

House Education Committee

Testimony on House Bill 96

Kevin Duff, Executive Vice President, Ohio Excels

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Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for the opportunity to testify on HB 96. My name is Kevin Duff, and I am the Executive Vice President of Ohio Excels. Ohio Excels is a nonpartisan, nonprofit organization that engages and unites Ohio's business community on the full education-to-workforce pipeline, from early childhood, K-12, higher education, and into the workforce.

My extended testimony describes the full range of Ohio Excels' policy priorities for the budget, including our support for improving child care access, better targeting funds to our low-income students, and continuing to phase in the Governor's Merit Scholarship. I encourage you to review the whole testimony. However, today, I would like to briefly highlight our priority amendments for the budget.

The first three priorities come from our Career-Connected Learning Coalition, which is dedicated to pursuing policy solutions that expand career-connected learning opportunities to all Ohio students. The organizations that support the coalition's proposals include the Alliance for High Quality Education, ExcelinEd, Greater Cleveland Career Consortium, Learn to Earn Dayton, Ohio Association of Career and Technical Education, Ohio Farm Bureau, Ohio Federation of Teachers, and the Thomas B. Fordham Institute.

- **Middle School Career Exploration:** Ohio Excels and our coalition believe every middle school student should have access to a structured career exploration course to help them understand career options, assess their interests, and start career planning early. Many schools already do this successfully, and we are asking the state to require this for every middle school, so all students have the same opportunity.
- **Education & Workforce Data Insight Board:** The state should be doing much more to make the data it already collects more useful for stakeholders, such as **creating** dashboards and measuring return on investment. Ohio Excels and our coalition partners advocate for creating a cross-agency data governing board, which we call the Education and Workforce Data Insight Board. Made up of cabinet directors and stakeholders, this board would be charged with improving the state's ability

to securely provide access to data and support data-driven decision-making to improve student outcomes.

- **Statewide High School Internships:** We propose creating a new High School Internship Program which would give students access to paid, hands-on work experiences in multiple industries. Based on the successful Ohio Tech Internship model, this program aims to expand opportunities and equip students with valuable skills and professional networks.

The three remaining amendment priorities address additional ways the budget could improve student outcomes.

- **Algebra I & Licensure:** We applaud the state's efforts on literacy and continued funding of literacy coaches, but more needs to be done to improve math instruction and give students access to advanced math. We ask you to support two changes. First, the state should require *new* K-8 teachers to demonstrate proficiency in math before leading math instruction in the classroom. Second, the state should require schools to enroll students who achieve a high score on their 7th grade state math test into Algebra I in 8th grade unless their parents choose to opt them out. Schools may still enroll additional students using local measures and teacher judgment.
- **Computer Science Promise:** Computer science is essential for student success, and Ohio now guarantees access to courses for grades 7-12 through the CS Promise Program. To ensure more students take advantage of this opportunity, we urge you to require schools to proactively inform parents and students about these opportunities.
- **Educator Supply & Demand Data:** We appreciate the budget's provisions to collect data about the supply and demand of educators. However, we think more information is required to get a full picture. We recommend the budget expand reporting to include charter and joint vocational school districts, create a public dashboard, and collect additional information on turnover, hiring, and unfilled positions.

The remaining sections of my testimony will go into more depth on Ohio Excels' priorities, including the ones I briefly covered today. It will also describe some of our coalitions in more detail. Thank you for reviewing our priorities and for your attention to these proposals. I would be happy to answer any questions you might have.

Early Childhood Education

The first years of life are critical for brain and cognitive development, stimulated by high-quality early learning experiences. This is when children cultivate social skills, learn to manage their emotions, form foundational literacy skills, and develop resilience. These cornerstone skills pave the way for kindergarten readiness, elementary and middle school proficiency, and long-term academic success.

Early learning opportunities enable kindergarten readiness, the most powerful predictor of short- and long-term student success. This early success, combined with proficiency in 3rd - and 8th-grade reading and math, and consistent school attendance, are essential measures for predicting future academic success, high school graduation, and workforce readiness.

