

**Fulfilling the Readiness Promise:  
Twenty-Five Education policy ideas for  
Ohio**

**March 2019**



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## Introduction

A world-class education system opens opportunities for lifelong fulfillment of human potential, fuels innovation and economic growth, and promotes a shared prosperity among individuals of widely differing backgrounds. Ohio’s 3,000-plus public and private schools have a high calling and a solemn responsibility: to instill the knowledge, skills, and character traits that will allow the next generation of students to achieve their dreams. We see signs of schools’ successes. Ohio high school students outperform national averages on college-entrance exams, and the same can be said for the state’s fourth and eighth graders on the National Assessment of Educational Progress (NAEP).<sup>1</sup> Many of our public and private schools graduate students who are well prepared for college or entry into the labor market. And an array of excellent high-poverty schools—district, public charter, STEM, and private—are lifting achievement for poor and minority youngsters.

Yet beneath this layer of success are deep cracks and shaky foundations. Since the mid-2000s, progress on NAEP has stalled for Ohio students and has drifted downwards for disadvantaged children. States like Massachusetts and Florida, which have adopted and remained committed to bold school reforms, have bested Ohio in national rankings. Moreover, state and national data continue to reveal large achievement gaps between Ohio’s poor and minority students and their more affluent peers. Many rural children struggle to compete at the highest levels, especially when it comes to completing advanced coursework that can prepare them for the rigors of college.

The consequence is a troubling loss of human potential, a cost borne not only by individuals but also by the state itself. In recent years, policy makers have undertaken praiseworthy reforms under both Democratic and Republican leadership that aim to raise achievement across the board. Most notably, Ohio adopted more rigorous academic standards in math and English language arts (ELA), moved to a transparent A–F rating system to hold districts and schools accountable for results, and enacted a Third-Grade Reading Guarantee that aims to ensure that children read proficiently before moving into the middle grades.

Reforms such as these should be preserved and strengthened where necessary. But Ohio also needs more than maintenance of past reforms to push future achievement in the right direction. In this paper, we offer twenty-five policy ideas that, if done well, would drive further improvements in the performance of our K–12 systems and those who depend on them. We sketch out the proposals at a relatively high-level, realizing that many design details would need to be fleshed out (and, of course, we stand ready to join in that task). Our proposals are organized around five major goals:

- Maintain high expectations for all students
- Empower Ohio’s families
- Support great educators
- Create transparent and equitable funding systems
- Ensure seamless transitions from high school to college and/or career

Each of these goals (and the proposals within them) can stand alone, but maximizing their benefit to students calls for them to work in harmony. For instance, empowering families with more educational

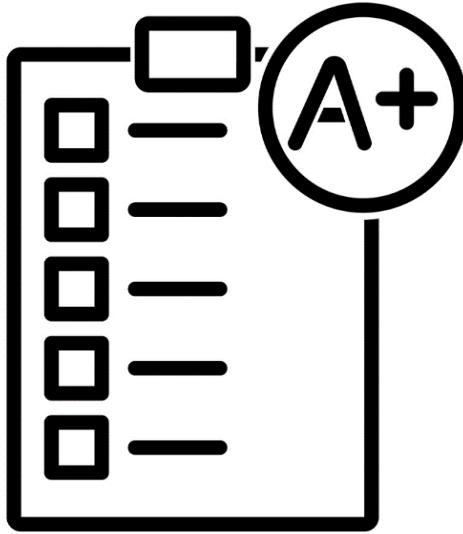
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<sup>1</sup> NAEP, often referred to as the Nation’s Report Card, is administered every two years to a representative sample of students in every state.

options is critical in its own right. Yet state policy makers also need to encourage quality options by holding schools of choice accountable for solid performance against ambitious standards. At the same time, they should ensure that choice initiatives, including public charter, STEM schools, and private school scholarship programs, are funded sufficiently to deliver an excellent education.

Creating smart, coherent policy is painstaking work; there are technical, budgetary, and political challenges at almost every turn. But state leaders can't afford to sit by as tens of thousands more young Ohioans struggle to gain the knowledge and skills necessary to thrive as responsible adults. The state already faces a "talent gap," in which employers cannot find enough well-prepared people to hire for jobs that already exist. Just 43 percent of working-age Ohioans have postsecondary certifications, while projections indicate that 64 percent of in-demand jobs will require such credentials by 2025. Recognizing this gap, state leaders have committed to an ambitious goal: that 65 percent of Ohioans will possess postsecondary credentials within the next six years.

The pressures of a global economy will only increase employer demands when today's students enter the workforce. Though work readiness isn't the only goal of the education system—we also need to teach young people to become good citizens and neighbors—preparing them for successful and rewarding careers grounds much of what schools do. Under the dynamic leadership of their governors, other states are implementing policies designed to prepare their young citizens to exit high school ready for college or career. Achievement is on the rise in these states, and the outlook for them is bright. Ohio has a proud heritage deeply rooted in education, but we must continue to pursue policies that allow all students to participate in the American Dream. If Ohio lawmakers adopt the proposals outlined in this policy agenda, they'll put more of our students on the inside track for success in school—and in life.



## **Policy goal 1: Maintain high expectations for all students**

From schoolhouse to statehouse, the expectation that all students can learn enough to meet high academic standards should drive education. In the best-selling book *Teach Like a Champion*, Doug Lemov opens with a chapter on how teachers can uphold high expectations in their classrooms. He includes notions such as “no opt out” (students can’t decide not to learn) and “right is right” (insist on correct answers). Teachers who put these techniques into practice will almost surely lift pupil achievement more than those who let their expectations slip. Similar principles guide policy making: state leaders should set challenging academic standards, hold all districts and schools accountable for results, and insist that students move on only after mastering the material. Ohio already has many of these foundational policies, including its recently adopted academic content standards in math and English language arts and revamped statewide exams. Ohio needs to maintain these reforms, which are critically important to setting rigorous expectations for all. While policy makers have boldly implemented stronger standards and assessments, they have at times struggled to defend high standards in the face of pressure to walk them back. In recent years, examples include lowering graduation requirements for the class of 2018, shielding schools from sanctions related to poor academic performance (“safe harbor”), and failing to match grade-promotion standards under the Third Grade Reading Guarantee with a true indicator of reading proficiency. To ensure that Ohio upholds high expectations for all, we suggest the following:

- Provide clear information to parents about college readiness
- Fine-tune state assessment policies
- Refine school report cards
- Align graduation requirements with college and career readiness

## Provide clear information to parents about college readiness

**Proposal:** Starting as students enter middle school, Ohio should provide families with clear information about whether their children are on a solid pathway for success in college.

**Background:** As objective gauges of student achievement, statewide exams have several important purposes, including their use in school accountability systems. But perhaps the most important role of state exams is to offer information to Ohio parents about the academic progress of their own children, thus serving as an important “external audit” that supplements the grades they receive from teachers. To this end, the Ohio Department of Education produces family score reports based on state exams, akin to those that families receive after children take college entrance exams. The state’s score reports already provide some valuable information to parents, most notably, whether students reach proficient. While Ohio has raised its proficiency standards in recent years, data suggest that a substantial number of proficient students—perhaps up to one in four—are likely to struggle should they choose to pursue a college education. In 2016-17, roughly 60 percent of Ohio students reached proficient on various state exams. However, ACT data from the class of 2017 indicate that just 46 percent of Ohio graduates taking this exam reached college-ready benchmarks in at least three of its four subject areas; even fewer (33 percent) met its readiness targets in all four. Widely seen as the nation’s gold standard for reporting achievement, data from NAEP reveal that just two in five of Ohio’s fourth and eighth graders reach its rigorous proficiency bar. An on- or off-track for college designation should not be presented as certain or fixed (and changes over time could be displayed too). But surveys find that parents tend to overestimate the academic skills of their children—due in part to the rise of “grade inflation” in schools and modest proficiency standards—and a projection of college readiness would offer a realistic appraisal of where children stand on the path to post-secondary education.

**Proposal rationale:** Ohio, like most states, hasn’t fully aligned its proficiency standards with college-ready benchmarks. The result: parents do not receive clear signals about whether their children are on-track for college often until it’s too late. Although college may not be the optimal path for all young people, it’s an aspiration that many parents have for their children—and most adolescents hold for themselves. Through a partnership with the data-analytics company, SAS, Ohio already provides data to educators that forecast students’ ACT or SAT scores based on state exams results. This information should be provided to families as well. Providing projections about college prospects could inspire them to engage more actively in the educational success of their children, encourage them to seek academic help, if warranted, and support informed decisions about high school options and beyond.

**Cost:** Minimal fiscal impact on the state budget. The Ohio Department of Education would likely incur nominal administrative expenses to update its family score reports.

**Resources:** For more on states’ proficiency standards, including analyses showing that Ohio has a relatively low proficiency bar, see Daniel Hamlin and Paul Peterson’s article in *Education Next* titled “[Rigor of State Proficiency Standards, 2017](#)” (2018); for Ohio’s NAEP and state proficiency rates, see the Fordham Institute web page, “[Ohio By the Numbers](#)”; and for ACT data for Ohio’s class of 2017, see ACT, “[The Condition of College & Career Readiness 2017: Ohio Key Findings](#).” Survey data on parents’ views of their kids’ achievement and college aspirations can be found in Learning Heroes’ 2017 report “[Parents 2017: Unleashing Their Power & Potential](#)” and Jon Marcus discusses grade inflation in an article titled “[Why Suburban Schools Are Inflating Kids’ Grades](#),” *The Atlantic* (2017). For information about family score reports, see Ohio Department of Education, “[Ohio’s State Tests, 2017–18](#)” and for a note about how educators can access predictive analytics on ACT/SAT scores, see *ibid.*, “[Updated reports available on EVAAS value-added site](#).”

## Fine-tune state assessment policies

**Proposal:** The ODE should move state testing windows from April to May, and state law should require the ODE to pilot computer-adaptive testing.

**Background:** Ohio administers statewide math and English language arts (ELA) exams in grades 3–8; science exams in grades 5 and 8; and math, ELA, science, and U.S. history and government exams during high school. These exams provide parents with regular feedback on their children’s progress against academic standards. And because state assessments yield objective, comparable information on pupil achievement, they also form the basis of a school report card that offers an impartial, external check on district and school performance. Yet implementing such a battery of assessments brings its own challenges. Schools have raised concerns about the amount of time this testing takes, leading Ohio lawmakers to place a cap on state and district testing time and to eliminate state social-studies exams in grades 4 and 6. With testing windows that generally span the entire month of April, state exams can also disrupt instructional time. The springtime administration of tests also means that many weeks of school remain in May and June after the assessment cycle concludes. Also worrying is the long delay before schools and parents receive assessment results—sometimes after the next school year begins in the fall—greatly diminishing their value to those who depend on this information.

**Proposal rationale:** High-quality, statewide assessments are critical to a healthy school system, and Ohio needs to take steps to maximize their value and minimize their burdens. Moving the testing window to May—a strategy other states are pursuing—would allow more time for teachers to teach. Shifting Ohio from its present fixed-form exams, in which the questions are generally the same or similar for all students, to computer-adaptive exams has the potential to reduce testing time and accelerate the return of results. By adjusting the difficulty of the questions that a student is asked, computer-adaptive exams can pinpoint achievement with fewer questions. Recognizing such benefits, several states, including those in the Smarter Balanced Assessment Consortium, have moved to computer-adaptive testing. However, given the technical challenges associated with digital assessment, Ohio should pilot adaptive testing in a sample of schools before considering statewide use.

