

Mike DeWine, Governor
Paolo DeMaria, Superintendent of Public Instruction

**TESTIMONY BEFORE THE HOUSE FINANCE COMMITTEE
ON FY22-23 BIENNIAL BUDGET RECOMMENDATIONS
FOR THE OHIO DEPARTMENT OF EDUCATION**

Paolo DeMaria, Superintendent of Public Instruction, Ohio Department of Education
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Chairman Oelslager, Vice Chairman Plummer, Ranking Member Crawley, and members of the House Finance Committee, I appreciate the opportunity to speak with you today on Ohio's PreK-12 education system and the executive budget recommendations for the Ohio Department of Education. My name is Paolo DeMaria, and I am the Superintendent of Public Instruction.

I appear before you today in the context of an education system tremendously disrupted by a global pandemic. Over the past year this pandemic has shaped the work and the focus of primary and secondary education. We have seen schools, districts, families and communities tackle unprecedented challenges as schools closed and learning moved to a remote environment at the end of the last school year. In response, teachers, administrators, certified staff and many others rose to the occasion with care, commitment, dedication, creativity and love for students, to meet the needs of students learning remotely, in hybrid models, and in school buildings.

Similarly, this year has brought significant changes to the Department. Like all state agencies, we transitioned to working remotely last spring, and have committed to ensuring that we maintain our high level of service to the education community regardless of the circumstances. Our State Board of Education continues to work diligently to create the policies and conditions that allows schools and districts to succeed. Our staff of amazing, dedicated public servants go the extra mile each and every day to support the state's education system. The challenges this year have been significant, but the innovation, perseverance and dedication to serving the children of Ohio has been inspiring and awesome.

The legislature plays a significant role in how we tackle the challenges facing our education community and I want to say with the greatest sincerity, "Thank you!" Thank you for your support of education in Ohio. This committee and the General Assembly have recognized the critical role education plays in creating hope and a bright future for our children, our communities and our state. Your engagement is significant and very much appreciated. Thank you also to Gov. DeWine and Lt. Gov. Husted for their leadership and vision throughout the pandemic – and for their proposals contained in this budget.

Over the last decade, due to targeted and sustained education reforms and investments, Ohio and its students, families and communities are benefitting from an education system that is continually improving. As I interact with students, educators, parents, business leaders and others, I see energy, commitment and

amazing learning opportunities. Even during a pandemic and school building closures, we have seen teachers and students adapt to new technologies and ways of learning. The necessity of the circumstances has truly been the mother of innovation. We have learned a lot, and realize there is much to do as we go forward. The task is underway, in earnest, by schools and districts to engage each student and address their needs, their delayed learning, and their emotional turmoil. Everyone has been impacted by the pandemic.

In spite of the challenges, we continue steadfast in our vision -- to ensure *each child* is *challenged*, *prepared* and *empowered* for future success. That vision anchors Ohio's five-year strategic plan for education – *Each Child, Our Future*¹ – developed by the State Board of Education and the Department of Education, in collaboration with many partners and stakeholders. Launched in August 2018, the plan anchors the promotion of policies and practices seeking to ensure each child has an excellent learning experience each and every day. The plan continues to receive a lot of positive support, and it forms a framework to guide Ohio's continuing improvement toward excellence.

EDUCATION SYSTEM AND BUDGET OVERVIEW

Before I launch into the specifics about Ohio's education accomplishments and essential programs, I would like to give a brief overview of the state's education system and the executive budget funding recommendations.

The Department oversees an education system that annually expends nearly \$24 billion, and which consists of 609 public school districts, 49 joint vocational school districts, 51 educational service centers (ESCs) and 315 community schools. Ohio also enjoys a strong private (chartered nonpublic) school sector. There are more than 4,200 school buildings in the state, of which 56 are designated as STEM schools. Ohio's public schools enroll approximately 1.7 million students served by more than 111,000 licensed teachers and 329,000 credentialed education personnel, including teachers, principals, administrators, aides, counselors, coaches and other staff.

Gov. DeWine's proposed budget recommends General Revenue Fund (GRF) funding of \$8.2 billion in FY 2022 (an increase of \$252.5 million or 3.2%) and \$8.1 billion in FY23 (a decrease of \$31.2 million or 0.4%) for primary and secondary education. The decrease in the second year is primarily due to a projected increase in Lottery Profits in the second year that reduces the need for GRF resources.

Recommended support for primary and secondary education across all budget funds totals \$13.4 billion in FY22 (an increase of \$1.0 billion or 8.1%) and \$13.4 billion in FY23 (a decrease of \$23.5 million or 0.2%). The slight decrease in the second year is due to a decline in estimated federal funding due to the one-time nature of pandemic related funding streams. (These totals do not include Property Tax Reimbursements or Tangible Personal Property Reimbursements, which reflect an additional \$1.3 billion each year.)

