

Mike DeWine, Governor
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**TESTIMONY BEFORE THE SENATE FINANCE COMMITTEE
ON FY20-21 BIENNIAL BUDGET RECOMMENDATIONS FOR THE OHIO DEPARTMENT OF
EDUCATION**

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April 24, 2019

Chairman Dolan, Vice Chairman Burke, Ranking Member Sykes, and members of the Senate Finance Committee, I appreciate the opportunity to speak with you today on Ohio’s PreK-12 education system, and the executive budget recommendations for the Ohio Department of Education. My name is Paolo DeMaria, and I am the superintendent of public instruction.

I want to start by saying, “Thank you!” Thank you for your support of education in Ohio. This committee and the General Assembly have recognized the critical role education plays in creating hope and a bright future for our children, our communities and our state. Your engagement is significant and very much appreciated. Thank you also to Gov. DeWine and Lt. Gov. Husted for their leadership and vision reflected in this budget.

Our vision is to ensure *each child is challenged, prepared and empowered* for future success. That vision anchors Ohio’s five-year strategic plan for education – *Each Child, Our Future*¹ – developed by the State Board of Education and the Department of Education, in collaboration with more than 1,300 stakeholders. Launched in August 2018, the plan seeks to guide development of state-level education policies and promote high-quality education practices across the state. Our plan has received a lot of positive support, and it forms a framework to guide Ohio’s continuing improvement toward excellence.

EDUCATION SYSTEM AND BUDGET OVERVIEW

Before I launch into the specifics about Ohio’s education accomplishments and essential programs, I would like to give a brief overview of the state’s education system and the executive budget funding recommendations.

The Department oversees an education system consisting of 610 public school districts, 49 joint vocational school districts, 52 educational service centers (ESCs) and 319 community schools. Ohio also enjoys a strong private (chartered nonpublic) school sector. There are more than 4,300 school buildings in the state, of which 41 are designated as STEM schools. Ohio’s public schools enroll approximately 1.7 million students served by more than 108,000 licensed teachers and 314,000 credentialed education personnel, including teachers, principals, administrators, aides, counselors, coaches and other staff.

¹ <http://education.ohio.gov/About/EachChildOurFuture>

It takes more than \$23 billion in federal, state and local funding annually to operate Ohio's K-12 system. Gov. DeWine's proposed budget recommends GRF funding of \$8.4 billion in FY 2020 (an increase of \$313.8 million or 3.9 percent) and \$8.4 billion in FY21 (an increase of \$9.8 million or 0.1 percent) for primary and secondary education. Recommended support for primary and secondary education across all budget funds totals \$11.7 billion in FY20 (an increase of \$366 million or 3.2 percent) and \$11.8 billion in FY21 (an increase of \$83.1 million or 0.7 percent). These totals do not include Property Tax Reimbursements or Tangible Personal Property Reimbursements, which reflect an additional \$1.3 billion each year.

It is important to point out that most of these funds – 98 percent – flow to schools and districts as subsidy payments, with only 2 percent remaining for the Department's operations. Many of our operating dollars also directly or indirectly support the work of schools and districts.

While these amounts, figures and growth rates are important, how the dollars support programs and activities that influence the education and success of Ohio's children is just as crucial. I am excited to highlight for you the key areas that are driving our education system to excellence.

SAFE AND SUPPORTIVE SCHOOL AND COMMUNITY CLIMATES

Gov. DeWine has prioritized new funding for primary and secondary education to support student wellness and success in school. The governor's budget recommends \$250 million in FY20, and an additional \$50 million in FY21 to provide a total of \$550 million over the biennium for this work. In terms of foundation funding, school districts will receive the same amount in FY20 and FY21 as they received in FY19. The additional funding in the foundation line items (GRF line item 200550 and Lottery line item 200612) will provide districts with additional resources targeting the non-academic barriers to success and addressing the needs of the whole child. This investment will be distributed to schools on a per pupil basis. Districts will receive between \$20 and \$250 for each student in FY20 and between \$25 and \$300 in FY21, with per pupil funding scaled based on federal census poverty data. The budget proposal recommends that every school district, community school and joint vocational school district receive a minimum of \$25,000 in FY20 and \$30,000 in FY21. This funding is paid directly to these entities based on where students are educated, without any transfers or deductions from students' resident districts.

