

Patrick J. Tiberi, Board Chair
Ohio Business Roundtable

Theodore Adams
Barnes & Thornburg LLP

Beverly Beery
Beery Insurance Services, LLC

Gary Z. Lindgren
Cincinnati Business Committee

Mary Beth Martin
The Farmer Family Foundation

Kenny McDonald
Columbus Partnership

Roland Medrano
La Mega Media

Tim Miller
Insurance Service Agency, Inc.

Fabian T. Padamadan
JPMorgan Chase

Daniels S. Peters
Lovett & Ruth Peters Foundation

Baiju R. Shah
Greater Cleveland Partnership

Margie Wright-McGowan
Federal Reserve Bank of Cleveland

Lisa A. Gray
President, Ohio Excels

Senate Education Committee

Testimony on Sub. House Bill 33

Lisa Gray, Ohio Excels
May 10, 2023

Chair Brenner, Vice Chair O'Brien, Ranking Member Ingram, and members of the Senate Education Committee, my name is Lisa Gray, and I am the President of Ohio Excels. I appreciate this opportunity to address your committee on behalf of Ohio Excels and our partners in the business community.

Ohio Excels and our business partners believe the budget includes policies that address the most pressing issues and target the most impactful strategies for helping students graduate ready to succeed in the workforce and close the skills gap for employers. In the interest of time, I've appended to my testimony a list of the proposals that our group supports and a more comprehensive list of requested amendments. I'd like to highlight for you today five ways we believe the budget could be improved even further.

Early Childhood Education Access

We believe that the state should make high-quality early childhood education opportunities available for more children and their families, especially for students who are economically disadvantaged. These opportunities will give students a strong foundation for learning and allow parents to return to the workforce. A recent [Groundwork poll](#) found that 68 percent of Ohio moms with children under five who do not currently work full time say they would go back to work if they had access to high quality and affordable childcare. It also found that 80percent of Ohioans believe the state should increase funding for childcare.

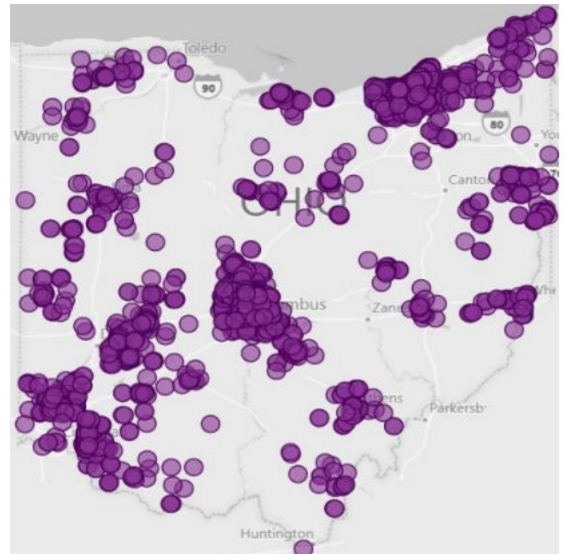
According to the Center for American Progress, 39 percent of people in Ohio live in a child care desert and 60 percent of rural Ohioans live in a child care desert. A child care desert is defined as a census tract that contains more than 50 children under age five where no child care providers are available or any tract in which there are more than three times as many children as licensed child care slots. The map on the next page, published by the Ohio Chamber of Commerce, provides a picture of Ohio's child care deserts.

While the House passed version of HB 33 does provide for an increase of \$15 million per year to build capacity in childcare deserts and in Appalachia, we believe that to meet the needs of Ohio families that an additional increase is warranted.

- **Amendment Request: Ohio Excels believes that the state should increase funding to expand child care capacity in areas of the state that need it the most.**

Literacy

We are excited that early literacy is a priority in this budget proposal and believe that nothing is more important than helping our children to become strong readers. The proposals to align materials to the science of reading, provide professional development and stipends for educators, and support literacy coaches for low-performing schools will help many more students read at grade level. While we support this historical investment, we respectfully request that funding levels be restored to the as-introduced levels for the instructional materials and professional development of teachers. Furthermore, we hope the Senate maintains the House's provisions requiring our colleges of education to make sure our teacher candidates are properly prepared in the science of reading.