It is important to point out that most of these funds – 98% – flow to schools and districts as subsidy payments, with only 2% remaining for the Department's operations. Many of our operating dollars also directly or indirectly support the work of schools and districts.

The largest part of the Department's budget is the line items related to *state foundation funding*. Ohio

¹ <http://education.ohio.gov/About/EachChildOurFuture>

schools rely on these funds to operate. School funding is the single largest expenditure of the state General Revenue Fund (excluding federal funding) and represents the state's commitment to primary and secondary education.

For many school districts, state foundation funding represents their largest revenue source. While schools have faced modest reductions in state funding as a result of the pandemic, Governor DeWine's budget proposes to restore state foundation funding to fiscal year 2019 levels, which represents \$125 million more than current FY21 levels for traditional public schools (GRF line items 200502 and 200550, and Lottery line item 200612). Funding for non-public schools is also restored to pre-pandemic levels in the executive budget recommendations (GRF line items 200511 and 200532).

While these amounts, figures and growth rates are important, how the budget supports programs and activities that influence the education and success of Ohio's children is just as crucial. I am excited to highlight for you the key areas that are driving our education system to excellence.

RESET & RESTART

While the strategic plan pushed us to be proactive, the pandemic threw us completely into reactive mode. Over the last year, the Department of Education posted to our website dozens of information sheets and updates supporting schools and families as they navigated this unprecedented year. This was done, in part, thanks to the quick work of the General Assembly over the past 11 months to provide extensions, waivers, and changes to current law to deal with the realities being experienced on the ground. We are appreciative of the support and flexibility you provided to schools and districts at this very disruptive time.

Schools and districts have also benefited from a substantial amount of *federal financial support*. Since the beginning of the pandemic, allocations of more than \$673.0 million have been made through the federal *Coronavirus Aid, Relief, and Economic Security (CARES) Act* to support the new and unexpected costs associated with both remote learning and the safe and responsible resumption of in-person learning. These funds have been critical in supporting the continuity of educational services for students. Since last spring, schools, districts, and other education related entities have benefited from the following:

- Elementary and Secondary School Emergency Relief - \$489.2 million
- Coronavirus Relief Fund - \$100 million
- BroadbandOhio Connectivity Grant - \$50 million
- Governor's Emergency Education Relief Fund - \$33.8 million

The Department has also done its part to provide enhanced supports to meet the needs of schools and districts, including the need for more resources related to remote and online learning. With key education system partners – Educational Service Centers, Information Technology Centers, philanthropies and others – we launched the *RemotEDx* initiative. RemotEDx is working to support effective remote education by connecting schools and families with needed resources to access the internet, sharing information about high-quality remote learning strategies and resources, and assisting with improving instructional practices and approaches. Among our many other supports...

- We have utilized flexibility provided by the U.S. Department of Education to ensure students and

their families access to nutritional services during times when school-based learning was interrupted.

- We have worked to ensure that child care services continue to be made available so that families can work and our youngest children can learn as they get ready for kindergarten.
- We provided family engagement resources to maintain and enhance the essential connection between schools and families, and to help ensure that students benefited from a strong partnership between home and school.

We have explored every possible flexibility and leveraged every waiver to create the conditions for schools and districts to do their great work. In fact, many schools and districts started the new school year with students in session every day or using a hybrid schedule, although most also offered remote options for those student whose circumstances created too great a risk for returning to school. Some communities maintained fully remote educational approach to ensure the maximum safety of students, families and staff. Many schools and districts shifted their instructional modes as circumstances dictated. These have been times of great uncertainty.

Now, Governor DeWine has articulated a goal for all schools to resume in-person learning by March 1. As more and more educators are vaccinated, the work of the Department and our partners must turn to addressing student academic and social emotional needs with a view toward overcoming the impacts of the lost time, successfully concluding the current school year, and ensuring readiness for the year ahead. This will take a real commitment to extended learning opportunities and resources for students who will need extra supports to meet their fullest potential and get where they need to be.

The Department recently released data and analysis which provide an initial examination of the impact the pandemic has had on student learning based on fall 2020 assessment results. While this data was pretty much what was expected, it emphasizes the need to, most immediately, focus on learning recovery and, in the long term, create a bright vision for the future of education.

