

# Education Update

To: LWVO  
From: Joan Platz  
Education Update for February 9, 2009

1) Proposed State Budget Submitted: J. Pari Sabety, director of the Office of Budget and Management (OBM), submitted to the Ohio General Assembly on February 2, 2009 Governor Ted Strickland's proposed budget for fiscal years 2010 and 2011. The proposed budget allocates \$26 billion in FY10 and \$28.7 billion in FY11 (total \$54.69 billion) in General Revenue Funds (GRF), and totals \$119 billion in all funds (including federal funds) for the biennium. The proposed biennial budget increases state spending by 6.3 percent over FY09 levels (\$26.93 billion).

The following information was prepared from budget documents available on the Office of Budget and Management's web site at <http://obm.ohio.gov/SectionPages/Budget/FY1011/ExecutiveBudget.aspx>

**EDUCATION:** General Revenue Fund spending for primary and secondary education totals in FY10 \$7,181,813,385 and in FY11 \$7,443,391,204.

Funding for education will increase by \$321.5 million (4.7 percent) in FY10 and \$603.5 million (4 percent) in FY11, for an overall increase of \$925 million. Included in the total is \$497,404,384 in FY10 and \$533,686,539 in FY11 for community schools; \$438,222,619 in FY10 and \$438,222,619 in FY11 for transportation (new formula); and \$705 million in FY10 and \$711 million in FY11 from lottery profits.

Approximately \$140 million in the ODE's budget has been redirected to support a new Ohio Evidence-Based Model (OEBM) for funding public schools, which will be phased in over eight years. The Cleveland Municipal School District will be an early adopter of the OEBM. For more information about the Education Reform Plan please see # 8 below.

**EARLY CHILDHOOD:** The proposed budget maintains a commitment toward early care and education programs for families up to 200 percent of the federal poverty level. The budget requires the consolidation of all early care and education programs within the Ohio Department of Education (ODE) in FY11. A new statewide payment system for subsidized child care will be developed and implemented by FY11.

**HIGHER EDUCATION:** The budget for higher education has been aligned to the key policy goal of affordability. The full tuition freeze will continue for community colleges and branch campuses, and four year institutions will limit tuition increases to no more than 3.5 percent in FY11. The State Share of Instruction will be allocated to institutions based on student completion rather than enrollment, in accordance with the University System of Ohio's strategic plan.

**EFFICIENCIES AND PERFORMANCE:** The proposed budget includes "efficiency measures" that reduce administrative costs through state agency collaboration, shared central processing services, and consolidation of business operations for 28 occupational licensing boards and commissions.

REVENUE SOURCES: The proposed budget offsets declining state revenue in several ways to remain balanced without raising taxes. However, approximately \$1.5 billion is raised through increased fines, penalties, and other fees.

The budget includes \$3.4 billion (5.5 percent of the GRF) from the federal economic stimulus package - the American Recovery and Reinvestment Act of 2009 (H.R. 1) - which is currently being debated by Congress. According to the briefing document, "Without the federal stimulus resources, Ohio's GRF expenditures would be cut by \$1.5 billion in FY2010 and \$1.9 billion in FY 2011..."

\$1.26 billion will also be raised from unclaimed funds; the rainy day fund; securities lending; occupational licensing and regulatory fund; and a loan from the School Facilities Commission Fund.

The budget also requires the OBM to shift debt service payments from the GRF in FY10/11 to FY12-21, by issuing new refunding bonds through the Ohio Public Facilities Commission. This makes available approximately \$400 million for the GRF in the biennium.

The budget includes pay reductions from 0-6 percent and lowers vision, dental, and life benefits for state employees within the executive branch. This saves approximately \$170 to \$200 million.

Twenty state agencies will receive increases over FY09 budget levels; the budgets of six agencies are flat-funded; the budgets of 33 agencies will be cut; and six agencies/commissions are eliminated.

The legislative language for the budget is expected to be introduced in the Ohio House over the next two weeks. Until the bill is introduced, the House Finance and Appropriations Committee, chaired by Representative Sykes, will be hearing budget presentations from state departments and agencies.