**Cost:** The state currently budgets about \$50 million per year, or roughly \$30 per student, for its assessment program. We estimate that an additional \$10 million per year in state funding would ensure sufficient human and technical resources for an expedited testing and reporting schedule and to pilot computer-adaptive assessments. Additional expenditures may be required if Ohio decides to fully transition to computer-adaptive testing.

**Resources:** For more on states moving testing windows to later in the school year, see Kristen Graham’s 2017 article “[PA Kids Will Take Fewer Tests, Given Later in the Year](#)” in the *Philadelphia Inquirer* and Leslie Postal and Gray Rohrer’s 2017 article “[Move Testing to the End of the School Year, Lawmakers Say](#)” in the *Orlando Sentinel*. For information about computer-adaptive testing, see Smarter Balanced Assessment Consortium’s “[Testing Technology](#)” and G. Gage Kingsbury and colleagues’ 2014 article “[The Potential of Adaptive Assessment](#)” in *Educational Leadership*. For information regarding state tests and testing windows, visit ODE’s web page “[2017–2018 Testing Dates](#).”



## Refine school report cards

**Proposal:** Streamline Ohio’s school report cards by repealing several redundant, confusing, or problematic ratings such as the Indicators Met, 5-Year Graduation Rate, and K–3 Literacy components. Ohio should also create a better balance between the achievement and growth-based metrics by placing a stronger emphasis on growth in the overall rating formula. As the state makes changes, key features of the present report card should be preserved, including—most critically—the A–F grading system and the overall school rating.

**Background:** For the past fifteen years, Ohio has released report cards that offer an objective overview of district and school performance. Report cards serve several purposes: parents use them to inform decisions about which schools their children will attend, while communities and policy makers rely on them to identify schools deserving greater investment or those needing significant improvements. Today, Ohio’s report cards are superior to those deployed in the early 2000s. They use intuitive A–F school ratings and incorporate multiple academic measures, including indicators of both student achievement and growth. Yet two key problems limit their utility. First, they place too much weight on achievement or “status” measures (for example, proficiency or graduation rates), which tend to correlate with pupil backgrounds; in turn, they underemphasize measures of student growth that account for students’ prior achievement and are thus better gauges of school effectiveness. The result is a system that has blanketed high-poverty schools with D’s and F’s, including those where children are making solid learning gains. Second, the report cards have grown too long, complex, and difficult to comprehend. Some contain as many as fourteen separate A–F ratings, with little indication about which ones users should focus on. The overall A–F school grade—released for the first time in September 2018—improves public understanding, but the array of school ratings that undergird the overall rating is still likely to lead to much confusion.

**Proposal rationale:** For parents, communities, and policy makers, school report cards remain critical checks on institutional (and pupil) performance. Ohio needs to maintain a robust school report card that includes transparent ratings—and rebuff efforts to weaken it, as a legislative proposal in the last General Assembly sought to do. Introduced in 2018, House Bill 591 would remove A–F ratings and instead transition the state to an even more complicated “data dashboard” system. To enhance their value to Ohioans, report cards should be decluttered and simplified. A stronger emphasis on student growth would also provide a clearer picture of school effectiveness, a view of educational quality that is particularly crucial when gauging the performance of Ohio’s high-poverty schools that typically struggle on achievement-based metrics due in large part to factors outside their control.

**Cost:** No fiscal impact on the state budget.

**Resources:** For an analysis of Ohio school report cards, see Aaron Churchill’s report [Back to the Basics: A Plan to Simplify and Balance Ohio’s School Report Cards](#), published by the Fordham Institute in 2017; for discussion on research related to accountability, see David Figlio and Susanna Loeb’s chapter in *Handbook in Economics of Education, Volume 3* (2011) entitled “[School Accountability](#)”; for an overview of other states’ grading systems, see Brandon Wright and Michael Petrilli’s report [Rating the Ratings: An Analysis of the 51 ESSA Accountability Plans](#), published by the Fordham Institute (2017); and for detailed information about Ohio’s report cards, see ODE’s “[Report Card Resources](#).” For rigorous research connecting A–F ratings with improved achievement, see the 2007 National Bureau of Economic Research paper “[Feeling the Florida Heat? How Low-Performing Schools Respond to Voucher and Accountability Pressure](#)” by Cecilia Rouse and colleagues and the 2008 National Bureau of Economic Research paper “[Short Run Impacts of Accountability on School Quality](#)” by Jonah Rockoff and Lesley Turner.

## Align graduation requirements with college and career readiness

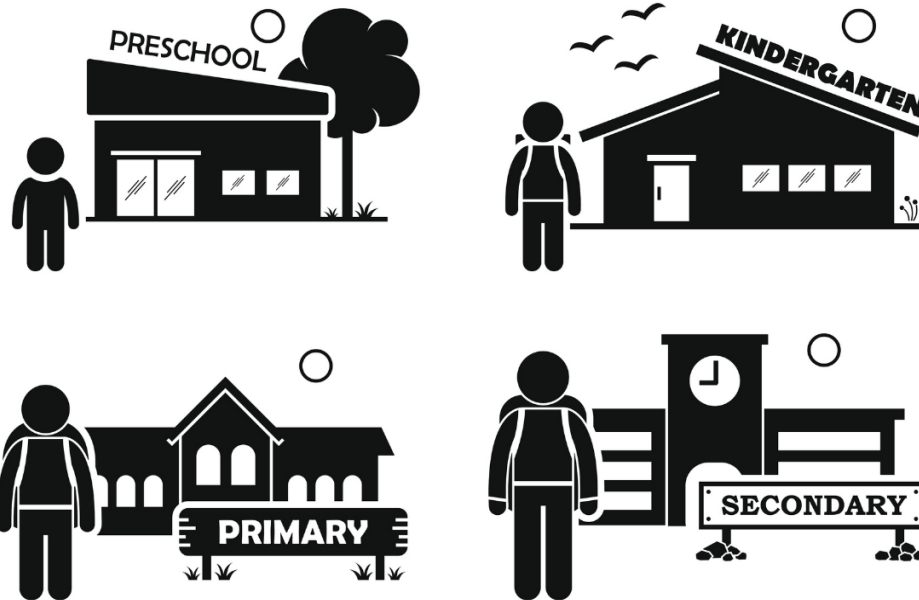
**Proposal:** Maintain rigorous graduation requirements that require students to demonstrate the knowledge and skills necessary for success after high school. To this end, policy makers could retain or slightly modify the end-of-course exam (EOC), SAT, or ACT, or industry-credential pathways that students can currently use to meet requirements. Alternatively, options could be explored that require students to demonstrate academic or career-technical competencies *and* meet other indicators of readiness (for example, cumulative GPAs or work experience).

**Background:** State graduation requirements are meant to ensure that students exit high school with the knowledge and skills needed for their next steps in life. For the past decade, Ohio required students to complete coursework and pass the Ohio Graduation Tests to graduate. Yet those tests were set at far too low a level; indeed, they actually assessed eighth-grade-level content, which is not nearly sufficient for true college or career readiness. To lift expectations, Ohio has phased in more challenging graduation standards. Starting with the class of 2018, the state now requires students to meet course requirements and either (1) pass EOC exams, (2) achieve a college-ready score on the ACT or SAT, or (3) earn industry credentials. Within the past few years, however, concerns that these requirements expected too much of students led state leaders to soften graduation standards for the class of 2018. At the urging of the State Board of Education, lawmakers weakened the new requirements, adding options based on alternatives such as senior-year GPAs and attendance rates, internship/volunteer hours, and capstone projects. Although some of the alternatives are worthy in their own right, the decision to permit students to fulfill just two of nine possible options allowed them to avoid demonstrating readiness via the exam- or credential-based pathways. At the end of 2018, the legislature extended graduation options to the classes of 2019 and 2020.

**Proposal rationale:** To ensure that students exit high school having demonstrated readiness for college or career, Ohio adopted higher graduation standards. But as they've come into effect, policy makers have weakened standards. With the debate still ongoing around requirements for the class of 2021 and beyond, lawmakers must provide leadership that assures Ohio's graduation standards align with indicators of college or career readiness.

**Cost:** No fiscal impact on the state budget.

**Resources:** For discussion of student motivation and graduation exams, see Paul Peterson's chapter "[Holding Students to Account](#)" in *What Lies Ahead for America's Children and Their Schools* (2014) and Adam Tyner and Michael Petrilli's article "[The Case for Holding Students Accountable](#)" in *Education Next* (2018); for a comparison of states' coursework requirements and college-admission standards, see Laura Jimenez and Scott Sargrad's report [Are High School Diplomas Really a Ticket to College and Work? An Audit of State High School Graduation Requirements](#), published by the Center for American Progress (2018); for more on states' alignment of diplomas with college and career readiness, see Monica Almond's 2017 report [Paper Thin? Why All High School Diplomas Are Not Created Equal](#), published by the Alliance for Excellent Education; and for information about Ohio's graduation requirements, see ODE's "[Ohio Pathways for a High School Diploma](#)."



## Policy goal 2: Empower Ohio’s families

School choice, done right, empowers Ohio’s parents and guardians to decide which educational approach best meets the needs of their children. Today, hundreds of thousands of Ohio families benefit from publicly funded choice options that include public charter schools, private schools, career-tech programs, dual high school/college enrollment, and more—including of course, traditional district schools. Rigorous research has found that high-quality options produce solid academic outcomes, instill civic and democratic values, and boost parent satisfaction. To their credit, Ohio policy makers have long supported efforts to expand education options and encourage a diversity of choices. Recently, they have also focused on school quality by demanding more rigorous accountability, particularly in the charter school sector. Yet quality options are still denied to many families, especially those from low-income and working-class backgrounds. State policy makers should empower all families—regardless of income—by opening more high-quality school options that can be matched with their children’s academic needs, individual interests, and career aspirations. To further this objective, we recommend the following initiatives (important matters of choice funding are discussed under policy goal 4):

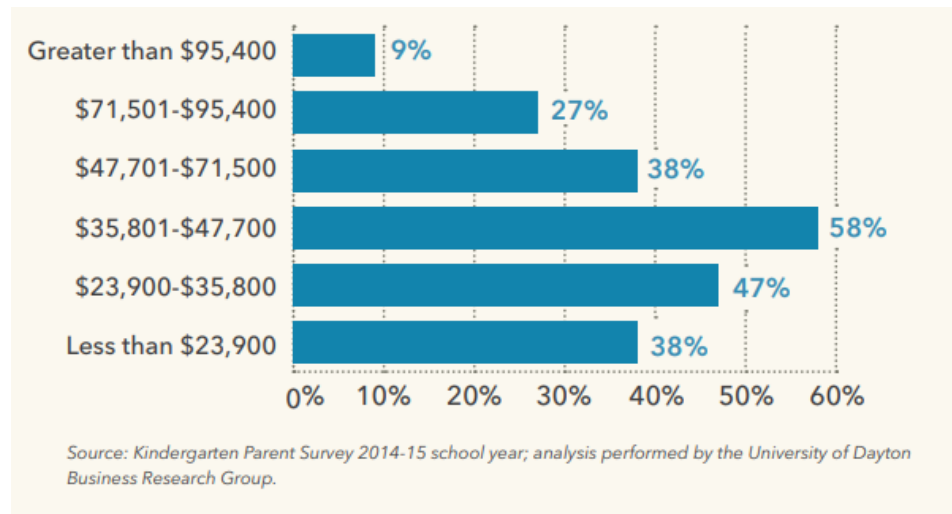
- Create a preschool scholarship for low- to middle-income students
- Expand interdistrict open enrollment
- Develop a statewide course-access program
- Remove geographic restrictions on brick-and-mortar charter schools
- Broaden eligibility for private school scholarships

## Create a preschool scholarship for low- to middle-income students

**Proposal:** Offer less-advantaged families scholarship opportunities that offset the tuition charged by many preschool providers. Low-income families not covered by federal Head Start or the state’s early-childhood grants would be eligible for such scholarships, as well as (we recommend) families with incomes up to four times the federal poverty level. The size of early-learning scholarships should be set via a sliding scale that provides higher amounts to the neediest families and, of course, adjusted according to whether parents are seeking part- or full-time preschool for their little ones. All types of preschools, including district, charter, or private providers, should be allowed to participate in the scholarship program.