Research shows that investments in child care and high-quality early learning opportunities yield the greatest return. The return on investment in early learning is significant: every dollar spent yields four to nine times that amount. Children who attend high-quality early learning programs perform better academically throughout their school years, enabling them to excel in reading, math, and other core subjects later in their education careers – often despite living in low-income households.

To benefit from these investments, all families must have access and be able to afford quality early learning opportunities. This is NOT the case in Ohio right now.

Let's do the math.

The average annual cost of childcare for a family with two children in 2023²⁵ is **\$22,600**.

Families with two children pay more than **\$1,883** per month for childcare.



This is **\$860** more than the average rent in Ohio, which is currently around **\$1,023** per month.

The state's median household income is **\$65,720**.



*Based on that, families must dedicate more than **34%** of their annual income to childcare.*

Kindergarten readiness strongly predicts proficiency in future grades and is linked to ongoing academic success, graduation rates, higher income, employment stability, and lower reliance on social services, including incarceration. At this moment, Ohio's Kindergarten Readiness indicators are not good. Every year a full 64% of Ohio's students are NOT ready for kindergarten. This means that over 70,000 kindergarten students every year lack critical skills in social foundations, mathematics, language and literacy, and physical well-being, and motor development, as measured by the Kindergarten Readiness Assessment Revised (KRA-R).

Children who enter kindergarten behind all too often are not able to catch up, which

creates a hard-to-break pattern for students and costs Ohio significantly more money in remediation, intervention, and additional supports. An analysis conducted by the Ohio Department of Education and Workforce and Ohio Department of Children and Youth found that students who demonstrated readiness upon entering kindergarten were:

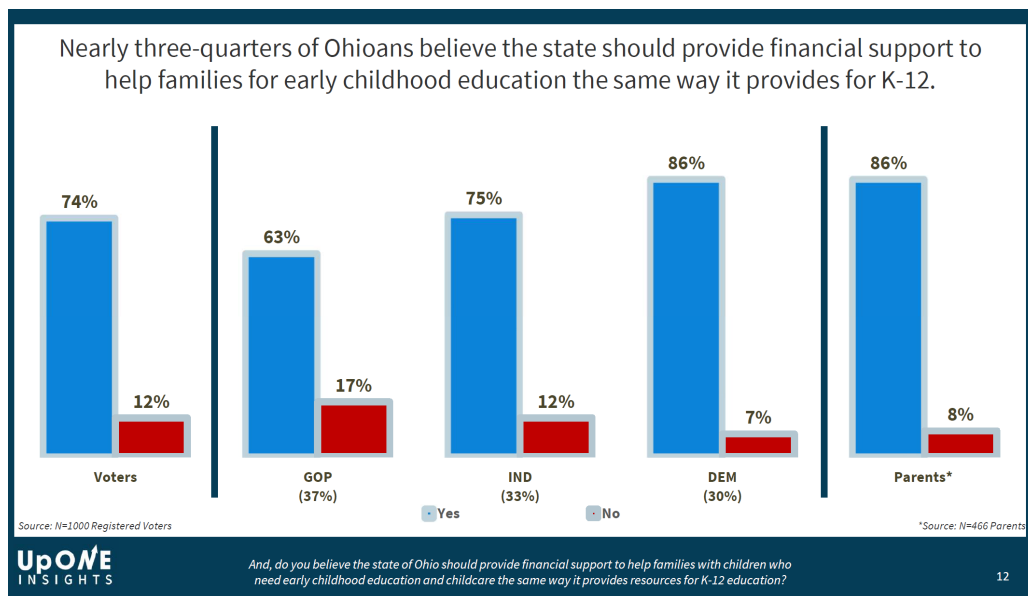
- **8x** more likely to be proficient in 3rd-grade reading than students in the same class who did not demonstrate kindergarten readiness.
- **7x** more likely to be proficient in 4th-7th-grade reading than their peers who were not demonstrating kindergarten readiness.

- **6x** more likely to be proficient in 8th-grade reading than their peers who were not demonstrating readiness at the start of kindergarten.