2) Committee Assignments Announced: Both the Ohio House and Senate announced last week the following committee chairmanships:

\*Membership of two joint committees:

-Controlling Board

Joe Secrest, OBM, President

Senators Carey (R), Wagoner (R), and Ray Miller (D) Representatives Sykes (D), Luckie (D), and Jordan (R)

-Joint Committee on Agency Rule Review (JCARR) Senators Niehaus (R), Vice Chair, Gillmor (R), Grendell (R), Morano (D), Sawyer (D) Representatives Skindell (D), Chair, Moran (D), Harwood (D), Evans (R) and McGregor (R)

\*House Committees, chair, and ranking member:

-NEW Aging and Disability Services: Representative Deborah Newcomb, chair; Representative Peggy Lehner,

ranking member -Agriculture and Natural Resources: Representative Domenick, chair; Representative Wagner,

ranking member -Alternative Energy: Representative Celeste, chair; Representative Snitchler, ranking member -

Civil and Commercial Law: Representative Okey, chair; Representative Oelslager, ranking member -Commerce

and Labor: Representative Yuko, chair; Representative Uecker, ranking member -NEW Consumer Affairs and

Economic Protection: Representative Lundy, chair; Representative Shannon Jones, ranking member -Criminal

Justice: Representative Yates, chair; Representative Coley, ranking member -Economic Development:

Representative Sandra Williams, chair; Representative Nan Baker, ranking member

-Education: Representative Brian Williams, chair; Representative Stebelton, ranking member -NEW Elections and

Ethics: Representative Dan Stewart, chair; Representative Mecklenborg ranking member -NEW Environment and

Brownfield Development: Representative Dale Mallory, chair; Representative Maag, ranking member -NEW Faith-

based Initiatives: Representative Debose, chair; Representative Hite, ranking member -Finance and Appropriations:

Representative Sykes, chair; Representative Amstutz, ranking member -Financial Institutions, Real Estate, and

Securities: Representative Koziura, chair; Representative Mandel, ranking member

-Health: Representative Boyd, chair; Representative Wachtmann, ranking member -Healthcare Access and Affordability: Representative Fende, chair; Representative Sears, ranking member -NEW Housing and Urban Revitalization: Representative Foley, chair; Representative Stautberg, ranking member  
-Insurance: Representative Dodd, chair; Representative Hottinger, ranking member  
-Judiciary: Representative Stabile Harwood, chair; Representative Dolan, ranking member -Local Government/Public Administration: Representative Chandler, chair; Representative Blair, ranking member -NEW Public Safety and Homeland Security: Representative Miller, chair; Representative Evans, ranking member -Public Utilities: Representative DeGeeter, chair; Representative Bacon, ranking member -Rules and Reference: Representative Book, chair; Representative Blessing, ranking member -State Government: Representative Gerberry, chair; Representative Daniels, ranking member -NEW Transportation and Infrastructure: Representative Hagen, chair; Representative Combs, ranking member -NEW Veterans Affairs: Representative Otterman, chair; Representative Bupp, ranking member -Ways and Means: Representative Letson, chair; Representative Huffman, ranking member

\*Senate Committees, chair, and ranking member:

-Agriculture: Senator Kirk Schuring, chair; Senator Jason Wilson, ranking member  
-Education: Senator Gary Cates, chair; Senator Tom Sawyer, ranking member -Energy & Public Utilities: Senator Chris Widener, Senator Ray Miller -Environment & Natural Resources: Senator Tim Schaffer, Senator Sue Morano  
-Finance & Financial Institutions: Senator John Carey, Senator Dale Miller -NEW Government Oversight: Senator Jon Husted, Senator Shirley Smith -Health, Human Services & Aging: Senator Kevin Coughlin, Senator Sue Morano -Highways & Transportation: Senator Tom Patton, Senator Nina Turner -Insurance, Commerce & Labor: Senator Steve Buehrer, Senator Joe Schiavoni -Judiciary-Civil Justice: Senator Bill Seitz, Senator Eric Kearney - Judiciary-Criminal Justice: Senator Tim Grendell, Senator Tom Roberts  
-Reference: Senator Bob Schuler, Senator Capri Cafaro  
-Rules: Senator Bill Harris, Senator Capri Cafaro -State & Local Government & Veterans Affairs: Senator Jim Hughes, Senator Teresa Fedor -Ways & Means & Economic Development: Senator Bob Gibbs, Senator Tom Roberts

3) This Week at the Statehouse:

\*The House Democratic Caucus will hold a news conference on February 9, 2009 at the Statehouse at 2:00 PM in room 122 to announce their legislative priorities for this legislative session.

\*The House Finance and Appropriations Committee, chaired by Representative Vernon Sykes, will meet on the following dates in hearing room 313 to hear presentations from state agencies and departments regarding the FY2010-2011 budget proposal:

-Tuesday, February 10, 2009 at 9:00 AM - Office of Budget and Management and the Department of Taxation

-Tuesday, February 10, 2009 at 1:00 PM - Legislative Service Commission.