Ohio Excels contracted with the Ohio Education Research Center to conduct a first-of-its-kind study to determine how Ohio students just above and just below the cut score – and thus retained – performed academically in following years. The results surprised even us: Third grade students who were retained performed better than similar students who originally scored just above the cut score in ELA and math in every grade we could examine, fourth grade through seventh grade. While the gap between retained students and non-retained students decreased each year, the immediate benefits were compelling. In fourth and fifth grade, for instance, the average retained student scores at least one performance level better than a similar non-retained student. We request that the Senate remove the third-grade retention provision in the House passed budget, thus reinstating the retention component of the policy.

- **Amendment Request: Ohio Excels believes that the Senate should restore funding to the \$64M in the as-introduced version of the budget to fully cover the cost of updating materials.**
- **Amendment Request: Ohio Excels believes that the Senate should restore funding to the \$43M a year proposed in the as-introduced version of the budget to provide meaningful stipends to educators for completing additional professional development.**
- **Amendment Request: Ohio Excels believes the Senate should keep the retention component of the Third Grade Reading Guarantee. Research has shown that the lowest performing readers benefit from grade retention based on reading ability. Students who do not read proficiently by the third grade are four times more likely to leave high school without a diploma compared to proficient readers. That disparity increases to six times more likely if the student is economically disadvantaged.**

Charter School Funding

We support the additional per pupil funding for high-quality charter schools and the increase in the facilities funding for all brick-and-mortar charter schools. However, even with those changes, the average public charter school receives approximately 25 to 35 percent less per pupil in overall public funding than comparable school districts. The ability of districts to raise revenue from local taxes puts charters at a disadvantage in recruiting and retaining effective educators and offering enrichment opportunities for our students. We believe an equity supplement is warranted to help close this gap and improve educational opportunities for the children whose families choose this

school option. We believe that all brick-and-mortar charter schools should receive an additional \$1,000 per pupil equity supplement to help close the funding gap.

- **Amendment Request: Ohio Excels believes that all brick-and-mortar charter schools should receive an additional \$1,000 per pupil equity supplement to help close the funding gap to improve the performance of students in Ohio's charter schools.**

FAFSA Completion

Our state's future success hinges on more Ohioans earning high-value credentials and postsecondary degrees. The budget makes important investments in making all types of higher education – technical training, two-year colleges, and four-year universities – more affordable for students. The first step for all of these education options is completing the FAFSA. The budget currently includes FAFSA in the financial literacy standards, but we think this is insufficient to move the needle on Ohio's FAFSA numbers. Ohio students leave [\\$108 million in federal assistance](#) on the table because qualifying students did not complete the FAFSA. In order to make this effort successful, our school counselors and community organizations need additional support. We believe the budget should include a grant program that provides funding to local and regional organizations to support school counselors, engage families, host events, and work to ensure more students complete the FAFSA.

- **Amendment Request: Ohio Excels believes the budget should include \$5M in each year for a grant program that provides local and regional organizations funding to support school counselors, engage families, host events, and work to ensure more students complete the FAFSA.**

Computer Science

Computer science knowledge and proficiency are one of the most sought after skills by Ohio employers, but unfortunately not nearly enough Ohioans have the requisite skills to be employed in all the open positions employers are posting. Ohio lags the country in computer science – we are 31st in the percentage of computer science courses offered to high school students. This must change if Ohio is to meet the needs of the workforce and expand and maintain a robust economy. Currently the budget requires that all Ohio students in grades 7-12 have access to at least one computer science course a year but does not include funding to reimburse districts that offer an approved online course. We are requesting that the Senate include \$12 million in the budget each year to support course access and upskilling educators to allow them to teach computer science.

- **Amendment Request: Ohio Excels believes that the Senate should allocate \$12M in funding per year for computer science to upskill educators and expand course access for students.**

Finally, I encourage you to review the other policy priorities and amendment requests for HB 33 appended to my testimony. Thank you for your time today, and I would be happy to answer any questions you might have.