**Background:** Research indicates that high-quality preschool education can improve children’s readiness to learn when they enter Kindergarten. Yet statewide data from the Fall 2016 Kindergarten Readiness Assessment show that just two in five Ohio children arrive in Kindergarten truly ready to learn. Although Ohio provides various preschool and childcare supports, these are generally confined to low-income or special-needs children. For instance, the federally funded Head Start program furnishes preschool for about 30,000 kids whose family incomes are at or below the federal poverty line (about \$25,000 for a family of four). Ohio’s own state-funded Early Childhood Education Grant (ECEG) provides funding for about 15,000 preschoolers whose parents’ incomes are at or below 200 percent of the poverty line. Despite these efforts, thousands of children continue to miss out on preschool, as their families cannot cover the out-of-pocket expenses. According to recent estimates from Montgomery County, about 35 percent of children don’t attend any preschool, public or private; as the figure below suggests, many of them come from low- to middle-income households.

**Figure 1:** Parents in Montgomery County (Dayton area) saying they “couldn’t afford” preschool, by household income



**Source:** Learn to Earn Dayton, [A Montgomery County Preschool Promise](#) (2015): p. 12

**Proposal rationale:** By opening more pre-K opportunities through tuition assistance, Ohio would enable more children to enter Kindergarten ready to learn. Our proposal would offer families opportunities to choose among providers and would target resources to needier families instead of subsidizing those who can (and, in many cases, do already) afford preschool tuition, as a universal, publicly funded pre-K program tends to do.

**Cost:** This proposal would require additional state appropriations, though the cost would depend on scholarship amounts, eligibility rules, and take-up rates. To ease the fiscal impact, the state could gradually implement the program, starting with four-year-olds at the lowest income levels and then expanding eligibility to include three-year-olds and some less impoverished families. Ohio should also consider consolidating funding streams (including ECEG and state childcare programs) to create a unified scholarship-based preschool program that is simpler to administer and easier for families to understand. Though the state would bear additional expenditures in the short run, studies indicate that high-quality pre-K can—if done well—generate long-term benefits that outweigh the immediate costs.

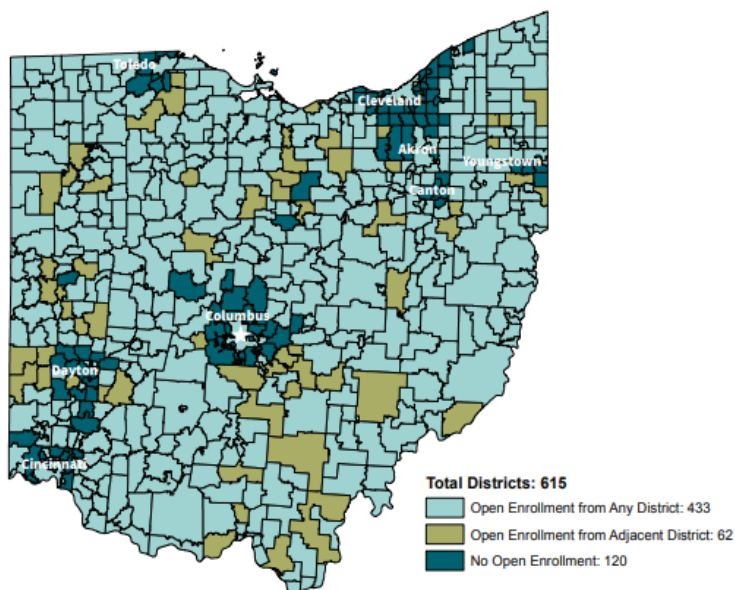
**Resources:** For a broad overview of Ohio’s various early-learning programs, see the Joint Education Oversight Committee’s [“Early Learning and Development Report”](#) (2018). The Dayton-area data cited are from Learn to Earn Dayton’s 2015 report [A Montgomery County Preschool Promise: Recommendations for Offering Affordable, High Quality Preschool to All](#). For a cost-benefit analysis of pre-K, see Lynn A. Karoly and Annamarie Whitaker’s report, [Informing Investments in Preschool Quality and Access in Cincinnati](#), published by the RAND Corporation (2016). For research showing the benefits of high-quality pre-K opportunities, particularly when combined with strong elementary schools, see the Mathematica Policy Research report [Pre-Kindergarten Impacts Over Time: An Analysis of KIPP Charter Schools](#) by Virginia Knechtel and colleagues (2017).

## Expand interdistrict open enrollment

**Proposal:** Require all Ohio school districts to participate in interdistrict open enrollment. This would require a change in state law that currently allows local school boards to prohibit open enrollment entirely (ORC 3313.98). However, current rules allowing districts to limit open enrollees based on schools' capacity should be maintained.

**Background:** Since 1989, Ohio has allowed districts to admit students who live outside their geographic boundaries via interdistrict open enrollment. But district participation is voluntary; that is, each district decides for itself whether to accept nonresident pupils. Today, roughly four in five Buckeye districts participate in this choice program, which enables nearly 80,000 students to attend schools outside their districts. Students may choose to open enroll for any number of reasons, including access to special academic or extracurricular programs, closer proximity to their homes, or the ability to go to class with close friends. Research also indicates that students benefit academically when open enrolling over multiple years—and the gains are greatest for those from disadvantaged backgrounds. Yet more than one hundred Ohio districts forbid open enrollment—with most such districts located in suburban areas surrounding the state's big cities (figure 2). This is a very cramped view of “public education,” and it

**Figure 2:** Ohio school districts by their participation in open enrollment, 2013-14



removes quality school options for tens of thousands of needy children just because of their home addresses.

**Proposal rationale:** Although many parents are satisfied with their home districts—and many choose them intentionally via where they purchase or rent their homes—others have children who would benefit from attending a different school. For these families, public schools outside of their district of residence should be accessible. Requiring statewide district participation in open enrollment, as twenty-three other states do, would ensure that all Ohio families have opportunities to enroll their children in the schools that are best for them.

**Cost:** No significant impact on the state budget.

**Resources:** For an analysis of academic impacts on open enrollees, see Deven Carlson and Stéphane Lavertu's report [Interdistrict Open Enrollment in Ohio: Participation and Student Outcomes](#), published by the Fordham Institute (2017). The map displayed above also comes from that report (p. 12). For more on other states' open-enrollment policies, see the National Center for Education Statistics' ["Numbers and types of open enrollment policies, by state: 2017."](#) Detailed information about Ohio's interdistrict open-enrollment policies can be found at the ODE's web page ["Open Enrollment: Overview and Explanation,"](#) and a list of participating districts is also at the ODE's website, under ["Open Enrollment."](#)

## Develop a statewide course-access program

**Proposal:** Authorize the ODE to develop and oversee a statewide course-access program. To implement the program, a funding mechanism should be created to pay online course providers and develop accountability tools that verify student learning.

**Background:** Traditionally, families and students have chosen a single school that delivers the entire educational experience. Although this “bundled” approach works well for many, the courses offered at any one school may not match the needs of every student in attendance, particularly in the upper grades. For instance, national data show that only half of U.S. schools offer calculus and just three in five offer physics. Closer to home, 139 Ohio districts—primarily rural—report that none of their recent graduates participated in Advanced Placement (AP) or International Baccalaureate (IB) courses. Hundreds, if not thousands, of students attending these schools could have benefitted from such advanced coursework but may have missed such opportunities due to schools’ resource (or other) constraints. To overcome these barriers, several states, including Florida, Texas, and Virginia, have unlocked course-level opportunities via technology. This approach permits students to attend their local schools but also incorporate state-approved online courses into their schedules. These may include advanced courses such as AP or IB or electives such as foreign languages, accounting, and information systems.

**Proposal rationale:** Families and students shouldn’t have to sit idly by, or switch schools altogether, when courses aren’t offered by their local schools. By developing an online course-access program, Ohio would allow students to remain in their local schools while better tailoring their schedules to their academic abilities and interests. At the same time, state oversight would ensure course rigor and proper tracking of pupil performance.

**Cost:** The state would need to allocate sufficient funds (perhaps \$5 million per year) to develop a course catalog and maintain oversight of the available courses. To compensate course providers, the state should subtract funds from districts’ per-pupil state aid in proportion to the number of courses taken by a student. For instance, assuming a student takes two online courses and six “regular” courses at her district, the district would receive 75 percent of the state per-pupil allocation for that student.

**Resources:** For discussion of policy design and examples from other states, see Michael Brickman’s report [Expanding the Education Universe: A Fifty-State Strategy for Course Choice](#), published by the Fordham Institute in 2014 and the Foundation for Excellence in Education’s “[Course Access: Policy Toolkit](#)” (2018). For national data on course-taking patterns, see the U.S. Department of Education report [STEM Course Taking](#) (2018). Ohio data on AP/IB course taking is available at the ODE web page “[Ohio Report Cards: Download Data](#)” (see also figure 5).

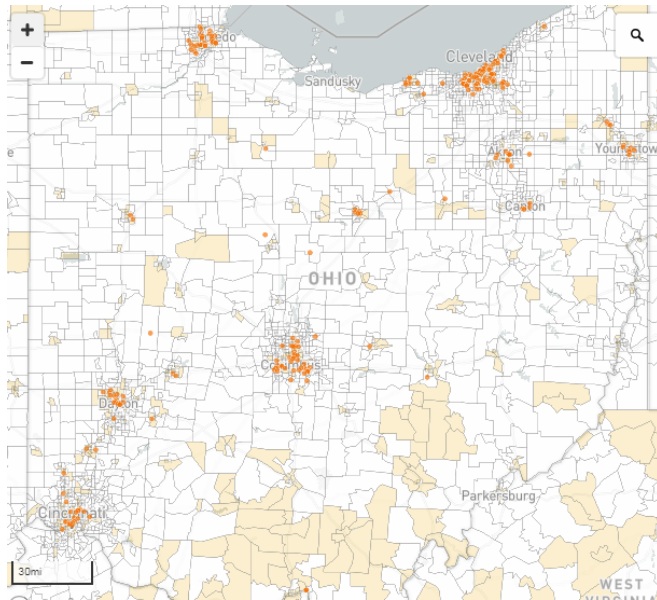


## Remove geographic restrictions on brick-and-mortar charter schools

**Proposal:** Remove the statutory provisions that confine startup brick-and-mortar charters to “challenged districts” (the Big Eight, Lucas County, and other low-performing districts).

