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Ohio Business Roundtable

Lisa A. Gray
President, Ohio Excels

Senate Finance Committee

Testimony on Am. Sub. House Bill 96

Kevin Duff, Executive Vice President, Ohio Excels
May 29, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate 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](https://ohioexcels.org) 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, postsecondary, and into the workforce.

My extended testimony describes the full range of Ohio Excels' policy priorities for the budget, which include increasing support for early childhood education, continuing the phase in the Governor's Merit Scholarship, and aligning state support for higher education institutions to workforce outcomes. I encourage you to review the whole testimony. However, today, I would like to briefly highlight our priority amendments requests for your consideration.

Ohio Excels is joined by other business associations in supporting these amendments, including the Ohio Business Roundtable, the Columbus Partnership, the Cincinnati Business Committee, the Greater Cleveland Partnership, the Ohio Restaurant & Hospitality Alliance, and the Ohio Council of Retail Merchants. You can find descriptions of our organizations at the end of the testimony.

I've collected our amendments into two groups. First, we are asking you to consider four Career-Connected Learning amendments:

- **Middle School Career Exploration & Planning – SC0530:** We believe every middle school student should have access to a structured career exploration course to help them understand potential 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. Every student should have a single, comprehensive academic and career plan by the time they start high school.
- **Education & Workforce Data Insight Board – SC0531:** Ohio has a strong foundation of education and workforce data, but we are not yet using this data to its full potential. Students, families, educators, and policymakers still lack answers to fundamental questions such as: Where are students struggling—and thriving—across the education-to-workforce pipeline?

What is a program's return on investment? This is why we are asking the Senate to establish the Education and Workforce Data Insight Board – a cross-agency leadership body that brings together state agency directors and external stakeholders to provide strategic direction for Ohio's data system. This board would help ensure our data efforts are connected, coordinated, secure, transparent, responsive to stakeholder needs, and – above all – focused on impact. With the right leadership and safeguards in place, we can finally unlock the full value of our data—making smarter decisions, measuring what matters, and better serving Ohio's students and economy.

- **Career Awareness & Exploration Funds – SC0534:** For the past few state budgets, Career Awareness and Exploration Funds have supported meaningful, locally-driven activities such as field trips, speaker series, career fairs, and career coaching – opportunities that help students make real-world connections between school and future careers. Without this investment, a vital part of Ohio's career-readiness infrastructure is at risk, particularly for younger students who benefit most from early exposure. We encourage the Senate to restore this fund with its original \$16.325 million per year.
- **Statewide High School Internships – SC0532:** 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.

Our remaining amendments address additional ways the budget could improve student outcomes.

- **Restore Kindergarten Readiness Assessment – SC0157:** For more than a decade, the Kindergarten Readiness Assessment (KRA) has been given to all Ohio kindergarten students in the weeks before or after the start of the school year. The KRA covers topics such as literacy and math competency, and it was recently streamlined to make it faster to administer. This consistent, statewide measure helps teachers and families understand where students need additional support and how to tailor early interventions. Unfortunately, the House removed the KRA from the budget. We urge you to restore this valuable tool.
- **Algebra I & Math Licensure Expectations – SC0543:** We applaud the state's efforts on literacy, but more needs to be done to improve math instruction. 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.
- **Educator Demand Data – SC0541:** Teachers and administrators have been alerting policymakers and advocates that there has been a shortage of qualified teachers for the past few years. The General Assembly has created programs to address these concerns, but without collecting data, there is no way to tell where the need is greatest and if the programs are working. We recommend the Senate adopt our amendment that expands on the Governor's introduced language by applying the reporting requirement to more types of schools (charter schools and career-tech schools), covering additional information related to employment, and more specific public reporting requirements.
- **Computer Science Promise – SC0542:** Computer science is essential for success, and Ohio now guarantees access to courses for students in grades 7-12 with 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.
- **Maintain Graduation Requirements – SC0533:** We believe that it is time to thoroughly evaluate current course structures, competency benchmarks, and readiness expectations for our high school students. However, these stakeholder conversations will take time. We expect to have recommendations for updated graduation requirements for the *next* budget, so we encourage you to revert the changes made to graduation

requirements in *this* budget back to current law. Otherwise, we are concerned that students, families, and educators will be confused by ever-changing requirements.

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.