Ohio Excels' State Budget Amendment Requests

- **CHILD CARE CAPACITY:** Allocates \$15M each year (a decrease from \$150M in FY 2024) to build infant and toddler child care capacity among Appalachian communities and communities with high infant mortality rates.
 - **Amendment Request:** Ohio Excels believes that the state should increase funding to expand child care capacity in areas of the state that need it the most.
- **THIRD GRADE READING GUARANTEE:** Removes the retention component of the Third Grade Reading Guarantee, eliminates the state's fall ELA test, and requires reading plans for non-proficient readers up to fifth grade.
 - **Amendment Request:** Ohio Excels believes the Senate should keep the retention component of the Third Grade Reading Guarantee. Research has shown that the lowest performing readers benefit from grade retention based on reading ability. Students who do not read proficiently by the third grade are four times more likely to leave high school without a diploma compared to proficient readers. That disparity increases to six times more likely if the student is economically disadvantaged.
- **HIGH-QUALITY INSTRUCTIONAL MATERIALS:** Requires the Department of Education to identify high-quality instructional materials aligned to the science of reading, bans the discredited instructional strategy called three cueing, and creates a new fund of \$44M in FY 2024 to help schools update their materials (a decrease from \$64M).
 - **Amendment Request:** Ohio Excels believes that the Senate should restore funding to the \$64M in the as-introduced version of the budget to fully cover the cost of updating materials.
- **LITERACY PROFESSIONAL DEVELOPMENT:** Allocates \$21.5M a year (a decrease from \$43M a year) to support new professional development rooted in effective literacy instruction for all teachers and administrators, a stipend for teachers that complete the training, and the development of free courses by the Department of Education.
 - **Amendment Request:** Ohio Excels believes that the Senate should restore funding to the \$43M a year proposed in the as-introduced version of the budget to provide meaningful stipends to educators for completing additional professional development.
- **CHARTER SCHOOL FUNDING:** Increases the per pupil awards to high-quality charter schools to \$2,250 and up to \$3,000 for low-income students and increases facilities funding for all brick-and-mortar schools to \$1,000 per pupil.
 - **Amendment Request:** Ohio's public charter schools receive 25% to 35% less per pupil in overall public funding than comparable districts. Ohio Excels believes that all brick-and-mortar charter schools should receive an additional \$1,000 per pupil equity supplement to help close this gap and to improve performance.
- **FAFSA COMPLETION:** Requires FAFSA to be included in the high school financial literacy model curriculum.
 - **Amendment Request:** Ohio Excels believes the budget should include \$5M in each year for a grant program that provides local and regional organizations funding to support school counselors, engage families, host events, and work to ensure more students complete the FAFSA.
- **OHIO COLLEGE OPPORTUNITY GRANT (OCOG):** Increases the eligibility threshold for students from families with an income of up to \$87K and nearly doubles the award amounts for each new student to \$6,000 per year by the end of the biennium. However, the House's budget cut OCOG funding from \$377M to \$90M over the biennium and gives the Chancellor expanded authority for managing awards if the appropriation is insufficient.
 - **Amendment Request:** While we support returning to the Governor's appropriation level, we are requesting the Senate increase the House's OCOG funding by \$100M over the biennium and maintain the increase in eligibility and award amounts to make Ohio more competitive for top talent.
- **COMPUTER SCIENCE:** Requires that all Ohio students in grades 7-12 have access to at least one computer science course a year but does not include funding to reimburse districts that offer an approved online course.
 - **Amendment Request:** Ohio Excels believes that the Senate should allocate \$12M in funding per year for computer science to upskill educators and expand course access for students.
- **REGIONAL EDUCATION PARTNERSHIPS REQUEST:** Ohio Excels believes the state should continue the Regional Education Partnership grant program at ODE to support partnerships that span early childhood through higher education, all with the goal of increasing educational attainment in their region, with \$5M in each year of the biennium.

Ohio Excels' Priorities Included in the House Budget

Early Childhood Education: Expanding Access and Quality

- **EARLY CHILDHOOD EDUCATION ELIGIBILITY:** Increases the income threshold for publicly funded early childhood education opportunities from 142% of the federal poverty level to 160%.
- **PRESCHOOL EXPANSION:** Includes an additional \$61M per year in Early Childhood Education grants, estimated to expand preschool for students and families under 200% of the federal poverty level.
- **DEPARTMENT OF CHILDREN AND YOUTH:** Creates a new Department of Children and Youth that will promote efficient and effective delivery of services to Ohio's more than 2.5M children and their families.

