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Senate Finance Committee

Testimony on House Bill 110

Lisa A. Gray, President, Ohio Excels
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Chair Dolan, Vice Chair Gavarone, Ranking Member Sykes, and members of the Senate Finance Committee, thank you for the opportunity to provide written testimony on House Bill 110 (HB 110). My name is Lisa Gray, and I am the President of Ohio Excels.

Ohio Excels is a non-partisan, non-profit organization created by leaders of Ohio's business community to more consistently and deeply engage the business community in helping to improve educational outcomes for all Ohio students. Our focus on education includes early childhood, K-12, and postsecondary. 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.

Today, I would like to address elements of the Senate's school funding plan and highlight a few other education proposals that are of interest to our board.

K-12 School Funding

Ohio Excels, with our Board, has established several ideal school funding principles and policy outcomes for Ohio's school funding formula. I've attached these principles and policy outcomes to my testimony for your review.

We believe that our funding system must provide sufficient state funding to ensure that the educational needs of Ohio's diverse student population are met within a framework that can be adjusted to accommodate the economic realities of the state. We also believe that the formula should provide differentiated funding to account for the costs associated with various special types of student needs and that the formula ensures students with similar needs are funded at similar levels, regardless of what public school they attend.

The current plan in HB 110 aligns to our board's principles and we applaud the changes the Senate has made to address concerns that we, and others, have raised.

Overall Cost and Funding Source

Ohio Excels strongly supports the changes made to the formula that will address the potential runaway costs associated with earlier versions of the school funding formula, identify the state revenues that will pay for this plan and mitigate concerns about tying the hands of future General Assemblies. We no longer believe that the cost studies required by Senate Bill 310 of the last General Assembly for student weights are needed and suggest they be eliminated as they will not be completed until this budget has been finished.

Student Wellness & Success Funding

We believe the state needs to take a holistic look at all of the investments made in the budget directed to the needs of students and families so it can better align and maximize the effectiveness of these resources. The education funding formula should not be the only source of support for students' social and emotional wellbeing. **We support your decision to continue to provide Student Wellness and Success funding outside of the funding formula.** This approach helps ensure that all these funds are being used to support the critical and growing non-academic needs of Ohio's students.

Direct Student Funding for Choice Options

Ohio Excels has long supported equitable funding for students enrolled in all public schools – regardless of how they're governed. **We applaud HB 110 for proposing that state funds be sent directly to charter schools, STEM schools, and private schools** rather than passing through the local school district. We believe this direct funding will alleviate some of the friction between these different school sectors.

Quality Charter School Support Funding

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 many outstanding charter schools working with low-income students and achieving great results. The decision to **fully fund the Quality Charter School Support fund at \$54 million in each fiscal year is an important move that Ohio Excels strongly supports.** It will allow high-performing schools in Ohio to potentially expand and replicate, and it will help attract high-quality providers from other states to Ohio. **We also support the proposed increase of facility funding for brick and mortar charter and STEM schools from \$250 to \$750 per pupil.**

While, as I have indicated, we strongly support the changes the Senate has made, we respectfully request further consideration of a few important issues:

Return on Investment

As we debate changes to the school funding system, it is important to also consider how these investments will improve the academic outcomes for Ohio's students. We are not proposing specific improvement metrics tied to the increases in funding, but we strongly believe that the state must continue to measure and report student outcomes and maintain a robust and transparent accountability system. While not currently in the budget, **Ohio Excels strongly supports the improvements to the state's report card for districts and schools found in Senate Bill 145.** Developed by a coalition of educators, student advocates, business leaders, and other stakeholders, we believe that Senate Bill 145 creates a more accurate and fair report card that maintains transparency and accountability for all students and for our tax dollars.

Weighted Student Funding

We support moving to multipliers or “weights” rather than flat dollar supplements for students with special learning needs such as economically disadvantaged, special education, and English learners. This will ensure that funding for high-need students automatically scales in proportion to any changes made to the amount of money that is dedicated to a general education student.

Other Education Provisions

Outside of school funding, Ohio Excels has been closely watching a number of early childhood, K-12, and postsecondary education proposals.

Early Childhood Education

Ohio Excels believes it is critical to provide children from low-income families the opportunity to access high-quality early childhood education providers. It’s a crucial strategy to help close achievement gaps that start at an early age, ensure more students are ready for success in kindergarten, and allow more parents to return to work. Ohio Excels is happy to see the budget continues increasing the income eligibility threshold, moving it from 130% of the Federal Poverty Level (FPL) to 142%. **However, Ohio Excels would like to increase this eligibility to at least 150% of FPL** – as the budget does with special education students – for all low-income students this biennium, with the ultimate goal of reaching 200% in the next few years. Along with improving access to early childhood education, the state should continue its efforts to ensure those early childhood experiences are of high quality. **Ohio Excels supports the Step Up to Quality program** as it works to continue to improve the quality of providers over the biennium. While there likely are ways to improve the program, Ohio Excels believes that the state should continue to prioritize public funding for high-quality providers.