Schools can use this additional funding for mental health counseling, wraparound supports, mentoring and after-school programs. Schools will be required to partner with local organizations, including alcohol, drug and mental health boards; educational service centers; county boards of developmental disabilities; community-based mental health treatment providers; health departments; local departments of job and family services; and nonprofits with experience serving children. The intention is that by providing additional support in a targeted way and addressing the needs of the whole child, all students can have the opportunity for a brighter future. The governor was clear in his State of the State address that addressing the mental health needs of students is a priority for this administration, and the proposals in this budget set us on a path to fulfilling this commitment.

Partnerships with other state agencies and local entities are critical to supporting the well-being of Ohio's students. This budget recommends an \$18 million investment in evidence-based prevention curricula for Ohio schools – addressing the topics of drug and substance use, suicide and violence prevention – through

the Ohio Department of Mental Health and Addiction Services and in partnership with local alcohol, drug and mental health boards. The proposed budget also recommends an additional \$2 million in the Department's budget to partner with Ohio's educational service centers to conduct professional development for teachers on prevention education.

This new investment in student wellness aligns with existing work, including school climate grants that support implementation of positive behavior intervention and supports frameworks and evidence- or research-based social and emotional learning initiatives. An additional \$4 million in funding is recommended for these purposes across the biennium. This funding, along with a \$3.5 million federal School Climate Transformation Grant the Department was recently awarded and the \$700,000 Student, Teachers, and Officers Preventing (STOP) School Violence Threat Assessment and Technology Reporting Program grant from the U.S. Department of Justice, supports our continuing efforts to improve school climate and safety.

The executive budget also recommends increased support for school safety in the Department of Public Safety's budget through increased funding for the Ohio Homeland Security's Safer Schools Tip Line and investment in analytical tools that can proactively alert local officials to threats.

EARLY CHILDHOOD EDUCATION

The Department's strategic plan, *Each Child, Our Future*, challenges our state to promote the importance of access to quality early learning experiences. I am very grateful for Gov. DeWine's prioritization of this work in the executive budget, because we know more students need this important experience.

Too often, children with disabilities and children who live in poverty arrive for kindergarten underprepared in language, literacy and math skills. Today, 48 percent of Ohio's children ages birth to 5 years old are living at or below 200 percent of the Federal Poverty Level. The research is clear: investments in quality early learning yield high returns.

The governor's investment in the Early Learning and Development System includes funding and policies across many agencies, which all serve young children and their families. Each embraces a similar goal: to improve outcomes for children from birth through third grade so they are on track for a life filled with learning, and this budget promotes collaboration through evidenced-based strategies. The initiatives supported in the executive budget include:

- **Publicly Funded Child Care:** Investing \$198 million over the biennium in additional federal funding to improve the quality of Ohio's publicly funded child care system through the Department of Job and Family Services. This funding will expand the *Step Up To Quality* child care rating system to increase the quality of childcare available across the state by helping providers recruit qualified educators and offer equal access to quality child care settings for more of Ohio's children.
- **Ohio Books from Birth Program:** The budget also invests \$5 million over the biennium to create the Ohio Books from Birth program within the Department of Job and Family Services, which will ensure every Ohio child receives a monthly book to help spur their development and kindergarten readiness.

- **Child Protective Services:** The state’s child protective allocation is increased by \$30 million per year to support local children services and give them resources and flexibility to provide services to children in their care.
- **Home Visiting Programs:** The budget invests in the Department of Health’s evidence-based home visiting program – Help Me Grow – which is proven to help lower infant mortality rates, increase kindergarten readiness and improve parenting skills. As part of this initiative, the executive budget also creates the Pay-for-Success pilot program – a public-private partnership aimed at increasing the availability of home visiting programs.
- **Early Intervention:** Over the biennium, \$46.5 million will be focused on Department of Developmental Disabilities programs to provide more children – including those with toxic lead exposure and neonatal abstinence syndrome – with the services and supports they need to grow into strong adults. These additional funds provide expanded eligibility for Early Intervention services and care coordination for eligible children.

Early learning should not be limited by the catch-all word “preschool.” Instead, our supports for child learning and development extend to innovative programs across state government. By recommitting ourselves to program collaboration and budgetary investments, expanded services for children will be more readily available and impactful.