K-12 Education: Accelerating, Funding, and Diversifying Learning Opportunities

- **LITERACY COACHES:** Funds up to 100 literacy coaches for schools and districts with the lowest reading proficiency rates using \$18M over the biennium to help educators implement effective strategies.
- **STUDENT TUTORING:** Provides \$15M a year to support math and literacy tutors for students.
- **EDUCATOR PREPARATION PROGRAMS:** Requires the Chancellor to ensure that each educator training program includes evidence-based strategies for effective literacy instruction aligned to the science of reading through program audits. The results of audits are shared publicly on an annual basis, and if a program does not address findings of misalignment within one year, the Chancellor must revoke the program's approval. The Chancellor must publish first-time passage rates of teacher candidates on the Foundations of Reading Licensure test.
- **PUBLIC SCHOOL FUNDING:** Implements years three and four of the Cupp-Patterson school funding formula phase in created during the last budget with about \$557M in additional funds over the biennium.
- **EDCHOICE SCHOLARSHIP:** Increases the eligibility for the EdChoice voucher program from 250% to 450% of the federal poverty level.

Higher Education: Increasing Accessibility, Affordability, and Completion

- **OHIO WORK READY GRANT:** Creates a new need-based aid program with \$41M over the biennium that will give up to \$3,000 to students who are enrolled in a credit or noncredit program at a community college, Ohio Technical Center, or branch campus that leads to an industry-recognized credential, certificate, or degree aligned to an in-demand job.
- **MAINTENANCE OF EFFORT:** Creates a requirement that higher education institutions do not increase tuition and fees to match the additional state support provided to students.
- **SECOND CHANCE GRANT PROGRAM:** Continues the program which allows students that disenrolled from college to receive state aid if they return to any higher education institution, supported with \$2M in funding each year.
- **COLLEGE CREDIT PLUS:** Allocates \$7.5M each year to support more high school teachers earning the required credentials to teach College Credit Plus courses in their high schools and establishes an innovative waiver process to allow businesses and higher education insitutions to create statewide College Credit Plus pathways that students not meeting traditional college readiness standards can use to earn industry credentials.

Ohio Excels' Priorities Included in the House Budget

Career Pathways & Partnerships: Preparing & Connecting Talent to the Workforce

- **WORK-BASED LEARNING INCENTIVE PROGRAM:** Creates a new fund of \$10M each year for \$1,000 payments to schools for each K-12 student who completes 250 hours of a work-based learning experience such as an internship.
- **INNOVATIVE WORKFORCE INCENTIVE PROGRAM:** Continues a program that rewards districts and schools with a payment of \$1,250 for each student that earns a qualifying, in-demand industry credential.
- **K-12 CREDENTIAL REIMBURSEMENT:** Continues a program that reimburses the cost of K-12 students earning a credential, such as a testing fee.
- **TECHCRED:** Continues the employer-driven, short-term, and technology-focused credential program with \$25.2M in each year.
- **TALENT READY GRANT PROGRAM:** Formerly called Short-Term Certificates, the new program supports workforce credential and certificate programs under 30 credit hours or 900 clock hours at community colleges and Ohio Technical Centers with \$25M in each fiscal year, which can be used for need-based aid and to establish or operate credential programs.
- **INDIVIDUAL MICRO-CREDENTIAL ASSISTANCE PROGRAM (IMAP):** Continues a program to reimburse training providers for helping low income, partially unemployed, or totally unemployed Ohioans earn a short-term credential.
- **BUSINESS ADVISORY COUNCIL RECOGNITION INITIATIVE:** Allocates \$6M over the biennium to provide incentive payments of up to \$50,000 each year to K-12 business advisory councils that achieve a "high quality" designation.
- **INDUSTRY SECTOR PARTNERSHIPS:** Increases the total funding for these regional workforce collaborative grants from \$2.5M to \$7.5M a year.
- **IN-DEMAND CAREER-TECH PROGRAMS:** Allocates \$50M each year to launch new in-demand career-tech programs and industry-recognized credential programs in traditional high schools and career technical centers.
- **CAREER-TECHNICAL CONSTRUCTION GRANT:** Provides \$200M in FY 2024 to support facility costs to expand capacity in career-technical education programs in critically needed occupations.
- **SUPER RAPIDS:** Allocates \$100M in FY 2024 – down from \$200M in the as-introduced – for grants to higher education insitutions to support new construction and equipment purchases for higher education and training programs aligned to local workforce needs.