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 by the Governor 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 from the As-Introduced budget that we support include:

- **Child Care Eligibility:** The Governor's budget increased the income threshold for publicly funded child care from 145% to 160% of the federal poverty level (FPL). The House reverted this threshold back to current law. Ultimately, we would like to see this threshold rise to 200% FPL for all families. However, we believe the Senate should at least increase this to 160% of FPL for this biennium.
- **Child Care Choice Voucher:** The Governor's budget codified a new program started by the Department of Children and Youth that provides vouchers to families to help pay for the cost of child care. To be eligible, the caretaker parent must be employed or in training, and the family income must be between 160% (the Publicly Funded Child Care threshold) and 200% of FPL. The proposed budget allocated \$75M in FY 26 and \$150M in FY 27 to fund the voucher. However, the House changed the appropriation amounts to \$100M in each fiscal year and removes program quality criteria from program eligibility. We recommend the Senate restore the Governor's proposal for the voucher.
- **Child Tax Credit:** The Governor's budget created a new, refundable income tax credit worth up to \$1,000 per child aged six or under. Families are eligible for it if they make at least \$22,500 per year and under \$94K if married or \$69K if single. The cost of the credit is \$450M for FY 26 and \$440M for FY 27, and it is funded by an increase in cigarette taxes. The House removed this tax credit, and we ask the Senate to consider adding it to its version of the state budget.

We support some of the programs and initiatives in the current version of the budget. We recommend the Senate maintain the following:

- **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, by July 1, 2026. This brings the payment method into alignment with federal law and Ohio's K-12 and higher education systems.
- **Child Care Cred Program:** Creates a new program that allows the costs of child care to be shared by participating employees (40% of the cost), employers (40%), and the Department of Children and Youth (20%). Participating employees' income may not exceed 400% of FPL. The program is set to receive \$10M in FY 26.
- **Child Care Recruitment and Mentorship Grant:** Creates a new \$3.2M grant program to increase the supply of licensed child care providers, especially in underserved areas, through recruitment efforts and operations support and guidance.

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: 63% of Republicans, 75% of independents, and 86% of Democrats believe the state should provide financial support to help families for early childhood education the same way it provides for K-12 education.

K-12 Education

Kindergarten Readiness Assessment

For more than a decade, the KRA has been given to all Ohio kindergarten students in the weeks before or after the start of the school year. The KRA covers topics such as literacy and math competency, and uniquely, it is administered by the student's teacher. It was recently streamlined to make it faster and easier to administer, typically taking about 30 minutes to complete.

This benchmark helps teachers and families understand where students need additional support, tailor early interventions, and track growth. This consistent, statewide measure also allows policymakers to understand where students are when they enter kindergarten. It's because of the KRA that we know 64% of students are not fully prepared for kindergarten.

Unfortunately, the House removed the KRA from the current version of HB 96. **We are asking you to support amendment SC0157**, which will restore this valuable tool that allows teachers to assess a student's starting point when they enter kindergarten and begin to tailor instruction to meet that child's needs.

Literacy Implementation & Math Improvement

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.

While literacy efforts continue, it is time to start looking at math. Ohio student results 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 – **found in amendment SC0543** – that will help ensure more students have access to advanced math and that new educators are prepared to teach math.

First, 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. More than 98% of students who scored in the top levels of the 7th grade math test (Accomplished or Advanced) scored at least proficient in math in 8th grade. However, only 35% of these students were enrolled in Algebra I.

Annually, we have about 10,000 to 12,000 students, statewide, ready to advance in their math pathway but are not given the opportunity. 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.

Second, we believe that all new elementary and middle school teachers should be required to demonstrate a minimum level of math competency before being permitted to lead math instruction. Today, a teacher candidate can score zero on the math portion of the licensing exam and still be certified to teach. It should

come as no surprise that many students struggle with math when some of the very educators leading their instruction are themselves not required to demonstrate basic math skills.

Educator Demand Data

Teachers and administrators have been alerting policymakers and advocates that there has been a shortage of qualified teachers for the past few years. The General Assembly has created programs to address these concerns, but without collecting data, there is no way to tell where the need is greatest and if the programs are working. The House removed language proposed by the Governor that would have collected new educator demand information. **We are asking you to support amendment SC0541** that restores this language and expands it to include charter schools and joint vocational school districts, create a public dashboard, and collect additional information on turnover, hiring, and unfilled positions so that we can make better data informed decisions on how to tackle this challenge.

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. However, we are concerned that not enough students and parents know about this option. **We ask for your support for amendment SC0542**, which requires schools to proactively share information about this opportunity with parents and students 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.