-Wednesday, February 11, 2009 at 8:30 AM - Ohio Department of Education

-Thursday, February 12, 2009 at 8:30 AM - Ohio Board of Regents and Department of Rehabilitation and Correction.

-Thursday, February 12, 2009 at 1:00 PM - Transportation Budget in room 018.

4) Federal Stimulus Package: The U.S. Senate is getting closer to approving a federal economic stimulus package. As of this writing, the Senate is expected to vote this week on their version of H.R. 1 - the American Recovery and Reinvestment Act for 2009. The U.S. House approved its version of HR 1 on January 28, 2009. Once the Senate approves its version a conference committee will be formed to work-out a compromise between the House and Senate versions.

President Obama has urged lawmakers to expedite debate over this legislation as more bad economic news regarding unemployment levels was released last week.

The proposed Senate stimulus plan provides \$827 billion, only slightly more than the \$820 billion House plan. Both plans include tax cuts and government spending on public works/infrastructure and other programs to stimulate the economy. However, the House plan invests more in state/local services and initiatives, while the Senate plan focuses on tax cuts and incentives for Americans to purchase cars and homes, and addresses the alternative minimum tax issue.

The Senate version also cuts support for states to stabilize their budgets by \$40 billion, cuts construction aid for schools and colleges by approximately \$19.5 billion, and aid for Head Start by \$1 billion. To read more about the economic stimulus plan please visit <http://www.cbpp.org/>.

5) SCHIP Becomes Law: President Barack Obama signed into law on February 4, 2009 the Children's Health Insurance Program Reauthorization Act of 2009 - HR 2. The law continues health care coverage for approximately seven million children from families whose income levels are too high to qualify for Medicaid and too low to afford private health insurance. The reauthorized law expands coverage for another 4.1 million uninsured children, and extends coverage to 2.4 million children who could be covered by private insurance. For more information about the law please visit Families USA at <http://www.familiesusa.org>.

6) February 2009 Election Results: According to the Ohio Department of Education's web site, ten out of 23 school ballot issues, including four building assistance issues and two school income tax issues, were approved by voters on February 3, 2009 in special elections held in sixteen counties. The passage rate for the school issues was 43.48 percent. In February 2007 there were 30 issues on the ballot and nine were approved. For more information please visit <http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=1010&Content=62994>

7) State Board of Education to Meet: The State Board of Education, Jennifer Sheets president, will meet on February 8-10, 2009.

On February 8, 2009 the 21st Century Learning Subcommittee, chaired by Steve Millett and Debbie Cain, met at 3:00 PM at the Embassy Suites, 2700 Corporate Exchange Dr. in Columbus, Ohio. Dr. John Stanford, Education Policy Advisor for Governor Strickland, presented information about the governor's Education Reform Plan, and the subcommittee discussed its future work.

#### MEETINGS ON MONDAY, FEBRUARY 9, 2009

The State Board of Education's Executive Committee, co-chaired by Jennifer Sheets and Debbie Cain, will meet at 9:00 AM to discuss the Board's committee work and plans for the June 2009 State Board retreat.

Achievement Committee, chaired by Ann Womer-Benjamin and vice chairman Mike Collins, and the Capacity Committee, chaired by Rob Hovis and vice chairwomen Kristen McKinley, will meet at 9:30 AM.

The Achievement Committee will discuss and approve a Resolution of Intent to Adopt the Proposed Plan for Credit Flexibility; discuss and approve a Resolution of Intent to Rescind Rule 3301-61-18, Criteria for Career Based Intervention and Family and Consumer Studies Programs, and adopt new Rules 3301-61-05, Criteria for Career Based Intervention Programs and 3301-61-04, Criteria for Family and Consumer Sciences Programs; discuss and approve a Resolution of Intent to Amend Rule 3301-61-03, Criteria for Secondary Workforce Development Programs; discuss and approve a Resolution of Intent to Amend Rule 3301-68-01, Criteria for Career Development Programs; discuss and approve a Resolution of Intent to Amend Rule 3301-18-01, Calculation of Student Attendance; discuss proposed new Rule 3301-56-01, School District and Building Improvement Planning, Parent Notification, and Intervention, and hear a report on State Test Cut Scores.

