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Senate Finance Committee

Testimony on Sub. House Bill 33

Kevin Duff, Ohio Excels
May 16, 2023

Chair Dolan, Vice Chair Cirino, Ranking Member Sykes, and members of the Senate Finance Committee, my name is Kevin Duff, and I am the Vice President of Policy and Research at Ohio Excels. I appreciate this opportunity to address the committee on behalf of Ohio Excels and the Ohio Business Roundtable. You can find descriptions for both of our organizations at the end of my testimony. Ultimately, our goal is to help improve educational outcomes for Ohio's students and ensure more Ohioans have a high-value credential or postsecondary degree, setting them up for a successful career and life.

Currently, [just 51.2%](#) of Ohioans have completed any type of postsecondary education, well below the 65% that economists say is critical to keeping us competitive in the future. Ohio Excels and the Ohio Business Roundtable believe the current budget takes strong steps to make higher education more affordable and accessible. The budget also enables students to get the skills they need while helping our employers find the talent they demand. I've attached a full list of provisions we support and amendment requests at the end of my testimony, but I'd like to touch on a few of the most notable priorities for you today.

Ohio College Opportunity Grant

Ohio has been falling behind neighboring states in need-based aid. This aid does not go to institutions – it goes to students to give them choices and to make the cost of attending higher education within reach of more Ohioans. The state's primary need-based aid program, the Ohio College Opportunity Grant (OCOG) is ranked dead right now last among midwestern states – states we compete with for talent and business.

Thankfully, the budget proposes smart investments to make Ohio more competitive on this front. The Governor's budget made four important changes to OCOG. First, it increased the eligibility threshold to include students from families with an income of up to \$87,000, which helps more students from middle class families attend a university. Second, it nearly doubled the per student award amounts to \$6,000 by the end of the biennium, which significantly increases Ohio's competitiveness in the Midwest region (but still leaves Ohio behind Indiana and Illinois award amounts). Third,

the Governor's budget increased the appropriation for OCOG by \$337M over the biennium to support the previous two changes. Finally, the budget contains a maintenance of effort provision that requires universities to continue offering the same level of financial aid after this budget as they were before. With the increase in supplemental funds through OCOG, this means that more students will have access to more aid through the institution.

The House's budget maintained the maintenance of effort and the changes to eligibility and award amounts, but it did not include the same appropriation increase. We are pleased to see the House increased the OCOG appropriation compared to FY 2023, but we believe more is needed to ensure the Chancellor is able to give competitive award amounts to aspiring students. **Ohio Excels and the Ohio Business Roundtable request that the Senate fully fund the improved OCOG with \$337M over the biennium to make Ohio more competitive for top talent.**

Fully funding OCOG will help the program achieve the state's goals of giving more students a choice to attend a school that fits their needs, reduces the number of students who graduate with significant debt, and helps low-income students lift themselves out of poverty through higher education.

FAFSA Graduation Requirement

Before students can access the financial aid I just described, they must complete the FAFSA. This form is the gateway to need-based aid and scholarships that allow more students to pursue all types of higher education – technical training, two-year colleges, and four-year universities. As many of you have heard, Ohio students leave [\\$108 million in federal assistance](#) on the table just because they did not complete the FAFSA.

The Governor's budget included a FAFSA completion high school graduation requirement with a generous opt-out. We believe that policy is a smart and cost-effective strategy to increase FAFSA completion that we've seen work in other states. However, the House removed this provision. Instead of advocating for the graduation requirement, we believe that the state should provide funding to support the people and organizations on the ground working with students and families to complete the FAFSA. **We are requesting that the Senate include a \$5M per year grant program in the budget that provides local and regional organizations funding to support school counselors, engage families, host events, and work to ensure more students complete the FAFSA.**

Building Capacity for Critical Workforce Needs

Ohio has been experiencing a workforce gap for many years. With the recent economic development wins throughout the state, the budget wisely makes significant investments to expand the capacity of education and training institutions in critically needed skills and occupations. The House did not include two proposals from the Governor's budget that we believe the Senate should consider restoring:

- **WorkFORCE Ohio** was a new \$30 million a year program designed to quickly provide challenge grants to colleges and universities to build or expand programs that address any critical education and training needs required by employers, including credentials, two-year degrees, and four-year degrees.
- The **Governor's Merit Scholarship** proposed in the as-introduced budget would help make sure our best and brightest young students stay in Ohio for higher education – which also makes them more likely to stay for their careers. Students graduating in the top 5% of their high school class would be eligible for \$5,000 a year if they attend an Ohio college or university.

The House budget created two programs designed to provide students financial aid and expand credential programs in response to workforce need. We support the following new programs:

- The **Ohio Work Ready Grant** is 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.

- The **Talent Ready Grant 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.

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

Description of Organizations Endorsing this Testimony:

Ohio Excels is a non-partisan, non-profit organization created by leaders of Ohio's business community to engage the business community more consistently and deeply in efforts to help improve educational outcomes for all Ohio students. Our focus includes early childhood, K-12, and postsecondary education. And in support of that mission, we are committed to working with the broader business community, policymakers, educators, and other community leaders to support our students, educators, and schools.

The Ohio Business Roundtable is a nonpartisan, nonprofit organization comprised of over 100 presidents and CEOs of Ohio's top companies, 75 of which are headquartered in the state and more than one third of which are Fortune 1000 companies. Collectively, the members employ over half a million Ohioans and generate a revenue exceeding \$1.5 trillion.

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:** Ohio Excels believes the increase in eligibility and award amounts will make Ohio more competitive for top talent and support those changes. Ohio Excels requests that the Senate fully fund these changes with \$337M over the biennium.
- **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 institutions 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.