

Senate Bill 1

135th General Assembly

Proponent Testimony

David R. Zak, President & CEO

Crawford Partnership for Education & Economic Development

Chair Brenner, Vice Chair O'Brien, ranking member Ingram, and Members of the Education Committee, thank you for allowing me to provide testimony in favor of Senate Bill 1.

About Me

My name is David Zak, and I serve as the President & CEO of the Crawford Partnership for Education and Economic Development, a 501c3 public-private partnership that serves as the economic, community, and workforce development agent for Crawford County, Ohio.

I have been involved in economic development in this great state for 26 years, and previous to coming to this community, I had the opportunity to serve twice at the Ohio Department of Development and locally for Fairfield County, Clark County, and Seneca County. I have also served as the Northwest Ohio Director and a Vice President for the Ohio Economic Development Association, and I currently serve as an instructor for the Ohio Economic Development Institute.

About Crawford County

Crawford County is a rural micropolitan county of 42,000 in north central Ohio. We're located about an hour due north of Columbus, about 20 minutes north of Marion and 20 minutes west of Mansfield. We rank 60th in population out of Ohio's 88 counties, with 75% of our population and businesses located along US-30. Our communities celebrate their German heritage, with Bucyrus hosting the state's bratwurst festival and Galion putting on its own Oktoberfest. Much of the county is agricultural, with more than 700 farms placing us in the top ten to fifteen percent of counties for corn, wheat and soybean production. Manufacturing is also in our DNA, as one in three people in our workforce are employed in the industrial sectors. We also have active downtowns, two hospitals, and a branch campus of North Central State Community College.

A Great Year in Economic Development

As you know, 2022 has been a historic year in economic development for the state of Ohio. Thanks to the legislature, the administration, JobsOhio, as well as regional and local economic development partners, we have witnessed some incredible announcements – announcements like Intel's transformational \$20 billion, 3000 job project in Licking County, and more recently Ford's exciting \$1.5 billion, 2000 job EV project in Avon Lake, and Honda and LG Energy Solution's massive \$4.2 billion, 2500 job project in Jeffersonville.

In Crawford County, despite being economically distressed with a couple of major plant closures in the last couple of years, we've had a better year than we've seen in a long time, with five recent announcements and a few more on the way. Our vacant buildings are being filled. Our local companies are investing millions and planning to hire hundreds of new workers. New businesses are establishing there operations here. And I don't see this trend slowing down any time soon.

The Talent Crisis

The consequence of all this growth and development both at the state and local level is a huge demand for talent, a gaping need to find, recruit, develop, and retain a skilled and able workforce. In our annual Business Retention & Expansion outreach to hundreds of businesses, this continues to be the number one challenge business leaders are trying to address. In the strategic planning efforts with our board, addressing this situation continues to be one of our top priorities. In a search on OhioMeansJobs.com today, I can see that within 20 miles of our county seat, there are more than 4,500 available jobs, while statewide there are more than 210,000 open positions. Unemployment continues to stay at historic lows, and despite rising wages, there are simply not enough people to meet demand.

Local Workforce Development Efforts

It is important to note that we haven't been sitting idly by in Crawford County. At the time our organization was created in 2006, Crawford County was one of only four counties in Ohio without a dedicated economic development organization. One of the organization's early accomplishments was helping facilitate the creation of a ten-year vision plan, Crawford 2020. The key components to this plan were supporting existing businesses, attracting new ones, creating a stronger entrepreneurial ecosystem, and developing a high-quality workforce. Our leaders understood that without a high-quality workforce the other things can't happen.

From that point on, workforce development has been a clear focus for the organization.

- In 2011, we renamed our organization to the Crawford Partnership for Education and Economic Development.
- In 2015, in partnership with North Central State Community College, we helped launch the Crawford Success Center, the first higher education branch in the county's history. Within the first couple of years, more than 300 students enrolled in and completed college-level coursework, many of whom were first generation college students.
- In 2017, we launched the Community Opportunity workforce development web platform, which has been used by 420 businesses, 3200 students, and 23 school districts across Wyandot, Richland, and Crawford Counties. That same year, we redeveloped and facilitated Workforce Awareness for Graduates and Educators or WAGE Tours to expose students and educators to manufacturing, healthcare, and other industries.
- In 2018, we began facilitating the Crawford County Business Advisory Council for our six local school districts.
- In 2020, we hired our first full-time Workforce Development Program Director.
- In 2022, we included the local OhioMeansJobs director as part of our team, talking together weekly about how we can best serve and support the workforce and economic development needs of area businesses, having them intimately involved with our board meetings.