Last month, the Department was awarded an additional \$1.99 billion in federal Elementary and Secondary School Emergency Relief Funds under the Coronavirus Response and Relief Supplemental Appropriations Act enacted by Congress in December 2020. The executive budget requests appropriations for this funding over the biennium, and we will be working with the General Assembly to ensure these funds are made available to schools and districts before the start of the new fiscal year. We are expecting that these funds will play a significant role in the expanded efforts by schools and districts to make up for lost time, and reach readiness for the new school year. Schools and districts will have several years to use these funds, so they can also contribute to fundamental changes to education that can create even greater improvement and outcomes for students and our state.

SAFE AND SUPPORTIVE SCHOOLS AND COMMUNITES

A successful learning experience depends on meeting the needs of the whole child. A child cannot learn if they are hungry, cannot see the whiteboard at the front of the room, have poor physical health, suffer trauma, or experience anxiety in their life outside school. As a state, we must commit to, and leverage every partner in, meeting student's needs across multiple dimensions. To this end, we recently released *Ohio's Whole Child Framework*, which places the whole child at the center, with district, school, family

and community supporting the needs of the child using a comprehensive approach. The *Whole Child Framework* is the product of months of work, done in collaboration with Ohio educators, counselors and content experts in mental and behavioral health, family engagement, social-emotional learning, nutrition, and services for vulnerable youth. We are excited about the impact that the *Whole Child Framework* will have on Ohio's students and are committed to partnering with schools and districts that are interested in using the framework to guide policy and practice to advance their goals and desired outcomes.

The executive budget supports this work through a renewed commitment for ***student wellness and success funding***. Through the leadership of Governor DeWine and the generosity of the Ohio General Assembly in the last budget bill, Ohio invested \$675 million over two years in student wellness and success. Schools were required to use this funding in connection with community partners to create and sustain initiatives that support the whole child. In the first year of implementation, these dollars helped to fund over 3,000 initiatives serving more than 1 million Ohio students. Schools used this additional funding for mental health counseling, wraparound supports, mentoring and after-school programs.

The Governor's budget recommends \$500 million in FY22, and an additional \$100 million in FY23 to provide a total of \$1.1 billion over the biennium for this work. Student Wellness and Success funding will continue to be provided on a per pupil basis, scaled based on the level of poverty in each district. Schools are guaranteed to receive at least as much funding as they received in the prior fiscal year, and most schools will see an increase. This funding is paid directly to these entities based on where students are educated, without any transfers or deductions from students' resident districts (Non-GRF line item 200604).

Partnerships with other state agencies and local entities are critical to supporting the well-being of Ohio's students. The current budget invested \$18 million to purchase evidence-based prevention curricula for Ohio schools – addressing the topics of drug and substance use, suicide and violence prevention – through the Ohio Department of Mental Health and Addiction Services and in partnership with local alcohol, drug and mental health boards. This one-time allocation of funds was supported with \$2 million in the Department's budget to partner with Ohio's educational service centers to conduct professional development for teachers on prevention education. The executive budget proposal includes continued funding for ***prevention education*** (line item 200448).

Finally, the executive budget recommends \$4.6 million in additional funding over the biennium for the ***Ohio School Safety Center***, which assists local schools with improving school safety through a holistic, solutions-based approach, and includes continued support for the Safer Ohio Schools Tip Line.

EARLY CHILDHOOD EDUCATION

The Department's strategic plan, *Each Child, Our Future*, challenges our state to promote the importance of access to quality ***early learning experiences***. I am very grateful for Gov. DeWine's continued support for early childhood education in the executive budget.

Early childhood education is supported through funding and policies across six state agencies: the Ohio departments of Job and Family Services, Medicaid, Developmental Disabilities, Health, Mental Health & Addiction Services, and Education, which all serve young children and their families. The Governor's Office of Children's Initiatives provides leadership and connection between all the agencies serving Ohio's

children. Each of these agencies embraces a similar goal: to improve outcomes for children from birth through third grade so they are on track for a life filled with learning, and this budget promotes collaboration through evidenced-based strategies.

The Department's Early Childhood Education grants enable local providers to serve more than 18,000 children in high-quality programs. Almost all of Ohio's publicly funded preschool and preschool special education classrooms have earned 3-, 4- or 5-star ratings in the *Step Up To Quality* rating system. The Governor's budget continues this level of service (GRF line item 200408).

In the spirit of collaboration, I want to advocate for other state agency initiatives that support early learning and development:

- Publicly Funded Childcare (Department of Job and Family Services)
- Governor's Imagination Library (Department of Job and Family Services)
- Child Protective Services
- Help Me Grow (Department of Health)
- Early Intervention Programs (Department of Developmental Disabilities)

Support for Ohio's students is not just limited to the work at the Department of Education. Many state agencies are essential partners in the important mission of supporting the whole child. By recommitting ourselves to program collaboration and additional investments, expanded services for children will be more readily available and students will thrive and reach their fullest potential.