Capacity Committee Meeting will discuss and approve a Resolution of Intent to Amend Rule 3301-29-01, Community School EMIS; discuss and approve a Resolution of Intent to Amend Rules 3301-73-01 to -06, -08 to -10, -13, -16, -20 to -26, Professional Conduct; discuss the amending of Rules 3301-37-01 to -12, Child Day Care; discuss and make a Recommendation Regarding Guidelines for the Evaluation of Principals; and hear an update on the Desegregation Policy.

At 11:15 PM First Lady Frances Strickland, State Board President Jennifer Sheets, and Superintendent of Public Instruction Deborah Delisle will make a presentation in recognition of the National and Ohio Career-Technical Teacher of the Year, Jim Scott, and Ohio Teacher of the Year, Jennifer Walker.

Mr. Scott is a teacher at the Tolles Career and Technical Center in Plain City with more than 30 years experience. He was named Ohio Career-Technical Teacher of the Year in July 2008 by the Ohio Association of Career and Technical Education (ACTE), and in December 2008 was named the National Career-Technical Teacher of the Year by the national ACTE organization.

Ms. Walker is a National Board Certified English teacher at East High School in the Youngstown City School District. She has been an educator for 13 years.

Following lunch, the SBE will hear reports from the Achievement Committee and Capacity Committee; discuss the work of the 21st Century Learning Subcommittee; review written reports; review items for vote; and hear committee updates from Board members. A Chapter

119 Hearing will be held at 4:00 PM on the following proposed rules:

- \* Rule 3301-46-01, Innovative Education Pilot Programs
- \* Rule 3301-51-20, Blind/Deaf Schools Standards for Admission, Transfer, Suspension of Expulsion
- \* Rule 3301-10-01, School Enrollment/Domestic Violence
- \* Rules 3301-103-01 through -08, Autism Scholarship Program

The Board will then adjourn.

MEETING ON TUESDAY, FEBRUARY 10, 2009

The State Board of Education will convene its business meeting on February 10, 2009 starting at 8:30 AM, and immediately convene into executive session. After the executive session, the Board will hear the report of the Superintendent of Public Instruction, Deborah DeLisle; hear an update on legislative issues; accept public participation on agenda items, and take action on six personnel items, and the resolutions included below. The Board will then consider new business, old business, and public participation on non agenda items. The Board will then adjourn. The next meeting will be held on March 9 -10, 2009 at the Ohio School for the Deaf.

#### SBE BUSINESS AGENDA

\*Approve a Resolution of Intent to Amend Rule 3301-18-01, Calculation of Student Attendance to meet minimum performance standards

\*Approve a Resolution of Intent to Amend Rule 3301-29-01, Community School EMIS

\*Approve a Resolution of Intent to Amend Rule 3301-61-03, Criteria for Secondary Workforce Development Program

\*Approve a Resolution of Intent to Rescind Rule 3301-61-18, criteria for career based intervention/family and consumer studies programs, and to adopt new Rules 3301-61-04, Criteria for Family and Consumer Sciences Programs and 3301-61-05, Criteria for Career Based Intervention

\*Approve a Resolution of Intent to Amend Rule 3301-68-01, Criteria for Career Development Programs

\*Approve Rules 3301-73-01 to -06, -08 to -10, -13, -16, -20 to -26, Professional Conduct

\*Approve a Resolution of Intent to adopt Ohio's proposed plan for Credit Flexibility.

\*Approve a Resolution of Intent to consider the proposed transfer of school territory from the North Fork Local School District Licking County to the Newark City School District, Licking County pursuant to Section 3311.06 of the Revised Code

\*Approve a Resolution to Accept the recommendation of the hearing officer and deny the Transfer of School District Territory from the Youngstown City School District to the Hubbard Exempted Village School District pursuant to Section 3311.24 of the Ohio Revised Code.

\*Approve a Resolution to Accept the Recommendation of the Hearing Officer and to Deny the Transfer of School District Territory from the Youngstown City School District to the Lowellville Local School District pursuant to Section 3311.24 of the Ohio Revised Code.

\*Approve a Resolution of the Northern Local School District Board of Education to Sever the Northern Local School District from the Territory of the Perry-Hocking Educational Service Center and Annex to the Territory of the Muskingum Valley Educational Service Center, pursuant to Section 3311.059 of the Ohio Revised Code.

\*Approve a Resolution to Accept the Recommendation of the Hearing Officer and Deny the Transfer of School District Territory from the Trotwood-Madison City School District to the Northmont City School District pursuant to Section 3311.24 of the Ohio Revised Code.

\*Approve a Resolution Commending Jennifer Walker for Achievement of Being Named 2009 Ohio Teacher of the Year.