**Background:** Ohio has more than 300 public charter schools (a.k.a. “community schools”) that educate over 100,000 students. Though online (“virtual”) charters have received much attention of late—much of it deservedly critical—the vast majority of charters are traditional brick-and-mortar schools, almost all of which are located in the major cities and serve primarily disadvantaged children (see figure 3; charters are signified by orange dots). The last detailed evaluation of this sector shows that Ohio’s urban charters make positive impacts on student learning, especially among low-income, black pupils. Research in other cities, such as Boston and New York City, also finds that charters add months of student learning and help to narrow achievement gaps. Charters can also benefit middle-class families; in fact, suburban charters in Arizona dominate *US News & World Report’s* top ten “Best High Schools” in the nation. Despite charters’ success in serving students of all backgrounds, Ohio law continues to prohibit them from locating in most of the state’s communities. This leaves most families with public school alternatives that are primarily confined to online charters and interdistrict open enrollment.

**Figure 3:** Location of Ohio charter schools



Through the federal Charter School Program, Ohio has millions in funding that could be used to kick-start successful new schools via planning and implementation grants.

**Proposal rationale:** Across the nation, charter schools offer families and students learning environments suited to their needs. Brick-and-mortar charters have been proven to work for Ohio’s most disadvantaged students, and in other states they also do a fine job of serving middle-class families seeking different educational approaches for their children. Removing the state’s geographic restrictions is a necessary first step that would permit new charter school formation in all regions of Ohio, including many areas with significant numbers of students in poverty.

**Cost:** No significant impact on the state budget.

**Resources:** The map of Ohio charter locations is taken from [America’s Charter Deserts](#), a web page published by the Fordham institute in 2018. The most recent rigorous evaluation of Ohio’s charter sector is by the Center for Research on Education Outcomes (CREDO) in the 2014 report [Charter School Performance in Ohio](#). For summaries of charter research nationally, see Patrick Denice’s report, [Are Charter Schools Working? A Review of the Evidence](#), published by the Center on Reinventing Public Education (2014), and Brian Gill’s article [“The Effect of Charter Schools on Students in Traditional Public Schools”](#) in *Education Next* (2016). And for more on Arizona charters, see *U.S. News’* [“Best High Schools Rankings”](#) and June Kronholz’s article [“High Scores at BASIS Charter Schools”](#) in *Education Next* (2014). Information on challenged districts is at the ODE web page [“Challenged School Districts”](#); and for information about Ohio’s CSP grant, see the ODE web page [“Charter School Program \(CSP\) Grant.”](#)

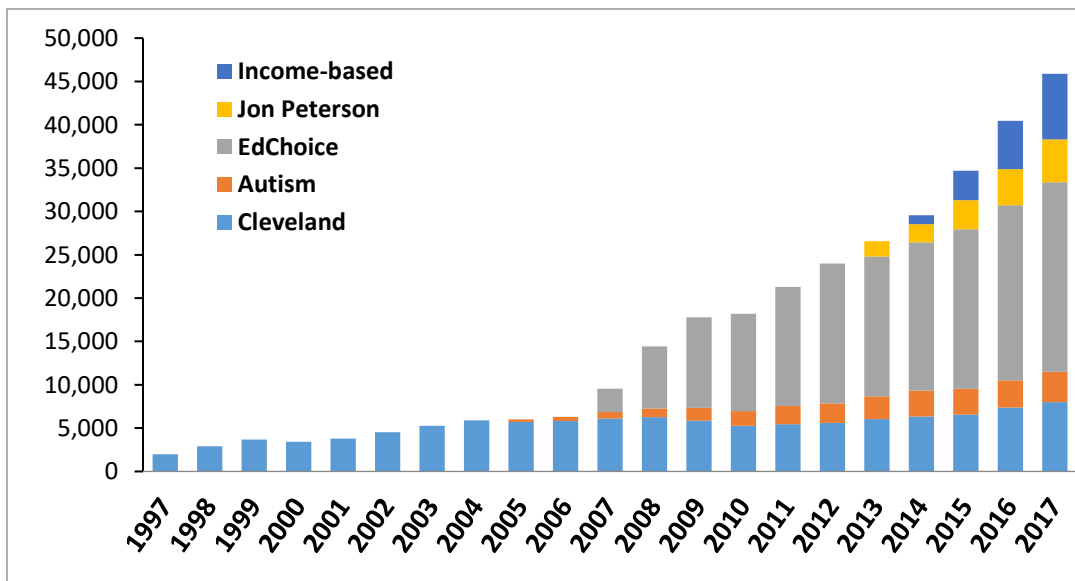


## Broaden eligibility for private school scholarships

**Proposal:** Ohio should expand eligibility for the income-based EdChoice scholarship to families with incomes at or below four times the federal poverty level and make them available to students in grades K–12. For newly eligible families with incomes between 200 and 400 percent of federal poverty levels, scholarship amounts should be determined based on a sliding scale, with higher-income households receiving lesser sums. Those at or below 200 percent of the poverty level should receive the full scholarship amount, presently set at \$4,650 for grades K–8 and \$6,000 for grades 9–12. Funding should flow directly from the state rather than through school districts. In conjunction with an expanded scholarship program, Ohio should increase transparency around non-public-school performance by requiring the ODE to report student-growth results.

**Background:** Over the past two decades, Ohio has provided an increasing number of scholarships (a.k.a. “vouchers”) that enable families to access private schools. Today, Ohio has five programs, each with its own eligibility and program rules: (1) Cleveland Scholarship; (2) Traditional EdChoice; (3) Income-Based EdChoice; (4) Autism; and (5) Jon Peterson Special Needs. As figure 4 indicates, these programs have been phased in gradually, with participation now exceeding 45,000 pupils. But even with the recent expansions, too many youngsters from working-class homes are excluded from such educational opportunities. Traditional EdChoice is restricted to students who would otherwise attend low-performing public schools; Cleveland is only open to children residing in that district. Meanwhile, the newer Income-Based EdChoice is open only to children in grades K–5 and those whose family income is at or below twice the federal poverty level (about \$50,000 for a family of four); the Autism and Peterson scholarships are limited to students with special needs. Due to these eligibility constraints, private school options remain out of reach for many lower- and middle-income families unable to pay out of pocket for tuition. In terms of transparency for students’ academic outcomes, EdChoice and Cleveland participants must take state exams, and proficiency rates are reported (at an aggregate level) by their school of attendance.

**Figure 4:** Student participation in Ohio’s private school scholarship programs, 1997–2017

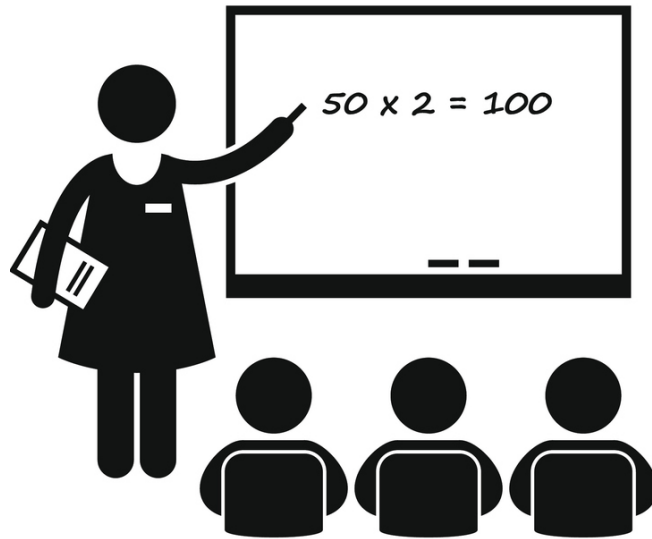


Data source: American Federation for Children, [School Choice Yearbook \(2016–17\)](#).

**Proposal rationale:** Many working-class parents—including those with income levels characteristic of first responders, nurses, and teachers—remain hard pressed to afford a private education for their children, should that be their preference. Ohio can open more opportunities for such families by providing financial assistance through an expanded Income-Based EdChoice program. Using a sliding scale to set scholarship amounts when family income exceeds 200 percent of federal poverty would allow Ohio to continue to target the bulk of its scholarship aid to the neediest families. Lastly, introducing a student-growth metric would improve public and parent understanding of the effectiveness of private schools educating scholarship students, apart from their baseline achievement.

**Cost:** Because the proposal funds scholarships directly rather than via deductions from school districts, the state would incur additional costs to fund an expanded Income-Based EdChoice. These costs would be offset by a reduction in state funds going to the students' former schools. The exact fiscal impact depends on a variety of factors, including scholarship take-up rates, the state share index where students would have otherwise attended school, and whether the district funding was impacted by either caps or guarantees. The Legislative Service Commission has estimated that broadening eligibility in a way similar to this proposal may cost an additional \$50 to \$80 million per year, but that estimate doesn't appear account for changes to the state-share index, which could reduce the cost to the state.

**Resources:** Information about private school scholarship programs across the nation can be found in the American Federation of Children's report [School Choice Yearbook \(2016–17\)](#). For a review of research on scholarship programs, see Greg Forster's report [A Win-Win Solution: The Empirical Evidence on School Choice](#), published by the Friedman Foundation (2016). For details on Ohio's scholarship programs, including proficiency data, see the ODE web page "[Scholarships](#)." And for a fiscal analysis on legislation (SB 85 of the 132nd General Assembly) proposing to expand scholarships, see the Legislative Service Commission's "[Fiscal Note & Local Impact Statement](#)" (2017).



### **Policy Goal 3: Support great educators**

Excellent educators are the backbone of world-class school systems. Research bears out the impact of great teachers, showing their ability to lift student achievement and boost longer-term outcomes such as college graduation and adult income and career success. Given their lasting effect on the lives of Ohioans, it's crucial that state leaders promote excellent instruction in every classroom. While the vast majority of Buckeye State teachers are talented, dedicated individuals, various policies stifle schools in their efforts to attract, develop, and retain the finest educators. Traditional teacher-preparation programs typically produce too many beginning teachers who are unready take the reins of a classroom. Schools face challenges filling vacancies in hard-to-staff subject areas, most notably in the STEM fields and special education. High-poverty schools, both rural and urban, have difficulties recruiting top-notch applicants—and keeping their best teachers from transferring or leaving the profession altogether. In recent years, Ohio has undertaken several well-intended initiatives aimed at improving teacher quality, but many more changes are needed. We recommend the following initiatives:

- Create an incentive program to attract and develop high-performing teachers
- Develop teacher residencies
- Eliminate mandatory teacher-salary schedules
- Eliminate districts' ability to bargain away their managerial rights
- Tie tenure to teacher performance
- Create a curriculum-review committee

## Create an incentive program to attract and develop high-performing teachers

**Proposal:** Establish a competitive grant program that would provide funds to implement human-capital initiatives aimed at attracting and/or developing classroom talent. These grants could be used to support innovative compensation strategies, such as differential pay structures, signing or performance bonuses, or assistance with paying off student loans. They could also be used to implement mentoring, evaluation, retention, and development programs that ensure great teachers remain in classrooms and take on instructional leadership roles. The grants should be open to districts, charter and STEM schools, as well as to consortia of educational institutions.