Ohio Excels support the broad array of early education and child care provisions proposed in HB 96. These proposals not only benefit the long-term success of Ohio's children but also enable more parents, especially mothers, to re-enter and remain in the workforce with confidence. The specific provisions we support include:

- **Increased Child Care Eligibility:** Increases the income threshold for publicly funded child care from 145% to 160% of FPL. Families between 160% and 200% of the FPL will be eligible for the Child Care Choice Voucher program. However, we would like to see this go even further by raising the income threshold to 200% FPL for all families.
- **Sustainable Program Payments:** Sets the amount that the state pays for early child care programs for publicly funded slots at the 50th percentile of the 2024 market rate survey for child care services.
- **Enrollment Payments:** Moves payments to child care providers to be based on the students enrolled in their programs, instead of attendance. This brings the payment method into alignment with federal law and Ohio's K-12 and higher education systems.
- **Full-Time Preschool:** Creates a pilot to convert more public preschool part-time grants to full-time grants to make public preschool options more accessible to 11,000 additional children. Recent polling by Ohio Excels indicates that 56% of parents have struggled to find child care and close to 75% are seeking full-time care.
- **Family Copayment Caps:** Establishes a new cap that families receiving publicly funded child care will pay no more than 7% of their income for child care, saving a working family of four almost \$8 per hour.
- **Child Tax Credit:** Creates a new, refundable income tax credit worth up to \$1,000 per child aged six or under. Families are eligible if they make at least \$22,500 per year and under \$94K if married or \$69K if single.

We think of these investments as two for the price of one – better prepared students and support for parents to stay in and re-enter the workforce. And we are not the only ones who believe in these important investments. Recent polling conducted by Ohio Excels in the last month indicates that Ohio's public, especially parents, strongly agrees with increased state support for early education efforts. Consider these results:



K-12 Education

Literacy Implementation

The previous budget showed an incredible commitment by the Governor and General Assembly to improving literacy in Ohio's schools by embracing the science of reading. While it is too early to see achievement scores jump, we do have early indicators of implementation success. A new poll by Ohio Excels found that 57% of parents have noticed changes in the way reading is taught in their child's school, and 43% of parents reported that their child is receiving additional reading support.

The evidence is clear that educators are stepping up to the challenge. We need to keep this momentum going. We are happy to see a continued investment of \$12M in each year of the biennium for literacy coaches to support educators as they implement the science of reading in schools and districts with the lowest reading proficiency rates.

Math Improvement

While literacy efforts continue, it is time to start looking at math. The proficiency rates in math are even lower than reading. Working with stakeholder groups including the Alliance for High Quality Education, Fordham, and others, we have identified two policies that will help ensure more students have access to advanced math and that new educators are prepared to teach math.

First, we believe that all *new* elementary and middle school teachers should be required to demonstrate a minimum level of competency in math before leading math instruction in the classroom. Teacher candidates that do not reach a minimum math score can still get a license, but they cannot lead math instruction.

Second, we believe that schools should be required to enroll all students who score Accomplished or Advanced on the state's 7th-grade math test into Algebra I in 8th grade unless a parent chooses to opt out. Schools would still have discretion to enroll additional students in Algebra I in 8th grade using local measures and teacher judgement. We have about 10,000 to 12,000 students statewide who are high performing and ready to advance in their math pathway but are not enrolled in Algebra I. The head start provided by this proposal would give students more time in high school to pursue advanced math coursework aligned to their postsecondary plans, such as statistics, career-technical education courses, and computer science.

We ask for your support for amendment HC 1154, which includes these two math proposals.

Computer Science

Computer science skills are critical for students to be successful in an ever changing economy. Our new poll found that 89% of Ohioans believe all schools should be required to offer a computer science course or coursework to students. Thankfully, the General Assembly passed the Computer Science Promise Program, or CS Promise, in the last budget. CS Promise requires that all Ohio students in grades 7-12 have access to at least one computer science course a year if they choose to take it. However, we are concerned that not enough students and parents know about this option. We ask for your support for amendment HC1157, which requires schools to proactively share information about this opportunity with parents in a similar way that College Credit Plus is done each year. Schools would have to share information about CS Promise and the computer science courses offered by the school in writing with students and parents, on the school's website, and during at least one in-person meeting with parents every school year.