\*Approve a Resolution Commending Jim Scott for the Achievement of Being Named 2008 National Career-Technical Teacher of the Year and 2008 Ohio Career-Technical Teacher of the Year.

8) More on Governor Strickland's Education Plan: J. Pari Sabety, Director of the Office of Budget and Management, submitted to the Ohio House of Representatives on February 2, 2009 the "Blue Book", which includes information about Governor Strickland's proposed FY10-11 budget. The proposed budget includes a plan to reform and modernize Ohio's education system to ensure that students learn the skills to be successful in the 21st century, and, according to Governor Strickland, creates a constitutional school funding system.

The plan uses an "evidence-based" approach, called the Ohio Evidence Based Model (referred to as OEEM or EBM), to determine state aid, and, when the plan is fully phased-in in 8-10 years, the state's contribution to local schools would be 59 percent. The plan also increases accountability and transparency through a variety of new reporting requirements and oversight by the Ohio Department of Education (ODE).

Governor Strickland and his administration have been developing the evidence-based model with input from business, education, and community stakeholder groups, and from citizens over the past year. The Governor hosted a total of seventeen community-based "Conversations on Education" from July through December 2009 to listen to ideas and the concerns of Ohioans regarding public education, and share his ideas to create a world class and relevant education system for all Ohio students in the 21st Century.

Governor Strickland's proposed education plan completely changes the current school funding system, which is now based on a "foundation level" of per pupil support (base cost per pupil). The new "evidence-based" system is combined with a new Instructional Quality Index to allocate resources to students to meet their needs. The index addresses factors such as teacher quality, student poverty, community wealth, and the level of college attainment in a community.

The Ohio Instructional Quality Index replaces the poverty based assistance and parity aid supplements currently in the school funding formula.

The proposed budget is expected to increase funding for primary and secondary education by 4.7 percent in FY10 and 4 percent in FY11, for a total increase of \$925 million for education over current funding levels.

The Governor's Education Reform Plan will be clarified further through the language of the budget legislation, which is expected to be introduced in the Ohio House over the next few weeks. Based on the information that is currently available, the plan does the

following:

-Proposes a new evidence-based model (OEBM or EBM) for allocating resources to primary and secondary schools, including traditional and charter schools, based on student centered reforms to ensure that students learn the skills required to be successful in a 21st century economy. The plan also funds all-day Kindergarten.

-Increases the length of the school year by phasing-in 20 days over the current minimum of 180 days.

-Requires strategic planning and collaboration among state departments, including the Ohio Department of Education (ODE), the Ohio Board of Regents (BOR), the Ohio Department of Jobs and Family Services, Department of Health, etc.

-Requires the ODE to develop a 10 year strategic plan to implement both academic and funding reforms.

-Calls for a number of planning commissions to further articulate, identify, and coordinate recommendations. For example, a commission will be formed to coordinate merging all early childhood education programs into the ODE, and other commissions are proposed to study Educational Service Centers and Joint Vocational School Districts. The State Board of Education will be required to adopt a number of new rules (Ohio Administrative Code) to implement most of the provisions of the plan.

-Revises Operating Standards for Ohio's Schools, Academic Content Standards, and state assessments. Replaces the Ohio Graduation Test with new graduation requirements ("ACT - Plus"), which include the ACT, end-of-course exams, service learning projects, and a senior thesis/project. A composite passing score will be developed.

-Revamps the teacher licensure program, and includes a four-year residency program, mentors, lead teachers, and a career ladder program.

-Provides administrators the ability to dismiss teachers based on the same standard applied to public employees.

-Expands accountability reporting requirements for schools; expands requirements for charter schools; and the expands the responsibilities of the ODE regarding oversight of schools and school districts.

-Creates a Center for Creativity and Innovation in the ODE to monitor research and inform best practices.

-Requires the ODE/State Board of Education to adopt new standards for innovative teaching formats such as interdisciplinary instruction, project-based learning, service learning.

-Expands current intervention programs, such as Closing the Achievement Gap.

-Lowers the charge-off from 23 mills to 20 mills.

-Creates a method called the conversion levy, that, with voter approval, will allow school districts that are not at the 20 mill floor to convert millage to the 20 mill floor and experience growth on 20 mills when property values increase. Any millage that remains above the 20 mill floor will be converted into mills that operate like emergency levies.

For more information please visit the OBM's web site, which includes a number of documents that describe the Governor's proposed education plan.

<http://obm.ohio.gov/SectionPages/Budget/FY1011/ExecutiveBudget.aspx>.

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