**Background:** Attracting talented individuals to the teaching profession remains key to developing a high-performing K–12 system. But in an increasingly competitive job market, schools have had trouble drawing top talent into their classrooms. A 2010 McKinsey report found that just 23 percent of U.S. teachers came from the top third of their college graduating class, with only 14 percent of new teachers in high-poverty schools coming from that tier. Although we don't have comparable statistics for Ohio, data and news reports suggest that a great many of the state's schools struggle to fill teaching positions, especially in hard-to-staff subjects. A recent analysis, for example, indicates an oversupply of recent graduates in early education and ELA, alongside a shortage of those prepared to teach in the STEM fields. Schools in remote rural communities and inner cities also face challenges attracting top-notch talent into their classrooms. Ohio has undertaken efforts to bolster the teacher pipeline, including the introduction of Teach For America, a national nonprofit that recruits high-performing college graduates. But Ohio schools continue to face challenges recruiting and retaining the best and the brightest young people to work in education.

**Proposal rationale:** Ohio schools compete with other states and professions to draw talented, motivated individuals into their classrooms. A competitive grant program would encourage districts and schools to pursue new ways to do this.

**Cost:** The state should allocate \$30 million to this program over two fiscal years, \$10 million for the first year and \$20 million for the second year. This relatively modest amount would support schools seeking to experiment or pilot human-capital initiatives, with the aim of full implementation using general operating funds after grants expire. A portion of state funding should be set aside to ensure rigorous evaluation of the grant-funded initiatives.

**Resources:** For an analysis on the college performance of U.S. teachers, see the 2010 McKinsey and Company report [Closing the Talent Gap: Attracting and Retaining Top-Third Graduates to Careers in Teaching](#) by Brian Auguste and colleagues. For data on Ohio's educator workforce, see the 2013 Ohio Research Center report [Teacher Supply and Demand in Ohio](#) by Jay Zagorsky and colleagues. For an overview of strategies for teacher recruitment and retention, see the 2016 Center for American Progress report [To Attract Great Teachers, School Districts Must Improve Their Human Capital Systems](#) by Annette Konoske-Graf and colleagues. And for examples of innovative staffing models, see Public Impact's website "[Opportunity Culture](#)."

## Develop teacher residencies

**Proposal:** Provide funding to support districts and charter networks that seek to create teacher-residency programs in partnership with institutions of higher education. Because residencies train nontraditional candidates, they should also relax teacher-licensing statutes to allow districts to hire individuals who have degrees outside of education.

**Background:** Ohio schools employ over 100,000 teachers, the majority of whom were trained in traditional teacher-preparation programs housed in colleges or universities. Ohio also offers a couple of alternative routes for nontraditional candidates via the Intensive Pedagogical Training Institute or the highly selective Teach For America program. Together, these traditional and nontraditional routes fill many of the staffing needs of schools, but significant voids remain. In other parts of the country, teacher-residency programs have been launched to address such needs. They provide in-depth clinical experiences to new recruits—typically early- to mid-career professionals—before they take on full teaching responsibilities. The residency programs are generally close partnerships between K–12 schools and local institutions of higher education. The schools pair new recruits with experienced mentors who support their hands-on classroom experience; local colleges sometimes provide coursework. Research on residencies shows they can attract talented individuals into high-need schools and in-demand subjects, improve the diversity of the profession, and support retention. In a 2016 Learning Policy Institute paper, just one teacher-residency program was found in Ohio—developed by the Cleveland-based Breakthrough Network of charter schools in partnership with Ursuline College and John Carroll University.<sup>2</sup>

**Proposal rationale:** Residency programs prioritize clinical experience in the classroom—a learning-by-doing approach rather than a conventional paper-credentials model. Such programs are a promising way to draw nontraditional or mid-career candidates into the profession, especially in hard-to-staff subjects and schools.

**Cost:** The state could budget \$10 million per year to create a grant program that would support the planning and implementation of teacher-residency programs. Depending on the specific residency model and what expenses are subsidized—for example, tuition, residents’ salaries, or stipends for mentors—this amount should support the training of approximately 100 to 250 residents (nationally, the cost per resident ranges from \$35,000 to \$85,000, which may include the resident teachers’ salaries).

**Resources:** For overviews of teacher residencies, see the 2016 Learning Policy Institute report [The Teacher Residency: An Innovative Model for Preparing Teachers](#) by Roneeta Guha and colleagues and the National Center for Teacher Residencies’ [“About The Residency Model.”](#) For data on residency costs, see Sara Morris and Marisa Bier’s article [“This may be the best way to train teachers—and yes, we can afford it”](#) in the *Hechinger Report* (2016). For an overview of Breakthrough’s residency program, see [“Cleveland Urban Teacher Residency,”](#) and for more information on teaching requirements in Ohio, see Jessica Poiner’s policy brief [“Pathways to Teaching in Ohio,”](#) published by the Fordham Institute (2015).

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<sup>2</sup> The “residencies” discussed here are not related to Ohio’s Resident Educator Program, a state-required development program for beginning teachers trained in traditional education schools.

## Eliminate mandatory teacher-salary schedules

**Proposal:** Repeal statutory provisions that require districts to implement teacher-salary schedules based on years of service and training, and repeal the outdated statute related to teacher-salary policies for districts receiving the now-expired federal Race to the Top funds.

**Background:** Based on seniority, master’s degrees, and other courses taken, “step-and-lane” salary schedules have traditionally determined teacher pay in district-operated schools. Yet research has consistently found little connection between student learning and this approach to compensating teachers. Meanwhile, such rigid salary schedules thwart effective management of the educator workforce. Because they often prescribe low starting pay, schools face difficulties attracting and retaining younger teachers. And because they don’t differentiate pay based on individuals’ skills and abilities—or their subject specialties and outside job prospects—schools cannot adjust salaries in efforts to keep talented teachers in the classroom. As a result, analysts and reformers have long urged schools to move toward more flexible arrangements that base pay on educator performance and abilities, subject-matter expertise, working conditions, or professional responsibilities. Despite the common sense—and policy wisdom—of such alternative approaches, most districts still rely on step-and-lane salary schedules. In Ohio, part of the reason can be traced to state law (ORC 3317.14) that requires districts to annually adopt salary schedules based on training (such as master’s degrees or graduate credits earned) and years of service. The only exception is the Cleveland school district, which is allowed to adopt a differentiated salary schedule (as were districts that used to receive funds under the now-defunct Race to the Top program).

**Proposal rationale:** Repealing salary-schedule requirements—which don’t exist for most charter and private schools—would better empower local districts to determine how best to pay their instructional teams, whether based on classroom effectiveness, employment in higher-need schools, teaching in more demanding subject areas, greater responsibility, and other factors that might legitimately affect pay, along with experience and educational background. With greater flexibility in the realm of compensation, which is by far the largest item in their budgets, school leaders could allocate funds more strategically so that their best educators are rewarded and encouraged to remain in the classroom. The critical decision on how to compensate educators would rest with districts and allow for innovative pay practices that today are severely restricted by statute.

**Cost:** No fiscal impact on the state budget.

**Resources:** For more information about teacher experience and effectiveness, see [Teacher Experience: What Does the Research Say?](#), published by The New Teacher Project (2012); for evidence on the weak correlation between master’s degrees and instructional effectiveness, see Helen F. Ladd and Lucy C. Sorenson’s report [Do Master’s Degrees Matter? Advanced Degrees, Career Paths, and the Effectiveness of Teachers](#), published by CALDER (2015); and for a review on the research and policy issues, see Michael Podgursky’s chapter in *the Economics of Education, Volume 3* (2011), entitled “[Teacher Compensation and Collective Bargaining](#).” An overview of states’ teacher-compensation policies can be found at the National Council on Teacher Quality’s web page “[Teacher Compensation Policy](#).”

## Eliminate districts' ability to bargain away their managerial rights

**Proposal:** Repeal the provision that allows districts to negotiate key responsibilities such as hiring, evaluating, disciplining, and retaining their teaching and nonteaching staff.

**Background:** State law (ORC 4117.08) outlines the matters that are subject to collective bargaining between school districts and teachers' unions. It naturally and properly permits districts and unions to negotiate wages and hours, along with terms and other conditions of employment. This same statute, however, also lists several items that are fundamental responsibilities of school leaders—known as “matters of inherent managerial policy.” These include the ability to create organizational budgets; hire, evaluate, supervise, and discipline staff; and assign and promote employees. Yet the very provision that appears to empower school management immediately allows districts, should they so choose, to negotiate these basic responsibilities through collective bargaining. Many districts do indeed bargain away these inherent managerial rights, as evidenced by hundred-page contracts that often spell out elaborate employee grievance, transfer, and dismissal procedures—among other work rules—that restrict school leaders' ability to manage and support a team of excellent educators.

**Proposal rationale:** School and district leaders should have the ability to effectively manage their staff in ways that promote a culture of excellence. Yet as Paolo DeMaria observed in a 2015 paper published prior to becoming state superintendent, “There are too many examples where, in times of financial constraints, districts have bargained away their management rights.” Repealing this provision would ensure this doesn't happen and better safeguard the management prerogatives needed to make decisions based on the needs of their schools and students, apart from excessively detailed work rules spelled out in contracts. Such restrictive contract provisions often serve to protect low-performing employees and tie the hands of principals when it comes to filling open positions, as they are often forced under contract rules to hire educators according to seniority, regardless of their performance or organizational fit.

**Cost:** No fiscal impact on the state budget.

**Resources:** For discussion on collective bargaining's impact on school management, see Frederick Hess and Martin West's report [A Better Bargain: Overhauling Teacher Collective Bargaining for the 21st Century](#), published by the Program on Education Policy & Governance (2005); for more on teacher-transfer rules, see the 2005 New Teacher Project report [Unintended Consequences: The Case for Reforming the Staffing Rules in Urban Teachers Union Contracts](#) by Jessica Levin and colleagues; and for brief comments on Ohio's collective-bargaining law, see [Getting out of the Way: Education Flexibility to Boost Innovation and Improvement in Ohio](#), a report written by Education First's Paolo DeMaria and colleagues and published by the Fordham Institute (2015).

## Tie tenure to teacher performance

**Proposal:** Include satisfactory teacher-performance evaluations in two out of the past three years of teaching as a condition of receiving tenure and eliminate coursework requirements for tenure.

**Background:** Also known as “continuing-service status,” tenure provides teachers with job security until they resign or retire. Tenured teachers—those receiving “continuing contracts” that never expire—enjoy protections that include extensive hearing and appeals processes should a district seek to terminate their employment and are designated as “last out” within their area of instruction when districts need to reduce the size of their workforce (ORC 3319.16-17). In contrast, all other teachers are employed on “limited contracts,” with lengths up to five years. When these contracts expire, districts can terminate the employment relationship by nonrenewing the contract under a less onerous process. To be eligible for tenure, Ohio teachers must meet several conditions set forth in statute (ORC 3319.08). They include the following: being licensed for at least seven years, teaching in the district for at least three out of the past five years, and completing additional college coursework since initial licensing. Districts may deny tenure to eligible teachers, though this rarely happens in practice. In New York City, for example, one study found that almost 95 percent of teachers received tenure in the late 2000s. Given the significant job protections at stake—and perfunctory tenure reviews—states have moved to strengthen their tenure policies. Today, nineteen states (not including Ohio) now require evidence of classroom effectiveness as a condition of tenure; four states have repealed it altogether for newly hired teachers.