Some organizations are advocating that computer science be added as a graduation requirement. While we agree with this in principle, we don't believe this is the time to make that change. We think there needs to be a larger conversation over the next year or two about the high school experience and how we make it more effective and relevant for postsecondary and workforce success. We are concerned that if there are changes in

this budget and in the next budget, it will confuse schools and students as well as complicate implementation. We ask that the General Assembly make no changes to graduation requirements in this budget.

Disadvantaged Pupil Impact Aid

Many of the testimonies today mention school funding. It is a complicated topic area with many facets. For example, the budget increases facilities funding for charter schools, which we appreciate. However, Ohio Excels has chosen to focus on one element of the school funding formula during this budget cycle: Disadvantaged Pupil Impact Aid, or DPIA. Our primary concern with DPIA is the method the state uses to identify how many economically disadvantaged students are enrolled in a given school district.

For years, the state has relied on the National School Lunch Program to help determine this number. However, as the eligibility of that program has changed, the accuracy of how we flag economically disadvantaged students has decreased. As more students of all income levels become eligible for free and reduced priced lunches, the DPIA funds meant for our most needy students are increasingly spread across the state to students who may not be economically disadvantaged. This means that some of our lowest-income districts might receive less DPIA funding over time while other districts with low percentages of economically disadvantaged students are receiving more than their fair share.

We are proposing that the state use a process called direct certification, which uses existing state data to measure the number of economically disadvantaged students in a school district without relying on school lunch program qualification (please note that this change will not impact any element the existing school lunch program). Economically disadvantaged students face many challenges, and we believe it is critical that this funding get to the students who need it the most.

Educator Supply & Demand

Over the past few years, there have been many conversations about teacher shortages and how that affects school staffing and initiatives. We believe that policymakers and stakeholders need a better picture of the staffing needs of schools so that we know where the need is greatest and we can see if programs meant to ease teacher shortages are working. The budget includes new provisions to collect data about school district vacancies.

We appreciate this language, but think the state needs some additional elements to provide a full picture of the need. This is why we urge you to support amendment HC1156. First, we would like there to be a public dashboard with aggregated demand data for stakeholders. Second, we would like the reporting requirement to apply to charter schools and Joint Vocational School Districts. Finally, we believe the data should also be able to answer additional questions:

- Why are positions becoming vacant (e.g., retirement, new position, left for another position, etc.)?
- How many of the positions had candidates apply, but none were selected?
- What is the turnover rate of the school or district?
- When are positions being filled?
- What grade level/band is most required?

Career-Connected Learning

Ohio Excels leads the Career-Connected Learning Coalition, which includes a diverse group of organizations dedicated to policy solutions that expand career-connected learning opportunities for all Ohio students. Members of the coalition include a broad range of stakeholder groups, including teachers, superintendents, school counselors, career-tech leaders, business groups, state agencies and more to develop a comprehensive proposal.

Together, these organizations are working to ensure that students across the state have access to high-quality career exploration, coaching, and pathways that align with their interests and abilities and Ohio's workforce needs. This has required deep analysis of national, state, and local level efforts, along with examining systems-focused, scalable policy solutions. This work over the last year has led us to coalesce around five major policy pillars for this state budget: 1) Career Exploration 2) Workforce Data 3) In-Demand Credentials 4) Work-Based Learning and 5) Expanding Career-Technical Education.

The organizations that support the coalition's proposal for the budget include the Alliance for High Quality Education, ExcelinEd, Greater Cleveland Career Consortium, Learn to Earn Dayton, Ohio Association of Career-Technical Educators, Ohio Farm Bureau, Ohio Federation of Teachers, Thomas B. Fordham Institute, and Ohio Excels.

The Urgent Need for Career-Connected Learning

Ohio is at a pivotal moment. Our economy is booming, with over 100,000 job openings paying \$50,000 or more annually, yet too many of our students leave high school unprepared to seize these opportunities. In our new report entitled Reality Check, data confirms that nearly half of Ohio's graduating Class of 2017 did not pursue education or training beyond high school. At the same time, a recent statewide poll shows overwhelming support from Ohio voters and parents for expanding career-connected learning with 90% of parents believing it's important for their child to have a plan that maps out their pathway to a career, and the majority believing career exposure and advising activities should happen in school.