Career-Connected Learning

The Urgent Need for Career-Connected Learning and the Coalition Supporting It

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 86% of Ohio parents say that an individual plan that maps out a pathway to a career is important, yet half have never seen one for their child.

In an effort to tackle these issues, Ohio Excels leads the Career-Connected Learning Coalition, which includes a diverse group of 16 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.

Over the last year we have worked together to develop a comprehensive career education proposal aimed at ensuring that all 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 and data, 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 and Planning 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.

Make Career Planning Meaningful by Starting in Middle School

A foundational aspect of high-quality career-connected learning is meaningful, explicit career exploration and advising – and it should not wait until high school. We strongly support requiring structured, career exploration every middle schooler. This experience, in the form of a semester-long course or its equivalent, would ensure every student gains exposure to Ohio's 16 career fields, interprets career interest and aptitude assessments with counselors, mentors, and/or career 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 this work is delivered effectively and equitably statewide, middle school teachers, counselors, and anyone serving as career coaches need access to professional development aligned with Ohio's new Career Coaching Framework and Model Curricula for Career Exploration. With the right tools and training, educators, and community partners can help students build a meaningful plan for their futures. **We are asking for your support of amendment SC0530**, which would include these provisions.

Education and Workforce Data Insight Board

Ohio has a strong foundation of education and workforce data spanning early childhood through postsecondary and employment. But we are not yet using this data to its full potential. Students, families, educators, and policymakers still lack answers to fundamental questions: Are our investments improving student outcomes? Which programs are delivering the strongest returns? Where are students struggling—and thriving—across the education-to-workforce pipeline?

We are asking for your support of amendment SC0534, which would establish the Education and Workforce Data Insight Board—a cross-agency leadership body that brings together state agency directors and external stakeholders to provide strategic direction for Ohio’s data system. This board would help ensure our data efforts are coordinated, transparent, and—above all—focused on impact. It would support policies that link education to workforce outcomes, such as performance-based funding, and help build tools and reports that provide actionable insight for students and families.

Critically, this work will also prioritize student data privacy and responsible data use, ensuring that all efforts protect the integrity and security of student information. With the right leadership and safeguards in place, we can finally unlock the full value of our data—making smarter decisions, measuring what matters, and better serving Ohio’s students and economy.

Career Awareness & Exploration Funds

We are asking for your support of amendment SC0534, which restores \$16.325 million per year to support career awareness and exploration efforts across Ohio. This funding, which was included in previous state budgets, was eliminated in the House version and is critical to sustaining hands-on career exposure through Career-Technical Planning Districts.

These dollars fund meaningful, locally driven activities such as field trips, speaker series, career fairs, and career coaching—opportunities that help students make real-world connections between school and future careers. The flexibility of the funds allows communities to tailor programming to their regional workforce needs and student interests. Without this investment, a vital part of Ohio’s career-readiness infrastructure is at risk—particularly for younger students who benefit most from early exposure. Restoring these funds ensures that students in rural, urban, and suburban districts alike continue to have access to career exploration experiences that inspire them to see what’s possible for their futures.

Statewide High School Internship Program

Real-world experience for students is invaluable. It helps students know what they do and maybe more importantly, what they do not want to do. 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 access to networks, mentors and leaders they can help propel their futures forward. This program is modeled from the successful Ohio Tech Internship program. The High School Internship Program would help more students and be broader in scope providing students access to experiences beyond tech-related positions. **Please consider adopting amendment SC0532** to launch more students into viable internships!

Industry-Recognized Credentials and the Credential Point System

Ohio has made important progress in promoting industry-recognized credentials as a way to connect education to workforce opportunity. However, it's time to take a closer look at the state’s credential system, including the approved list, 12-point valuation system, and how investments are being targeted. Currently, approximately 34% of the top credentials earned by students are valued at just one point, raising important questions about the alignment between credential value, employer demand, and student outcomes.

We support working in partnership with industry leaders and state agencies to **revisit and refine** the credential system—ensuring it reflects real workforce needs, incentivizes credentials with proven labor market value, and supports meaningful career pathways for students. To allow space for this important work, we recommend **reverting to current law on credential reimbursements and investments in this budget cycle**, providing time to thoughtfully redesign the system and get it right for students, schools, and employers alike.

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 revising 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. That's why we ask you all to **please consider adopting amendment SC0533**, to revert changes made to graduation requirements back to current law.

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 if that is their desire.