**Proposal rationale:** Most Ohio teachers are talented, hardworking professionals, but others are less-effective instructors, including both novice and tenured teachers. In fact, survey data indicate that most educators believe there are tenured teachers who underperform and whose employment should be reconsidered. Yet expensive, time-consuming dismissal procedures result in districts rarely attempting to remove low-performing tenured teachers from the classrooms. To better ensure that ineffective instructors are not rewarded with job protections, satisfactory evaluations should be required before districts grant tenure. Additionally, research has not shown a correlation between additional college coursework and higher student achievement, and this tenure requirement should be repealed. Moreover, this condition imposes out-of-pocket expenses on teachers (or schools, if they offer reimbursements) to take these courses.

**Cost:** No fiscal cost to the state.

**Resources:** For background on Ohio school employment laws, see the Ohio School Boards Association’s [HR Reference Guide to School Law](#) (2014); for information on other states’ tenure policies, see the National Council on Teacher Quality’s web page “[Tenure](#)”; for research on New York City’s tenure reforms, see [Performance Screens for School Improvement](#), a report written by Susanna Loeb and colleagues and published by the Center for Education Policy Analysis (2014); for more on appeal processes, see David Griffith and Victoria McDougald’s report [Undue Process: Why bad teachers in twenty-five diverse districts rarely get fired](#), published by the Fordham Institute (2016); and for survey data on teacher and administrator views of tenured teachers, see Patrick McGuinn’s [Ringing the Bell for K–12 Teacher Tenure Reform](#), published by the Center for American Progress (2010).



## Create a curriculum-review committee

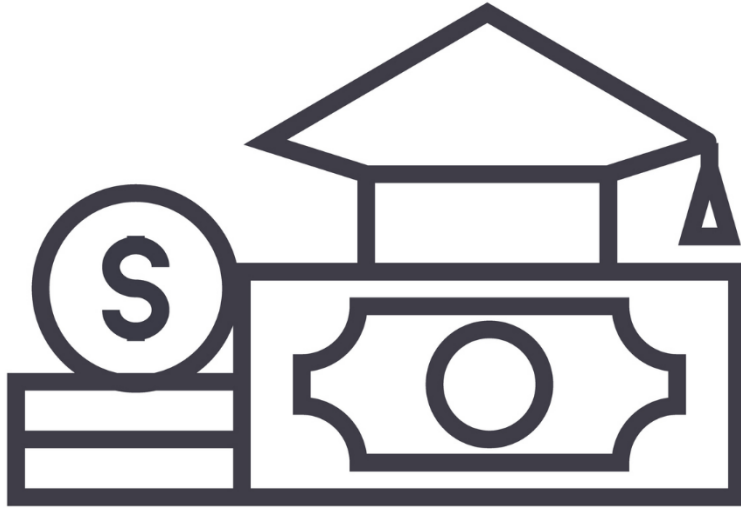
**Proposal:** Form an independent review committee at ODE that evaluates the quality of curricular textbooks and materials. These evaluations would help to inform districts' purchasing and instructional decisions, but districts would not be required to adopt or implement any particular curriculum, textbook, or learning material.

**Background:** Smart, hardworking teachers are a critical part of the school-quality equation, but so too are the curricula deployed in their classrooms. Studies from California, Florida, and Indiana all indicate that curricular decisions—referring to the textbooks and materials that schools deploy—make a difference in student learning. These studies also find that high-quality materials seldom cost more than mediocre ones, suggesting that curricular reform could be a cost-efficient way to boost learning. However, surveys find that educators often struggle to identify which resources are most likely to boost achievement. This isn't surprising, given limited planning time, as well as an increasingly crowded marketplace for educational products, both digital and in print. Several efforts have been undertaken to help educators better discern quality materials. For example, EdReports, an independent nonprofit, evaluates math and ELA textbooks based on alignment to college-and-career-ready standards. Louisiana undertook its own evaluations—carried out by veteran teachers—that aimed to inform schools' curricular decisions. Ohio does not have a central process for adopting textbooks or materials—under state law, local districts and schools make those decisions—nor does it have a review or rating process for curricular materials, à la Louisiana. Although Ohio's decentralized approach ensures local control over curriculum, it also leaves educators without clear, impartial information that can guide decisions on curriculum.

**Proposal rationale:** High-quality instructional materials, properly deployed, benefit students at little additional cost to schools. By creating a system to evaluate materials—but not requiring their use—Ohio would both provide important information that can sharpen educators' decision making, while maintaining local autonomy over curricular decisions. To incentivize the use of high-quality textbooks and materials, the state could begin to offer quality materials at a discount, something that Louisiana has done.

**Cost:** Though exact costs are indeterminate, allocating an additional \$5 to \$10 million per year to support a review team that evaluates curriculum and periodically updates those evaluations as new materials come to market would likely achieve the desired goal. The funds would be used for administrative expenses and to create an online tool through which educators can access reviews and ratings. Once evaluations are completed, Ohio could then offer materials and textbooks deemed high quality to districts at a discount.

**Resources:** For a broad summary of curriculum research, see David Steiner's report [Curriculum Research: What We Know and Where We Need to Go](#), published by Standards Work (2017); for a study from California on math textbooks, see Cory Koedel and Morgan Polikoff's article "[Bang for Just a Few Bucks: The Impact of Math Textbooks in California](#)," published by the Brookings Institution (2017); and for more on Louisiana's curricular efforts, see Robert Pondiscio's 2017 article "[Louisiana Threads the Needle on Ed Reform](#)," published in *Education Next*. EdReports' reviews are available on its [website](#).



## **Policy goal 4: Create transparent and equitable funding systems**

It's no secret that school-funding policy is fraught with difficulties. However, the best thinking on this issue grounds policy making in several core principles: (1) per-pupil amounts should vary based on children's educational needs; (2) schools should be able to spend funds flexibly, with accountability focused on outcomes rather than inputs, processes, and practices; (3) funding systems should be simple and transparent; and (4) funds should follow students to the schools they attend. Although Ohio's current funding system has its strengths—it delivers more state aid to the neediest districts and ties additional dollars to students with greater needs—there's vast room for improvement. The sheer complexity of school finance, at state and local levels, renders it almost incomprehensible to most Ohioans, even as they contribute upwards of \$19 billion per year in state and local taxes. The state funding system itself lacks evenhanded treatment of districts, including the pervasive use of "caps and guarantees" that unfairly benefit some while robbing others of needed resources. Meanwhile, schools of choice, including charter and independent STEM schools, receive less overall funding than nearby districts, leaving them with insufficient resources to educate many of Ohio's neediest children. Much work remains to strengthen Ohio's funding policies, and we suggest the following reforms as a starting point:

- Merge state funding components into the core Opportunity Grant
- Use direct certification for economically disadvantaged funding
- Phase out the use of caps and guarantees
- Pay schools of choice directly from the state
- Invest in brick-and-mortar charter schools

## Merge state funding components into the core Opportunity Grant

**Proposal:** Streamline the state funding formula by eliminating the Targeted Assistance, Capacity Aid, and the bonus funding components, and merge those funding streams into the Opportunity Grant.

**Background:** School funding has long been a joint state-local responsibility. In 2017, Ohio districts generated roughly \$9 billion in local tax revenue, with wealthy districts able to raise more. Meanwhile, the state contributes \$10 billion-plus and distributes more funds to Ohio’s neediest districts to compensate for their lower taxing capacities. To allocate the bulk of state aid, lawmakers first set a formula, or “base,” amount (\$6,010 per student in FY 18). This base is then adjusted by the State Share Index (SSI), which accounts for districts’ income and property wealth. Together, the base amount and SSI determine districts’ Opportunity Grants, which are the core of Ohio’s foundation funding program (table 1). Additional components are layered on top, such as Targeted Assistance, Capacity Aid, various student-based categories, and bonus funds. Some of these additional components are essential to equitable state funding; for example, Ohio adds funds when schools serve special-education students or students with limited English proficiency. Other components, such as Targeted Assistance and Capacity Aid, are less necessary to achieving funding-equity goals yet increase the complexity of the funding system. Moreover, unlike the Opportunity Grant, which provides a certain amount of state aid to all districts, not everyone receives funds under Targeted Assistance and Capacity Aid. In 2017, ninety-three out of 610 districts were denied Targeted Assistance, and 308 were denied Capacity Aid.

**Table 1:** Main components of Ohio’s foundation funding program, traditional districts, FY 2017

Component	Funding amounts
<b>General operations</b>	
Opportunity Grant	\$4,598,854,867
Targeted Assistance	\$860,527,578
Capacity Aid	\$174,520,646
<b>Student-based funding</b>	
Special education	\$822,966,225
Economically disadvantaged	\$401,769,653
K–3 literacy	\$103,165,226
Gifted	\$73,615,005
Career and technical	\$64,105,048
Limited English proficiency	\$27,769,456
<b>Bonuses</b>	
Graduation rate	\$19,994,850
Third-grade reading	\$8,390,742
<b>Transportation</b>	\$528,310,149
<b>Guarantee</b>	\$103,654,486
<b>TOTAL FOUNDATION FUNDING</b>	<b>\$7,787,643,931</b>

Source: ODE, [Foundation Settlement Report](#) (FY 2017, June 2 Payment).

**Proposal rationale:** The Opportunity Grant, Capacity Aid, and Targeted Assistance have overlapping purposes: all aim to drive more dollars to districts with limited funding capacity. By collapsing these similar components into the core Opportunity Grant, the state would create a less complicated formula that is easier to predict, while also maintaining a focus on equity between districts. Centering attention

on the Opportunity Grant would also allow the state to concentrate on its design and functionality, rather than having to review multiple calculations. Meanwhile, the bonus components spread too little funding across all districts to incentivize any real improvements; those dollars would be better allocated via the Opportunity Grant.

**Cost:** The proposal rolls existing dollars into the Opportunity Grant and, in isolation, would not cost additional state money. However, districts' state funding levels would change, and hence the proposal would likely interact with caps and guarantees; fiscal modelling should be undertaken to predict costs.

**Resources:** For more on merging funding streams into the base funding, see the Foundation for Excellence in Education's paper [Student-Centered State Funding: A How-To Guide for State Policymakers](#) (2017); this idea is also part of the school-funding proposals in Ohio [House Bill 102](#) of the 132nd General Assembly. For a relatively broad description of the state funding system, see [A Formula That Works: Five Ways to Strengthen School Funding in Ohio](#), a report written by Bellwether Education Partners' Jennifer Schiess and colleagues and published by the Fordham Institute (2017). For detail on district-funding calculations, see the ODE report [School Finance Payment Report \(SFPR\): Line by Line Explanation](#) (2018).

## Use direct certification for economically disadvantaged funding

**Proposal:** For funding purposes, Ohio should decouple the identification of economically disadvantaged (ED) students from eligibility for federal free and reduced-priced lunches (FRPL). Instead, the state should identify low-income students through their family’s participation in other means-tested programs, such as the Supplemental Nutrition Assistance Program and/or Temporary Assistance for Needy Families—a process known as direct certification.