High School Graduation Requirements

The budget makes some necessary changes to high school graduation requirements to account for the special circumstances related to students with disabilities and students transferring from another state or certain private schools. **However, we are strongly opposed to changes to the Citizenship and Science diploma seals** that allow students to use grade of “B” in regular high school courses in lieu of state test results to show mastery in those subjects. There are already non-test options for those seals, and it is critical that we give our long-term graduation requirements a chance to be implemented and work. We strongly urge you to revert lines 27395 through 27404 and 27435 through 27442 to existing law.

Local Partnerships

Ohio is fortunate to have many local partnerships focused on increasing the educational attainment of their region. Called Cradle to Career partnerships (C2Cs), these collaboratives bring together education institutions, community organizations, and the business community to identify and implement collaborative initiatives to help improve students’ success. However, only 17 of 88 counties benefit from these partnerships at this time. **Ohio Excels, as well as the Complete to Compete attainment coalition, recommend that the General Assembly include \$1 million in seed funding each year to create and expand Cradle to Career partnerships** to support students and families where they do not currently exist. We strongly support the amendment proposed by Senator Antani (SC3064X1).

Industry Credentials

We support the budget’s earlier investment of \$41 million in industry credentials for high school students and we urge you to reinstate these dollars. The funding will include incentives to schools to offer credential preparation and subsidies to help students pay the cost of earning industry credentials in high school. We also believe that the state should prioritize funding for schools and districts with high enrollment of low-income students and require that all juniors and seniors be notified of this benefit, not just students currently in career-technical programs.

K-12 Program Funding

Thank you for the investments that you have made for the Ohio STEM Learning Network and Accelerate Great Schools. We believe these are important investments that have a positive impact on Ohio's students. We urge you to reconsider funding for a few programs that we believe are important for student success:

Teach for America: We support the original investment of \$2 million in 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 hundreds of new teaching corps members to serve in some of our hardest-to-staff school districts.

PAST Foundation: We also urge you to reinstate the proposed \$250,000 in funding for the PAST Foundation, an organization that is a critical partner to educators across Ohio. PAST provides some of the best professional development we have seen for educators on how to actively engage students in hands-on, problem-based inquiry and learning. The state should do everything it can to help expand their reach and impact so that more Ohio students have the opportunity for truly engaging education opportunities.

Ohio College Opportunity Grant Funding

The cost of college and other training programs can be a barrier for many Ohioans. The Ohio College Opportunity Grant (OCOG) is Ohio's primary need-based aid program for higher education – two and four-year degrees as well as technical programs. Before the great recession in 2008, the program received up to \$225 million a year. OCOG was cut dramatically after the recession, and it only started to recover in the last biennium. The General Assembly boosted funding to \$148.2 million for this fiscal year before COVID-19 related cuts. While we appreciate the Senate's increase in funding for OCOG, **we strongly recommend restoring OCOG's funding for FY 2022 to \$148.2 million and increasing it again for FY 2023.** OCOG is a critical piece of the state's effort to increase educational attainment, lower college debt, and give more low-income Ohioans access to great job opportunities.

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 looks forward to collaborating with policymakers to help improve the lives of all of our students.

Appendix One: Ohio Excels School Funding Principles

School Funding Principles

1. **Adequacy:**

- The formula provides adequate state funding to meet the educational needs of Ohio's diverse student population, and automatically adjusts to meet the economic realities of the state budget
- The formula is funded through a sustainable and predictable funding source that will not disrupt Ohio's economic growth and recovery.
- The new formula does not include caps and guarantees, and the transition to the new formula removes caps and guarantees as quickly as possible.

2. **Equity:**

- The formula accounts for students' different educational needs and directs funds equitably to address those unique needs no matter what public school the child attends.
- The formula should ensure that students with unique educational needs that generate additional funds directly benefit from that increased funding.
- The formula should fund all types of public schools in an equivalent manner.

3. **Transparency:**

- The formula and expenditures should be as simple, clear, and predictable as possible so all stakeholders can understand it and educators can reliably plan for the future.

4. **Choice:**

- The formula should enable families to choose the best school for their child and provide state funds to directly fund that choice.

5. **Improvement:**

- The formula, when fully implemented, will lead to improved student outcomes.
- The formula must be coupled with a robust evaluation and transparent accountability system to adequately measure and report student outcomes.

6. **Supports:**

- The formula is not the only source of funding to support students' social and emotional wellbeing, and schools, districts, counties, and the state should coordinate all resources for the benefit of students.

Ideal School Funding Policy Outcomes

School Choice Funding

1. Expand high-performing charter school funding and move it into permanent law.
2. Shrink the funding gap between charter schools and traditional public schools.
3. Transition to direct funding for school choice options and ensure the funding is not open to a line-item veto.

Wraparound Services

4. Improve coordination of wraparound services funding sources.
5. Maintain wraparound funding for schools, keep it outside of the formula, remove supplanting option and provide guidance on acceptable funding uses and evaluation protocols.

Formula Components

6. Ensure the new formula doesn't automatically increase base cost every year, without Ohio General Assembly approval.
7. Establish direct certification of economically disadvantaged students so funding for those students is more accurately targeted by the state.
8. Be specific about phase-in being tied to available dollars to ensure the new formula does not open the state up to lawsuits.

General Outcomes

9. Couple academic assessment and accountability policies to funding investments.
10. Increase transparency for school-level budgets and allow for intra-district school investment comparisons.