CAREER AND POSTSECONDARY READINESS

We are committed to ensuring Ohio’s education system is structured so that students graduate from high school ready to succeed along their unique paths. Ohio’s strategic plan calls on the state to rethink the high school experience, and this budget will build on that work.

Industry-Recognized Credentials – High School Students

Perhaps the most exciting change happening in education is the work we are doing – primarily in high schools – to connect students to careers. Career-based learning is a win-win. Students win because career-based learning means students are more engaged and, therefore, more likely to reach the significant learning outcomes that will enhance their future success. Businesses also win because more individuals are aware of the great jobs we have here in Ohio and emerge ready to contribute to our economy.

The budget recommends \$8 million per year to support students earning in-demand industry credentials by paying the costs of credential applications and assessments. Right now, schools are only required to pay the cost of credentials for economically disadvantaged students, with the Department reimbursing schools for this cost. Expanding this to all students will make this pathway to graduation even more accessible to students.

Additionally, \$12.5 million will establish and operate the Innovative Workforce Incentive Program. Beyond just reimbursing the school for the cost of the credential, this program will incentivize schools and career centers by paying a \$1,250 bonus for each student earning priority credentials identified by the Governor’s Office of Workforce Transformation.

Finally, \$4.5 million will be used to incentivize schools to establish credentialing programs that qualify for the Innovative Workforce Incentive Program, prioritizing senior-only credentialing programs in schools

that currently do not operate such programs. This new program will quickly increase the number of credentials awarded, making students immediately employable or giving them a firm foundation for further education.

Computer Science

Computer science education is receiving increasing attention in Ohio. We know the business community needs and expects computer science knowledge and skills from our graduating students. The State Board of Education recently developed learning standards and model curriculum for computer science. This budget will set aside \$1.5 million to reimburse teachers for the costs of coursework and content exams needed to become licensed to teach computer science. The funds will assist nearly 900 currently licensed teachers.

College Credit Plus

A decade ago, Ohio high school students had limited, inconsistent and fragmented opportunities to earn college credit while in high school. Today, Ohio's College Credit Plus Program helps students in grades 7-12 earn college and high school credits at the same time by taking college courses from community colleges or universities at no cost to the students or their families. Participating students take courses that count toward a degree pathway to maximize the value of their learning. In three years, College Credit Plus students have earned nearly 2,400 associate degrees and almost 1,200 certificates, while realizing more than \$410 million in tuition savings.

But, we can do more. One way to do that is to make more dual enrollment courses available in high school classrooms. This budget dedicates \$3 million for high school teachers to take graduate-level coursework to qualify to teach college-level classes. This will expand access to the program by offering more opportunities for high school students who may not be able to easily access courses on college campuses.

We are excited about the continued commitment to career readiness and the partnerships that can be developed between businesses, schools, classrooms and communities to ensure a more prepared and entrepreneurial workforce.

QUALITY SCHOOL CHOICE

EdChoice Expansion

Many students and families benefit from Ohio's school options, and we continue to focus on ensuring students have quality choices. Participation in traditional EdChoice has more than doubled since 2009, from fewer than 10,000 students to more than 23,000 students today. The EdChoice Expansion program is targeted to economically disadvantaged students who do not qualify for traditional EdChoice. The budget funds the addition of sixth and seventh grades in the EdChoice Expansion program, expanding access to this program, and serving an estimated 16,000 Ohio students by the end of the biennium.

Quality Community Schools Support

The budget also recommends \$30 million in each fiscal year to provide additional funding for community schools of quality. This funding recognizes the funding disparities that exist between traditional districts and community schools but targets additional funding to those community schools that are raising student achievement. A community school qualifies for funding if it meets the following criteria (Type 1):

- Scores higher on the Performance Index than the traditional district where the community school is

- located on the two most recent report cards;
- Receives an A or B on the Value-Added growth measure on its most recent report card;
- Serves a student population with at least half of the students classified as economically disadvantaged; and
- Has a sponsor that is rated exemplary or effective.

The budget also affords new community schools the opportunity to qualify for funding if the school replicates a school that meets the above criteria (Type 2) or uses an operator with a record of quality in other states (Types 3 and 4). Schools that qualify retain the designation for three years. Schools earning this designation would receive \$1,750 for each economically disadvantaged student and \$1,000 for all other students.