**Background:** With fewer resources at home, low-income students require more public funds to support their education. Recognizing this, Ohio provides additional state aid to districts serving more ED students (see table 1 above). In FY 2018, the incremental amount is \$272 per pupil, with an adjustment that steers more dollars to districts serving the highest proportions of ED students. Ohio generally identifies ED students based on their eligibility for the federal program of free or reduced-priced lunches (FRPL), a program that has traditionally been linked to family income. But a recent change in federal law now allows higher-poverty districts to offer meals at no cost to all students, regardless of their income. Known as Community Eligibility Provision (CEP), this program has led to a growing number of districts reporting all students as ED—even though a significant number may not come from low-income households. In 2016–17, forty-nine Ohio districts reported blanket ED coverage (> 98 percent), compared with just seven such districts four years earlier. Though CEP is a worthwhile meals initiative, linking ED identification to FRPL eligibility increasingly misdirects state aid intended for low-income children to those with higher incomes.

**Proposal rationale:** Ohio rightly provides additional funds to districts and charters serving low-income students. However, the implementation of CEP has compromised the use of FRPL eligibility as a method to identify low-income children, leading to a misallocation of state funds. By identifying ED pupils based on participation in another means-tested program—something that several other states, including Indiana and Massachusetts, have been able to do—Ohio would more accurately target funding intended to support low-income students.

**Cost:** The state may incur an indeterminate amount of administrative expenses to link K–12 students to other government benefit programs. Once links are made, the state should consider increasing funding amounts for ED students. Changes in the percentage of students identified as ED would affect district funding levels, so a phase-in strategy may be needed to mitigate impacts on district funding.

**Resources:** For more background on providing additional funds to support low-income students, see Matthew Chingos and Kristin Blagg’s report [Do Poor Kids Get Their Fair Share of Funding?](#), published by the Urban Institute (2017); for details on CEP, see ODE’s [“Community Eligibility Provision”](#); and for information on other states’ methods for delivering additional aid for low-income students, see EdBuild’s [Poverty Funding: Policies in Each State](#).

## Phase out the use of caps and guarantees

**Proposal:** Phase out caps and guarantees and instead transition all districts to funding based on the formula set in statute.

**Background:** The state funding formula is intended to impartially and efficiently allocate state aid to districts with the greatest needs—whether that is expanding student populations, a greater number of students with special needs, or less capacity to raise funds through local taxes. Yet two policies—caps and guarantees—continue to undermine and distort the funding formula. Caps place an arbitrary limit on how much districts’ state funding can increase from year to year, even as the formula prescribes such increases. Current policy generally limits state funding increases to 3 percent versus the prior year (with exceptions that can lift the cap to 6 percent). Guarantees are the reverse: they shield districts from losing state funding, even when the formula dictates lesser amounts. Under current policy for FY 2018 and 2019, Ohio guarantees districts at least the same amount of state aid as received in FY 2017—with certain exceptions in which they can experience modest reductions. As table 2 shows, caps and guarantees create a fractured system in which some districts receive less than what the formula prescribes (that is, they suffer from the cap); others receive the exact formula stipulation; and still others receive more than prescribed (that is, they get a windfall from the guarantee). Over the past three years, caps have withheld roughly \$500 million per year in state funds, while guarantees provide funds outside of the formula in amounts of about \$100 to \$200 million per year.

**Table 2:** Ohio’s funding caps and guarantees, FY 2016–18

Fiscal year	Cap		Guarantee		Number of districts on the formula
	Number of districts	State funds withheld	Number of districts	State funds expended	
2016	186	\$614,8266,740	173	\$123,152,199	253
2017	150	\$493,835,199	131	\$104,529,315	331
2018 (as of April)	191	\$546,471,877	333	\$225,979,037	88

Source: ODE, [Traditional School Districts Funding](#) (FY 2016, Final #4 Payment File; FY 2017, Final #3 Payment File; FY 2018, April #1 Payment File).

**Proposal rationale:** Caps and guarantees undermine the state’s own funding formula, create an incoherent funding system that treats districts differently, add complexity, and render state funding amounts less predictable for districts, as these policies are a recurrent part of the budget debate. Because caps and guarantees distort districts’ funding amounts, lawmakers have only a hazy picture of how the funding formula actually allocates state aid, impeding adjustments that may improve its functionality. Most troubling, however, is that the continuing use of these policies fails to adhere to principles of student-centered funding: capped districts are denied additional aid, even as they serve more pupils (or more harder-to-serve children), while guaranteed districts are provided dollars to educate students no longer in their schools—“phantom students.”

**Cost:** To phase out caps, Ohio should allocate sufficient funds, \$100 to \$150 million per year, to remove them over the next four to six years. Eliminating guarantees would save the state money, but doing so in one swoop would generate opposition from affected districts. Gradually moving districts off the guarantee in a predictable way would allow the state to offset some of the costs of lifting the cap, while also providing districts on the guarantee time to adjust.

**Resources:** For discussion on cap and guarantee policies, see [A Formula That Works: Five Ways to Strengthen School Funding in Ohio](#), a 2017 report written by Bellwether Education Partners' Jennifer Schiess and colleagues and published by the Fordham Institute. For more on the problems of guarantee funding, see Jon Fullerton and Marguerite Roza's article "[Funding Phantom Students](#)," published in *Education Next* (2013). For a local view on these policies, see Thomas Gallick's article "[The Big Short: Districts Lament Funding Cap](#)," published in *This Week Community News* (2018). And for a description of current cap-and-guarantee policies, see Ohio Legislative Service Commission's "[Greenbook: Analysis of Enacted Budget](#)" (2017).

## Pay schools of choice directly from the state

**Proposal:** Repeal the statutory provision that prescribes a pass-through method for paying schools of choice—public charter schools, independent STEM schools, and the bulk funding for private school scholarship programs. Instead, they should require ODE to pay schools of choice directly—apart from districts—out of the state Foundation Funding appropriation. However, a separate budget line item (subject to a line-item veto) should not be created to fund schools of choice.

**Background:** The vast majority of state funds allocated to public charter schools, independent STEM schools, and private school choice programs are passed through local district budgets. Here’s how it works: the state (1) counts choice students in their resident districts’ headcounts for funding purposes; (2) subtracts funds designated for choice students from their districts’ state allocations; and (3) transfers dollars to students’ schools of choice. Although this method ensures that state money follows students to the schools they actually attend, it also creates problems. First, with deductions starkly displayed on districts’ state funding reports, the method perpetuates the falsehood that choice programs “take” money from districts and creates an adversarial and hostile relationship between districts and schools of choice. Second, this approach distorts districts’ funding formulae, as choice students are included in district per-pupil wealth calculations that determine their state aid. Consider the illustration below. Based on the number of students that the hypothetical district actually educates, its property wealth per pupil should be \$33,333. But when all resident students—both district and choice pupils—are included in the denominator, that number changes to \$25,000 per pupil, which would in turn generate higher levels of state funding.

**Table 3:** An illustration of how counting choice students affects districts’ funding formula

	Calculation using all resident students (district + choice)	Calculation using only district-educated students
Property wealth	\$500,000,000	\$500,000,000
Enrollment	20,000	15,000
Property wealth per pupil	\$25,000/pupil	\$33,333/pupil

**Proposal rationale:** The circuitous pass-through method is a source of frustration for all public schools, adds unnecessary complexity to the funding system, and distorts districts’ state funding amounts. Direct funding of schools of choice would be clearer, fairer, more straightforward, and less contentious.

**Cost:** Modelling should be done to estimate the impact on the state budget. In isolation, the state may experience modest cost reductions by removing choice students from district funding formulas; however, such reductions would likely interact with the guarantee that today shields districts from losses in state aid. With the guarantee in place, the state may incur additional costs to transition to direct funding. Note, too, that to the extent that this transition results in extra funds, those dollars would remain with district schools rather than charters.

**Resources:** For discussion on pass-through and direct-funding methods, see [A Formula That Works: Five Ways to Strengthen School Funding in Ohio](#), a report written by Bellwether Education Partners’ Jennifer Schiess and colleagues and published by the Fordham Institute (2017). For a brief overview of the charter/district funding system in Ohio, see the Fordham Institute video [Ohio’s Method of Funding Charter Schools is Convolutd](#) (2017). The ODE provides a detailed description of deductions in [School Finance Payment Report \(SFPR\): Line by Line Explanation](#) (2018).



## Invest in brick-and-mortar charter schools

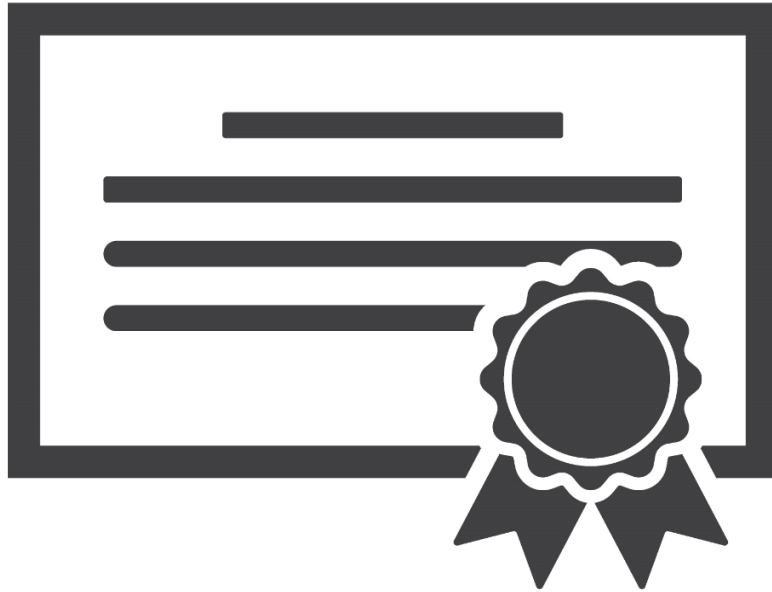
**Proposal:** Provide brick-and-mortar charters with additional operational and facilities support. There are several ways to bolster operational funding, including adding a multiplier to their base funding amounts, tying their state funding to the state and local per-pupil funding of the nearest district, or requiring districts to share locally generated funds with charters. As for facilities, Ohio should boost the state reimbursement from the current \$200 to \$1,000 per pupil, an amount that more accurately reflects schools' average facilities costs. This proposal does not pertain to online charter schools, which are and should be funded slightly differently than site-based charters.

**Background:** Most brick-and-mortar charters are located in high-poverty communities and educate primarily low-income and minority students. Despite teaching significant numbers of Ohio's disadvantaged children, charters remain severely underfunded. Under state law, they cannot levy local taxes (unless it occurs in conjunction with the local district), which denies them a major source of public funding that all districts can and do access. Only a few Cleveland charters receive even a small share of local taxpayer support via a unique agreement with the district. Charters instead rely on state revenues and, to a lesser extent, federal and philanthropic dollars. Together, these funding sources do not fully compensate for the absence of local funds that provide billions for districts. Making matters worse is that the state provides little to help charters cover capital expenses—\$200 per student for facilities although the average facility costs for charters and districts are close to \$1,000 per pupil per year. The overall result is an unequal system in which charters receive less in total funding than nearby districts, even though they educate pupils with similar needs. An analysis of funding data from FY 2015-17 finds that Ohio's urban "Big Eight" brick-and-mortar charters receive \$4,092 per pupil less than their district counterparts, a 28 percent funding shortfall.