CAREER AND POSTSECONDARY READINESS

Once a child enters kindergarten, our goal is to nurture a love for learning and prepare the student for success in life and careers. We are committed to ensuring Ohio's education system is structured so that students graduate from high school ready to succeed along their unique paths. Ohio's strategic plan calls on the state to rethink the high school experience, and this budget will build on that work.

Career-Based Learning Strategies

Perhaps the most exciting change happening in education is the work we are doing – primarily in high schools – to *connect students to careers*. Career-based learning is a win-win. Students win because career-based learning means students are more engaged and, therefore, more likely to reach the significant learning outcomes that will enhance their future success. Businesses also win because more individuals are aware of the great jobs we have here in Ohio and emerge ready to contribute to our economy.

The Governor's budget recommends \$20.5 million in each fiscal year to support efforts to deepen the connections to careers in our education system (GRF line item 200478). This includes supporting students earning in-demand industry credentials by paying the costs of credential applications and assessments. Many credentials can be completed in less than one year. These additional funds will quickly increase the number of credentials awarded, making students immediately employable or giving them a firm foundation for further education.

The budget also provides \$450,000 in each fiscal year to pilot a new *P-Tech educational model* in three public schools in Ohio (GRF line item 200545). Developed by IBM, the P-Tech model is a partnership between a high school, an institution of higher education, and businesses to provide a STEM-focused, dual enrollment curriculum to students starting in ninth grade. Students have six years to complete both a high school diploma and an associate degree. Partnering businesses provide students with workplace learning activities during those years and give students hiring priority for available jobs upon completion of the program. This model is yet another promising pathway for career-based learning that aligns educational curricula with workforce needs, resulting in greater opportunities for success for students.

QUALITY SCHOOL CHOICE

Many students and families benefit from Ohio's school options, and we continue to focus on ensuring students have quality choices. Participation in the *traditional* EdChoice Scholarship Program has more than doubled since 2009, from fewer than 10,000 students to more than 23,000 students today. The EdChoice *Expansion* program is targeted to economically disadvantaged students who do not qualify for traditional EdChoice. Last year, the Ohio General Assembly enacted legislation to allow more families access to the *EdChoice Expansion* program, raising the threshold to apply for the program from 200 to 250% of the federal poverty level. The executive budget recommends \$92.2 million in each year of the biennium for this program.

The budget also recommends \$54 million in each fiscal year to provide additional funding for *community schools of quality* (GRF line item 200589). The executive budget shifts this program from the lottery (line item 200631) to the General Revenue Fund and adds \$24 million to the program each year over FY21 levels. This funding seeks to address the funding disparities that exist between traditional districts and community schools while targeting additional funding to those community schools that are raising student achievement.

OTHER BUDGET ITEMS

Before I close, allow me to highlight briefly a few additional items included in the proposed budget:

- As I noted at the beginning of my testimony, more than 98% of our operating budget is used to provide funding to schools, districts, and other related education partners. Less than 2% of the proposed executive budget will be used for operations at the Department. Like all other state agencies, the Department worked to identify cost savings across our operations, and we remain committed to finding greater efficiency. With the exception noted below, the executive budget recommends *flat or reduced funding levels in FY22 and FY23 for the Department's GRF line items supporting internal operations*. It's important to us that new resources are prioritized for our schools and districts.
- **Assessment and Accountability Systems:** Ohio's assessment system serves as a measure of student performance, and our school and district report cards give communities and families important information about the progress of their school districts' achievements. These are key components of Ohio's accountability model. As a result of the ordered school building closure and the suspension of testing in the spring of 2020, the Department was able to realize significant savings in the cost associated with the state testing system and the production of the state report card in both FY20 and FY21. The executive budget increases both lines by a combined \$5.8 million in FY22 (GRF line items 200437 and 200439). These recommended funding levels do not represent

an increase in testing or more complexity in the accountability system. Rather, they simply support a return to a *normal* level of activity for both assessments and accountability but at funding levels *below* the FY2021 pre-cut appropriated funding levels.

CONCLUSION

Mr. Chairman and members of the committee, it is an exciting time for education in Ohio! Thanks to the vision and leadership of Gov. DeWine and Lt. Gov. Husted, the General Assembly and the State Board of Education, we have an education system that is improving each year, and the great opportunity to take further steps to influence and ensure the success of Ohio's children. This executive budget tackles critical issues around student wellness, bolsters early childhood learning opportunities, and invests in activities to make sure graduates are ready for careers and postsecondary education. I look forward to working closely with the Finance Committee and the Primary and Secondary Education Subcommittee to further explore the details of the Department's budget recommendations.

Again, thank you for the opportunity to present to you today. I would be happy to answer any questions you may have at this time.