We commend the Governor for taking important steps in this budget to support career-connected learning. Specifically, we support:

- The budget adds career planning into graduation plans for students. These plans help students identify their post-graduation career goals and aim to align their high school experience to them. This is a crucial step in putting students in the driver's seat of their education.
- The budget begins the process of changing the way we value industry-recognized credentials in K-12 education with goal of more realistically signaling a credential's true value in the workplace.
- The coalition is also in support of maintaining the language eliminating the waiver that allows schools to opt out of offering career-technical education in 7th and 8th grades. We believe every middle school student should have an opportunity to start their technical pathway.
- Current budget provisions also move forward with rating the Readiness component on Ohio School Report Cards. This gives schools credit for important career-focused programming and college readiness indicators.
- We also support the continued investments in the various workforce preparation efforts as they move us closer to a system where all students have clear pathways to prosperous futures.

While these investments are a strong foundation, we urge the General Assembly to go further by incorporating the Career-Connected Learning Coalition's remaining recommendations.

Make Career and Graduation Planning Meaningful by Starting in Middle School

Career exploration should not wait until high school. We strongly support requiring a structured, semester-long career exploration course or its equivalent for every middle schooler. This course would ensure every student gains exposure to Ohio's 16 career fields, interprets career interest and aptitude assessments with counselors, mentors, and coaches, and begins career planning experiences early. The best part is we have many examples of how schools across the state are already doing this and doing it well. It's time to make sure all of our students have the same opportunity. To ensure career exploration is delivered effectively statewide, middle

school teachers and career coaches need professional development aligned with a new Career Coaching Framework and Model Curricula for Career Exploration.

Create Structures to Better Use Workforce and Education Data

Ohio is blessed to have a strong foundation of early childhood, K-12, higher education, and workforce data. However, the state could be doing much more to make that data more useful for students, families, educators, advocates, and policymakers. Our state needs a strong backbone of secure data covering the student's education journey to aid in making the best policy decisions for our future. Our proposal is to create an education and workforce data governing board made up of agency directors and stakeholders representing the education and workforce pipeline. This governing board would provide leadership-level direction of Ohio's data system in a coordinated, secure, and transparent manner. The charge of the governing board will be to:

- Support critical education and workforce policies such as performance-based funding for higher education connected to employment outcomes, and measuring return on investment for various programs.
- Coordinate the creation of tools, dashboards, and reports that students, families, stakeholders, and policymakers can use to make informed decisions.
- Increase the capacity of the data system to securely process access and research requests.
- Create a cross-agency research agenda to better align the efforts researchers with the policy goals of the state.

Establish a Statewide High School Internship Program

Real-world experience for students is invaluable. The coalition is proposing a new High School Internship Program, which would facilitate paid internships for high school students. The program will connect students with employers and provide critical hands-on learning experiences, not to mention the social capital they may need to propel their futures forward. This program is modeled off of the successful Ohio Tech Internship program supported by Third Frontier funding. The High School Internship Program would help more students and be broader in scope than just tech-related positions.

We Need Middle and High School Transformation

While these recommendations help build a more career-connected learning environment, one area we'd caution against at this time is any revising of Ohio's graduation requirements. It's time we thoroughly evaluate current course structures, competency benchmarks, and readiness standards expected of our students. A careful analysis will ensure that any changes effectively reengage and empower students in their education and best prepare them for the evolving demands of the workplace.

Ohio has a once-in-a-generation opportunity to transform how we prepare students for life beyond high school. By building on the positive steps taken in this budget and implementing the Coalition's recommendations, we are making moves to ensure every student graduates not just with a diploma, but with a plan, a purpose, and a pathway to success. This sets the table for a deeper conversation about making the middle and high school experience as impactful for students' futures as possible.