ACADEMIC DISTRESS COMMISSIONS

This budget also includes a proposal to reform how Ohio addresses those circumstances in which a school district shows evidence of persistent underperformance. House Bill 70 of the 131st General Assembly enacted statutes that require the superintendent of public instruction to establish an academic distress commission for a school district that meets a specific set of conditions and describes the way such a school district will be governed and managed. Since the enactment of that statute, three academic distress commissions have been created: Youngstown City School District in February 2016, Lorain City School District in July 2017, and East Cleveland City School District in September 2018.

Last year, Senate Bill 216 added a provision that required me, as superintendent of public instruction, to review all policies and procedures regarding academic distress commissions and offer recommendations no later than May 1, 2019. In compliance with this requirement, I issued a report – which has been provided to this committee – containing several recommendations to improve the state’s response to persistently underperforming school districts in Ohio, and a number of these recommendations are contained in House Bill 166.

Three key principles informed my report: first, that successful district improvement requires a focus on effective practices that drive meaningful change; second, that improvement efforts should first seek to build the capacities of the local board of education, superintendent and leverage staff and community support; and third, that there is no one-size-fits all approach.

The budget proposal requires that a district be designated as in “substantial and intensive support” status after it receives an overall grade of F on its state report card. This designation – which occurs much sooner than under current law – triggers an academic performance review and resource utilization analysis to identify the specific supports needed. The Department and district will then enter into an Expectation and Support Agreement to ensure the Department follows through with a customized system of supports while the district works to meet the state’s expectations for local improvement planning and action.

While we hope a district will see improvement with substantial and intensive support, if a district does not improve and underperformance persists, additional improvement interventions become available. The bill provides a menu of interventions that can be utilized. A district remains in substantial and intensive support status or engaged in an improvement intervention until the district’s performance improves (as indicated by a C or above overall grade on its report card) or as determined by the state superintendent based on

academic performance and capacity for sustained improvement.

For districts that currently have academic distress commissions, those commissions may remain, or an alternative intervention may be agreed to under a new Expectation and Support Agreement.

We know there has been a great deal of discussion about academic distress commissions – both within the legislature and in communities across the state. I hope we can continue these conversations to develop a system that supports local districts and communities and provides the best opportunities for improvement and success.

OTHER BUDGET ITEMS

Before I close, allow me to highlight briefly a few additional items included in the proposed budget:

- **Accountability Systems:** Ohio school and district report cards give communities and families important information about the progress of their school districts' achievements and are a key component of Ohio's accountability model. This budget recommends \$7.5 million in FY20 and \$7.6 million in FY21 for continued programming and technology support for report card production. You may notice this appears to be a significant increase from the current year appropriation – but it is not. The proposed budget recognizes one-time non-GRF funds used for this work in the current biennium are no longer available. The budget reflects flat funding for report card production.
- **Teacher Evaluation:** Based on recommendations made by the Educator Standards Board and the State Board of Education, last year, the General Assembly revised Ohio's teacher evaluation system, effective for the 2020-2021 school year. The executive budget recommends an additional \$1 million in each fiscal year to create and deploy new training material, revise and update the credentialing system, support district pilots, and provide support and assistance to the field.
- **Innovative Shared Services:** This budget supports schools that are thinking creatively about how to streamline operations and employ cost-effective strategies for shared services. One million dollars in each fiscal year is recommended for a new grant program for schools that demonstrate innovative methods of cost savings and education through shared service programs.
- **Other state agency programs:** Many state agencies – including the Ohio departments of Job and Family Services, Medicaid, Developmental Disabilities, Health, Mental Health & Addiction Services, Public Safety, Higher Education, and the Development Services Agency and Opportunities for Ohioans with Disabilities – serve children in Ohio through a variety of programs and services. In the spirit of collaboration, I want to express the Department's support for these other state agency initiatives that support early learning, student safety, and career connections.

CONCLUSION

It is an exciting time for education in Ohio! Thanks to the vision and leadership of Gov. DeWine and Lt. Gov. Husted, the General Assembly and the State Board of Education, we have an education system that is improving each year, and the great opportunity to take further steps to influence and ensure the success of Ohio's children. This executive budget tackles critical issues around student wellness, bolsters early childhood learning opportunities, and invests in activities to make sure graduates are ready for careers and

postsecondary education. I look forward to working with you to further explore the details of the Department's budget recommendations.

Again, thank you for the opportunity to present to you today. I would be happy to answer any questions you may have at this time.