Ohio has a once-in-a-generation opportunity to transform how we prepare students for life beyond high school. By building a strong foundation in literacy and mathematics for students and implementing the Coalition's career-connected learning 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. Ohio Excels and our business partners – the Ohio Business Roundtable, the Cincinnati Business Committee, the Greater Cleveland Partnership, the Columbus Partnership, the Ohio Restaurant & Hospitality Alliance, and the Ohio Council of Retail Merchants – appreciate the opportunity to share our priorities with you today. We would be happy to answer any questions you might have.

Higher Education

Postsecondary Education is the Key to Economic Mobility & Economic Prosperity

One of our primary goals is to make higher education more accessible, affordable, effective, and connected to the workforce. We believe 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 – up from 49.2% in 2018. 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 HB 96 will help Ohio achieve 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.

Originally, students were able to attend any public or private college or university in Ohio. However, the House changed the eligibility for private institutions to be contingent on whether or not it adopts certain provisions of the recently passed Senate Bill 1. Ohio Excels is concerned that potentially limiting which Ohio institutions students can choose will hurt the goal of making Ohio as attractive as possible for their postsecondary plans.

We've already seen impressive benefits from this new program. Historically, about 60% of the top students in every high school committed to staying in Ohio for college or university. This increased to 76% in the first year of the scholarship and up to an amazing 87% of graduates chose an Ohio school in the second year of the scholarship. 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 Senate 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 developing talent by making higher education more affordable. 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 and House proposed:

- **Ohio College Opportunity Grant (OCOG):** OCOG is the state's primary need-based aid program. The current budget maintains the previous biennium's award amounts and student eligibility. The appropriation is adjusted to better account for the number of students projected to use OCOG, which includes a net increase of \$10M by the end of the biennium.
- **Regional FAFSA Completion Support System:** The regional system of FAFSA support established in the last biennium is continued in this budget. The system is designed to help more students overcome the challenging rollout of the online FAFSA form with \$1M in each fiscal year.
- **Ohio Work Ready Grant Program:** Ohio Work Ready is a program that awards up to \$3,000 to students 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 and prepares the student for an in-demand job. The program continues the \$10M in each fiscal year.
- **Talent Ready Grant Program:** The budget continues the Talent Ready program and funding level (\$10M in each fiscal year) from the last budget. The program is designed to support the establishment and

operation of workforce credential and certificate programs under 30 credit hours or 900 clock hours at community colleges and Ohio Technical Centers.

- **TechCred:** The TechCred program, which helps upskill Ohioans in critical tech fields, is funded by the proposed budget at FY 25 levels (\$25.2M each fiscal year). Programs identified for funding must now align to the Governor's Office of Workforce Transformation's list of top jobs and prioritize programs aligned to statewide or regional workforce goals.
- **Second Chance Grant Program:** The budget continues this program which allows students who unenrolled from college to receive state aid if they return to higher education, supported with \$2M in funding each year.

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 high schools if they meet the academic admissions requirements of participating public and private higher education institutions 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. These guarantees are another way to keep Ohio's top talent in the state.

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 Senate keep these access supports in the budget.

The House created the Accelerated College and Career Pathways Program, which requires each state university to establish at least one accelerated 90-hour bachelor's degree program that is aligned to an in-demand career area by the 2026-27 academic year. Universities are required to work with the local business community to identify in-demand career areas and to develop College Credit Plus pathways aligned to the 90-hour degree programs that the university offers. While we support this initiative, we do have some concerns about the proposed funding structure which I will discuss later in my testimony.

Incenting Education & Workforce Outcomes

Ohio has had a fully performance-based formula for the State Share of Instruction (SSI) for years, making Ohio the only state that rewards colleges and universities for advancing and graduating students, not simply enrolling them. The budget makes several changes to this formula, some of which are positive. However, we are concerned others might undermine the outcomes focus of this formula.

First, the Governor proposed – and the House refined – a new element of the SSI formula that would tie a portion of funding to whether graduates are staying in the state and securing good-paying jobs. The Ohio Department of Higher Education will measure employment outcomes one and five years after students graduate. The budget proposes directing \$100M of the roughly \$2.2B in SSI using workforce outcomes each year. We support this change, but we would ask the Senate to give the department more flexibility to determine how to implement combined retention and income measures and which data sets to use – not just the Census Bureaus' Postsecondary Education Outcomes (PSEO) project. We hope that, in the long term, more funds will be directed using this element of the formula.