Higher Education

One of our primary goals is to make higher education more accessible, affordable, effective, and connected to the workforce. We hope this will let more Ohioans benefit from the economic mobility that higher education can provide and the state as a whole can benefit from additional talent in Ohio's workforce. Researchers project that 66% of jobs by 2031 will require education or training after high school. As of 2023, only 52.8% of working-age Ohioans have a postsecondary degree or credential. Combined with the state's challenging demographic trends, Ohio needs more of its own high school graduates to earn high-value credentials and

postsecondary degrees. Fortunately, we believe the Governor's budget proposal makes great strides toward this goal.

Governor's Merit Scholarship

We are excited to see HB 96 continue the implementation of the Governor's Merit Scholarship. The scholarship encourages Ohio's best and brightest to stay in the state by providing the top 5% of each high school graduating class with a \$5,000 scholarship each year to attend an Ohio college or university. About 6,000 students in each graduating class, representing every county in the state, are eligible for this program.

We've already seen impressive benefits from this new program. In its first year, 76% of the top students in every high school committed to staying in Ohio for college or university. This is an increase from the historical average of 60%. After just two years, a new poll by Ohio Excels found that nearly half of parents are already aware of the Governor's Merit Scholarship. In that same poll, 78% of all Ohioans think it is a good idea for the state to invest in scholarships to keep Ohio's top students in the state.

We strongly agree. Ohio Excels encourages the House to support the phase in of the Governor's Merit Scholarship so we can keep Ohio's top talent in the state for years to come.

Financial Support for Students

The previous budget showed an incredible commitment to supporting students and developing talent. The Governor and General Assembly nearly doubled the funding for the Ohio College Opportunity Grant (OCOG) and created new programs supporting students attending two year institutions like Ohio Work Ready and Talent Ready. It also included support for upskilling adults through the Second Chance Grant Program and TechCred. Because these programs received a significant increase in the last biennium, we believe it makes sense to continue the same funding levels for this budget as the Governor proposes.

The one program that did see an increase in the Governor's budget was Choose Ohio First, with an additional \$2M in each fiscal year. This STEM-focused aid program also has talent retention component that nicely aligns with the mission of the Governor's Merit Scholarship and the workforce needs of the state. Ohio Excels and the Ohio Business Roundtable support increasing Choose Ohio First and the continuing funding levels for programs I mentioned earlier.

Increasing Student Access

Beyond financial support, this budget creates two new programs that can help Ohio students see that attending an Ohio college or university is a real possibility. The new Direct Admissions pilot is a voluntary program that automatically notifies high school seniors attending participating schools if they meet the academic admissions requirements of participating public and private colleges and universities in Ohio.

The budget also created a new admissions guarantee initiative. Students in the top 10% of their graduating class will be guaranteed admission to at least one campus of any state institution of higher education in Ohio. Students in the top 5% of their graduating class – those who also qualify for the Governor's Merit Scholarship – are guaranteed admission to the main campus of any public institution in Ohio.

Combined with the continued funding for the regional system of FAFSA support established in the last budget, these programs will help streamline the admissions process, increase the enrollment of underserved students, and showcase the higher education opportunities in the state. We recommend the House keep these access supports in the budget.

Workforce Outcomes & State Share of Instruction

Ohio's performance-based funding system for higher education has been a national leader since its creation 10 years ago. The State Share of Instruction (SSI)'s formula moved Ohio away from simply funding enrollment to

funding actual student outcomes like credit and degree attainment. However, we think now is the time to include the most important factor of all in the formula: student workforce outcomes.

According to a recent poll by Ohio Excels, 75% of Ohioans believe that the primary goal of higher education is to prepare students for a career. While higher education plays an important role in creating well-rounded citizens, students are hoping to secure a job with a family-sustaining wage after they graduate.

The Governor's budget modifies the SSI formula to tie a portion of funding to whether graduates are getting good-paying jobs. The state will use a national data set to measure employment outcomes one and five years after students graduate. The budget proposes directing \$100M of the roughly \$2.1B SSI using workforce outcomes each year. We think this is a great start. However, we believe additional funds should be directed in this way. One approach would be to have a modest increase to SSI, with all of the new funds being directed by workforce outcomes.

Thank you again for reviewing our priorities and for your attention to these critical proposals. Please reach out to me at lisagray@ohioexcels.org if you have any questions or would like to follow-up on any items in the testimony.