Yet despite these efforts, the problem hasn't been solved. Indeed, it continues to grow.

Bold & Innovative Structural Moves

That isn't to say our local efforts haven't produced results. Indeed they have, as have regional and state efforts. The reality is, however, that more –much more– is needed. If we don't act and innovate soon, I believe we will lose our leadership position and fall behind other states. Our economy will slow as companies simply can't hire all of the talent they need in order to fill all of the jobs they are creating. This situation as I describe it is already here, and I believe it will only get worse unless action is taken.

From 2011 to 2014, I had the opportunity to lead the Business Services Division at the Ohio Department of Development as JobsOhio was getting up and running. I believed then, as I believe now, that the privatization of economic development was a bold and innovative structural move that positions Ohio to continue to grow, strengthen its economy, and give it a competitive advantage over other states. I believe the evidence clearly supports that this has come to pass, and I believe this state has an even brighter future – if we can address the workforce development challenge.

When I became aware of Senate Bill 1, I was excited and hopeful. Similarly, I see in it another bold and innovative structural move that will help position Ohio to continue to grow and strengthen its economy and give it a competitive advantage over other states. Here are the top five reasons why I believe that to be the case:

1. **Transformation is Needed.** The current system isn't working well enough to support Ohio's current and anticipated level of economic growth. Although a lot of positive efforts have been made, something additional and transformative must be done to "move the needle" on workforce development and improve our competitiveness – for the benefit of our students, companies, and communities.
2. **Clarification of Purpose.** Renaming the Ohio Department of Education to the Department of Education and Workforce first and foremost states clarifies that the most important goal of education is to prepare young people for a successful career, and thereby to grow Ohio's workforce. This is similar to what my own organization did in 2011.
3. **More Innovation.** Creating a Division of Career & Technical Education within the agency and placing it alongside the Division of Primary and Secondary Education, will elevate its importance and help drive innovation in our educational system. The new agency will be able to more easily redesign, integrate, and implement educational programming and policy. At the same time, it continues to place importance and emphasis on traditional primary and secondary education.
4. **Better Alignment.** Placing both division directors on the Governor's Executive Workforce Board will enable them to listen, discuss, and engage in important discussions about workforce, which will help them stay better aligned with the needs of business and industry. The Board is a well-respected group with local and state public- and private-sector leaders in government, education, and business.
5. **Better Coordination.** Making ODEW a cabinet-level agency will enable the Governor to appoint the director with the consent of the Senate. This will allow for a better connection and accountability between the department and the administration and legislature, creating better coordination.

Conclusion

In conclusion let me say this. In their 2011 Pathways to Prosperity Report, the Harvard Graduate School of Education said that "The American system for preparing young people to lead productive and prosperous lives as adults is clearly badly broken. Failure to aggressively overcome this challenge will surely erode the fabric of our society."

The report highlighted the skills gap between students and the economy - estimating that two thirds of all future jobs will require some type of post-secondary credential, while less than 40 percent were meeting that threshold. More recent information from ODE estimates that 75 percent of Ohio's job growth will be in occupations requiring at least a post-secondary credential. It seems to me that we clearly need to do something to address this problem, and I can tell you that from the perspective of a rural community wanting to grow and succeed, it is our biggest economic development challenge.

At the end of the day, I agree with the vision that came out of that report with respect to education and workforce. That vision states that the system should create three things:

1. **Opportunities.** Every local, regional and state economy is thriving and provides citizens with opportunities for economic advancement.
2. **Pipeline.** Every employer has a talent pipeline of young professionals with the skills needed to contribute to and lead the workforce.
3. **Goals & Support.** Every young person has clear goals for college and career and the support to achieve them.

It seems clear that the opportunities abound, but the talent pipeline and college and career goals and support for students are not where we need them to be in order to sustain our desired level of economic development. In my view, in creating the new Department of Education and Workforce, Senate Bill 1 sets the stage for transformational progress by better clarifying the purpose of education, driving more innovation, and staying better aligned and coordinated with key stakeholders. I believe this ultimately will help us all achieve better results – for our kids, companies, and communities.

Thank you, Chair Brenner Thank you, and I will be happy to answer any questions from the committee.