The House changed the performance-based formula for universities in two other ways, which we believe undermine the formula's outcomes focus. The current budget shifts 10% of the university formula from course completion to two set-asides that are based on enrollment.

While we support the Accelerated College and Career Pathways Program, we believe that the set-aside for this program should be based on how well students are completing courses and earning degrees in the program, not just enrollment. We also believe funding for this program should begin in fiscal year 2027 to align with to the program's requirements and to give universities time to set up high-quality programs.

We are also concerned about the set-aside for enrolling high percentages of Pell-eligible students. While we see Ohio's universities as engines for economic mobility – which is something that the state should find a way to incent – we don't believe diverting funds based on enrollment is the best way to achieve this. Just enrolling low-income students isn't enough. They must successfully complete their coursework and degrees to give them a path to economic independence. We also ask the General Assembly to be mindful of the immediate financial impact this change will have on some of our state universities, including significant reductions in SSI in some cases.

Thank you again for reviewing our priorities and amendments and for your attention to these critical proposals. Descriptions of the organizations endorsing our amendments can be found on the next page. Please reach out to me at kevinduff@ohioexcels.org if you have any questions or would like to follow-up on any items in the testimony.

Description of Organizations Endorsing this Testimony

Columbus Partnership was founded in 2002 as a non-profit, membership-based organization of CEOs from Columbus' leading businesses and institutions. What began as eight CEOs evolved into the Partnership's current membership base of more than 70 leaders who represent the Columbus business community. The Columbus Partnership's family of organizations includes One Columbus, Smart Columbus, and Clean Energy Partners. The Partnership strategically considers how to uphold the shared vision to be the most prosperous region in the U.S. Leaders from member organizations and others convene to address opportunities to advance economic development, smart mobility, public policy, education, leadership development, philanthropy, community branding, and downtown development. (<https://columbusregion.com/about-us/columbus-partnership/>)

Cincinnati Business Committee (CBC) is an organization of chief executives from companies in the Greater Cincinnati area committed to identifying and providing leadership on selected issues. The members will consider initiatives that are especially important to the long-term economic vitality and well-being of the Greater Cincinnati community and in which the CBC's active involvement will make a major difference. Special emphasis is placed on economic development, education, and government affairs.

Greater Cleveland Partnership (GCP) is the region's leading economic development organization and with over 12,000 members, the largest metropolitan chamber of commerce in the nation. Guided by a board of corporate and entrepreneurial CEOs, the organization focuses on strategic initiatives, business services, and advocacy to build a vibrant business environment and region for small businesses, middle-market companies, and global corporations. It includes the Council of Smaller Enterprises (COSE) and Cleveland Development Advisors, a real estate development affiliate. GCP is committed to working with private, civic, and public partners to accelerate growth and prosperity to propel Greater Cleveland towards being one of the Great Regions in the Great Lakes. (<https://greatercle.com/>)

Ohio Business Roundtable (OBRT) is a statewide business association comprised of CEOs and Presidents from Ohio's largest and most influential companies. With over 125 members employing more than 600,000 Ohioans and generating over \$2.5 trillion in revenue, OBRT brings the collective voice of executive leadership to bear on key economic and policy issues shaping the future of the state. Learn more at: (<https://www.ohiobrt.com/>)

Ohio Council of Retail Merchants has been serving the interests of Ohio's retail and wholesale industries since 1922. Its 7,000-plus members rely on the expertise and passion of the Council leadership to promote and support initiatives that pave a positive path for the state's retail community. The Council focuses on public policy, political activity, member benefits, and research to advance a robust retail environment. Learn more at: (<https://www.ocrm.net/>)

Ohio Excels is a nonpartisan and 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. We convene coalitions, conduct research, work with schools and community partners, and advocate for solutions that improve educational outcomes for all Ohio students. Learn more at: (<https://www.ohioexcels.org/>)

Ohio Restaurant & Hospitality Alliance (ORHA) For over a century, the Ohio Restaurant & Hospitality Alliance has served Ohio's restaurant, foodservice & hospitality industry. Focused on uniting Ohio's hospitality community and founded on innovation & thought leadership, the ORHA knows the challenges and joys our members experience operating restaurant & hospitality businesses. ORHA provides sound solutions for members in their businesses through advocacy, education, events, consultation and select products &

services. Ohio Restaurant & Hospitality Alliance proudly works to lead Ohio's hospitality community into new eras of prosperity, prominence & participation. (<https://www.eatdrinkohio.org/>)