. Its model allows students to advance through coursework only after they have demonstrated the necessary competency, allowing for a quicker path to degree completion for hardworking, motivated individuals, often resulting in cost savings to the student. In just one year, enrollment has expanded to over 3,000 students in all 88 counties.

While WGU is accredited by the state, it does not receive public operating funds, state subsidies or capital assistance. Accreditation does allow WGU students, however, to receive a few hundred dollars in OCOG funding, Ohio War Orphan Scholarships, the Ohio National Guard and Reserve Scholarship and loans from the Nurse Education Assistance Loan Program, just like every other public and private accredited school.

A recent amendment to the budget would forbid WGU from remaining accredited beyond 2019. This will have disastrous consequences for WGU students and removes a critical and flexible option for Ohioans. Students will lose the needs-based aid and scholarships that many of them require to complete their degrees. Nearly 750 students currently in the WGU Teachers College will no longer be able to directly earn Ohio teaching licenses. **Ohio Excels strongly opposes this amendment.** WGU should be one option in a suite of options for Ohioans who are interested in earning a valuable degree or credential – something Ohio’s economy seriously needs.

Student Supports

While many students enroll in college, not enough are graduating on time or at all. Statewide, only 15 percent of community college students and 39 percent of four-year university students graduate on time. While some of the remaining students continue to work on their degrees or pursue their studies elsewhere, these rates are simply too low. The state has made improvements related to reducing remedial courses which helps drive up completion rates. The performance-based funding formula for the state share of instruction has been another great step to incent completion. To go further, the budget also includes a program to address the non-academic barriers and minor fiscal challenges that can keep students from completing their program.

The Community College Acceleration Program is the continuation of a pilot started in Lorain, Cuyahoga County and Cincinnati which was based on a successful program in New York state. The pilot’s results are very promising. Students in the program stayed in school longer, earned more credits and graduated at twice the rate as similar students outside the program. The budget bill does not include additional state funding for the program at this time, instead relying on repurposed federal funds. However, we believe that as the program matures, **it will likely be worthy of state resources** to help it support more students throughout the state.

TechCred

To reach the state’s attainment goal, we will need to upskill Ohio’s current workforce. The budget creates a new program designed to provide incumbent workers technology credentials aligned to Ohio’s workforce needs. TechCred allocates \$15 million in each fiscal year for grants to reimburse employers who connect employees to training providers. Ohio Excels **strongly supports this program** for several reasons:

- Ohio’s future economy is going to need more technology specialists and more technological literacy among all of its workforce to remain competitive;
- Allowing employers to choose the training helps ensure that the training and credential workers receive will be of value to the individual and to the employer; and
- The program encourages more coordination between the state’s higher education, workforce and development agencies.

The House version of the budget furthers this commitment by more than doubling the funding for Ohio Technical Centers and creating the Jobs Challenge program. This program provides an additional \$5 million each fiscal year to community colleges and Ohio Technical Centers to support noncredit, job-related workforce training programs and training partnerships with businesses to prepare employees for in-demand jobs. Ohio Excels **supports this proposal** and looks forward to additional details and specifics about this program.

Conclusion

In conclusion, Ohio Excels is excited about many elements in the budget proposal. We believe that these investments will go a long way to supporting our students, educators and schools. Ohio Excels look forward to collaborating with policymakers and educators to help improve the lives of all of our students.

Appendix: Ohio Excels' Principles for Academic Distress Commission Improvement

Ohio Excels believes that any policy meant to address Academic Distress Commissions and low-performing school districts should follow these design principles:

- The state should do more to identify low-performing school districts that are trending downward and provide additional supports and interventions before districts reach the lowest levels of performance.
- Business, philanthropic and other community leaders need to be included as key partners in helping chronically low-performing school districts develop and implement improvement plans.
- There should be more mayoral involvement in the leadership of districts identified as chronically low-performing to help improve public accountability and better activate community engagement and support. This could also allow for a single point of authority and public accountability.
- While the state and local community should support the district as a whole, the majority of the turnaround efforts should focus on the lowest-performing schools in the district.
- There should ultimately be a final consequence for chronically low-performing school districts that do not improve over time, such as state takeover. However, there should be additional options available for chronically low-performing school districts to forestall this consequence, such as partnering with third-party providers, adopting proven intervention strategies, collaborating with local, high-quality charter schools, and other turnaround strategies.
- Any new, supplemental funding for chronically low-performing school districts should be separate from the school funding formula and come with specific policy conditions identified by the state.