**Proposal rationale:** Ohio's brick-and-mortar charters have long been forced to make do with insufficient resources. Though some schools are able to overcome such obstacles, there are systematic consequences to underfunding charters: They have to pay their teachers less than those working in districts, creating barriers to attracting and retaining talented educators. Inadequate operational and facilities support also makes Ohio a poor location for topnotch national charter organizations looking to expand, and it fails to encourage excellent home-grown charters to replicate. Lastly—and most troublingly—underfunding charters shortchanges tens of thousands of low-income children of the resources needed to gain a world-class education.

**Cost:** Increasing funding for brick-and-mortar charters would require additional state investments. For example, adding a multiplier of 1.10 to the base amount for charters would increase state funding by approximately \$60 million per year. An increase from the current \$200 per student for facilities to \$1,000 would cost an additional \$80 million per year.

**Resources:** For a detailed analysis of charter funding in Ohio, see Aaron Churchill, [Shortchanging Ohio Charter Students: An analysis of charter funding in fiscal years 2015-17](#), Thomas B. Fordham Institute (2018); for information on teacher salaries, see the 2013 report [Teacher Supply and Demand in Ohio](#) by Jay Zagorsky, et al., published by the Ohio Education Research Center; for data on charter facilities, see the 2017 report [An Analysis of the Charter School Facility Landscape in Ohio](#) by Kevin Hesla and colleagues, published by the U.S. Department of Education; and for examples of states that have recently boosted charter funding significantly, see Parker Baxter, Todd L. Ely, and Paul Teske's article "[A bigger slice of the money pie](#)" in *Education Next* (2018) and Andrew Broy's article "[Illinois funding reform: Transformative policy in an unlikely state](#)" in *Flypaper* (2017).



## **Policy goal 5: Ensure seamless transitions to college or career**

Thanks to rapid technological and economic advancements, today’s young people have a wealth of opportunities awaiting them. But to take full advantage, students need to have a strong foundation in reading, writing, and math, and they need to possess “soft skills” such as teamwork, reliability, and time management. Districts and schools should work to ensure that every student is well prepared for their next step, whether that’s enrolling in college, commencing a career, or entering the military. Yet thousands of Ohio students still go into the adult world ill prepared to succeed. Some drop out of high school before earning a diploma, leaving their job prospects uncertain. Thousands more enter college in need of remediation in math or English. Still others seek to work directly after high school yet struggle to secure decently paid jobs or pass the military’s enlistment exam. To increase the number of young Ohioans who can transition smoothly from high school into college or career, we recommend the following initiatives:

- Incentivize schools to help students earn high-value industry credentials
- Provide tax benefits to employers that train apprentices
- Create a data system that links K–12 and workforce outcomes
- Make AP/IB and industry credentialing exams free for low-income students
- Provide bonuses to teachers when students pass AP/IB exams

## Incentivize schools to help students earn high-value industry credentials

**Proposal:** Create an incentive fund to encourage traditional districts, regional joint-vocational centers, charter and STEM schools, or community and technical colleges (via dual enrollment) to help high school students earn credentials in high-demand careers. The fund should provide additional dollars to schools or colleges based on the number of students who accumulate credentials for in-demand fields before graduating.

**Background:** The State Board of Education currently approves dozens of industry-recognized credentials across thirteen career fields, such as agriculture, health care, hospitality and tourism, and manufacturing. Students can earn credentials through their local schools, at regional joint-vocational centers, through an apprenticeship, or through dual high school/college enrollment. Each credential is assigned a certain number of points—up to twelve for the most demanding certification programs and one for the least intensive. Third-party organizations, such as professional associations or industry groups, issue these credentials when students meet certain requirements. For example, students can earn an HVAC credential issued by the Air Conditioning Contractors of America; a medical-assistant credential issued by the American Medical Certification Association; or an IT routing and switching credential issued by Cisco. According to the most recent state data, few students earn such credentials: although these data predate the new state graduation requirements, less than 5 percent of Ohio’s graduating classes of 2015 and 2016 left high school with industry credentials (that is, earned credentials worth a total of at least twelve points). With 40 percent of young people not entering college directly after high school, many graduates are left to pursue employment without credentials that could open job opportunities and help them advance in their careers. Earning certifications in high school can also benefit college-going students, who can use them when they begin to pursue full-time employment.

**Proposal rationale:** Industry-recognized credentials are a win-win for students and employers. Students benefit by gaining technical skills and earning credentials that signify their employability; businesses also benefit from better-trained employees, particularly at entry-level positions. Yet Ohio has too many young people leaving high school (and college, too) who enter the job market without technical skills or recognized credentials. By providing financial incentives, as Colorado and Wisconsin have done, state leaders would encourage more students to gain certifications in Ohio’s most in-demand careers.

**Cost:** This could be accomplished by providing \$8 million per year for this incentive program. Schools would receive \$1,000 for each student who completes an in-demand industry credential. Incentive dollars would be awarded until they were gone.

**Resources:** For information about industry-recognized credentials, see ODE’s [“Industry-Recognized Credentials,”](#) and for a list of careers that Ohio considers in demand, see Ohio Means Jobs’ [“In-Demand Careers.”](#) For examples of states with incentive programs linked to industry certifications, see the Wisconsin Department of Public Instruction’s [“CTE Technical Incentive Grants”](#) and the Colorado Department of Education’s [“Career Success Pilot Program.”](#)

## Provide tax benefits to employers that train apprentices

**Proposal:** Create a tax-credit program that allows employers to reduce their state tax liabilities based on the number of students who complete a state-registered apprenticeship at their worksite.

**Background:** In contrast to traditional career and technical programs, where training is delivered entirely by K–12 schools, apprenticeships include paid on-the-job training provided by employers or professional associations in addition to formal education. American high school students rarely participate in apprenticeships, though their counterparts in countries like Germany and Switzerland are far more likely to do so. Apprenticeships are slowly gaining traction in other states, including Georgia, Maryland, and Wisconsin, which have devised apprenticeship programs geared toward high school students. In Ohio, students aged sixteen or older can participate in one of the state’s registered apprenticeships (though some programs set eighteen as the minimum age). Although no state data exist on how many high school students participate in apprenticeships—the state should begin tracking this—the number is not likely to be high. One possible barrier is employers’ capacity to provide meaningful training opportunities: though apprenticeships may be a key part of some companies’ HR strategy, others may not see them as a cost-effective way of building their workforce. Employers bear costs that include training and supervision, along with paying wages—all for benefits that may not materialize if apprentices later take positions at another company.

**Proposal rationale:** Apprenticeships allow students to gain on-the-job training and can improve the fit between employee skills and business needs. However, this training model has long been neglected in the U.S. as a way to build high school students’ work-ready skills. By covering a portion of employers’ apprenticeship costs, a tax-credit program would encourage more Ohio employers to provide on-site training for students seeking apprenticeships.

**Cost:** This proposal would not require a direct appropriation of state funds; however, it would reduce state revenue. The amount would depend on the nature and value of the tax credit as well as the resulting rate of student completions of apprenticeships. Any credit given should start at a relatively modest amount so that employers still have skin in the game and to ascertain how the market responds.

**Resources:** For an overview of apprenticeships from an international and economic perspective, see the chapter titled “[Apprenticeships](#)” in *Handbook of the Economics of Education, Volume 3* (2011), written by Stefan Wolter and Paul Ryan; for discussion on apprenticeships from an employers’ view, see the 2016 report [The Benefits and Costs of Apprenticeships: A Business Perspective](#) by Susan Helper, et al., published by Case Western Reserve University/the U.S. Department of Commerce; for more on Wisconsin’s apprenticeship program, see the Wisconsin Department of Education’s “[Wisconsin Youth Apprenticeship](#)”; and for a list of registered apprenticeships in Ohio, see the Ohio Department of Job and Family Services’ “[Apprenticeship](#).”

## Create a data system that links K–12 and workforce outcomes

**Proposal:** State agencies should connect, or allow a research university to connect, students’ K–12 and higher-education records with workforce data, such as wages, career fields, or unemployment records. This proposal may not require legislation but would require state leadership to coordinate between agencies and ensure a secure IT system that protects sensitive personal information. With an integrated information system, the state could then begin reporting (though not use for formal accountability purposes) workforce outcomes by high school or college and university.

**Background:** For more than a decade, Ohio has reported extensive data on K–12 student outcomes on its school report cards and in publicly accessible databases. These data systems are integral to transparently reporting proficiency and growth on state exams, graduation rates, and ACT and SAT scores—at a state, district, and school level (individual student data are protected under federal and state law). More recently, the state has also reported how many of a high school’s graduates go on to attend college or earn degrees. Taken together, these data on student outcomes—from state test scores to college completion rates—are essential to helping educational leaders and the public understand how students fare on key indicators of success. But there remain information gaps, most notably in the realm of workforce outcomes. Without links between K–12 and workforce data, we don’t know how many non-college-bound students land good paying jobs after exiting high school, nor do we have a strong grasp of the labor outcomes of those who do pursue higher education. Because of these blind spots, Ohio continues to miss key pieces of the puzzle—how students’ educational experiences translate into career outcomes. A 2017 policy brief by the Education Commission of the States highlights how Connecticut and Rhode Island have created integrated systems that connect K–12, higher education, and workforce data. Similarly, researchers have used linked data from Texas and Arkansas to study the impact of charter schools and career and technical education on workforce outcomes.

**Proposal rationale:** A central goal of K–12 and postsecondary education is to prepare young people to lead successful and productive lives. But without data that connect education to the workforce, policy makers know little about how educational institutions are meeting that objective. Linking disparate data systems would also help state leaders better understand gaps in career preparation, while promoting cutting-edge research that examines the effectiveness of various approaches to work readiness.

**Cost:** The exact cost is indeterminate but likely requires administrative expenses to create a secure, unified educational and workforce data system.

**Resources:** For more on the state’s initiative to link K–12 and college data, see ODE’s [“2016–17 College Graduation Within Six Years.”](#) For examples of state initiatives to connect information systems, see Zeke Perez Jr.’s 2017 article [“Examining SLDS Development and Utility,”](#) published by the Education Commission of the States. For research linking K–12 and workforce data, see [“The Long-Term Impacts of Teachers,”](#) in which Raj Chetty and colleagues connect New York City data with tax records; a 2016 paper [“Charter Schools and Labor Market Outcomes”](#) by Will Dobbie and Roland Fryer that connects Texas K–12 and workforce data; and a 2016 Fordham Institute report [“Career and Technical Education in High School”](#) by Shaun Dougherty that links Arkansas K–12 and workforce data.

## Make AP/IB and industry credentialing exams free for low-income students

**Proposal:** Ensure that Advanced Placement (AP), International Baccalaureate (IB), and industry credentialing exams are provided at no cost to low-income students.

**Background:** AP and IB programs have offered high-achieving students the opportunity to take rigorous coursework while in high school. Their assessment programs also open opportunities for students to earn college credit before matriculating. In 2016, about 2.5 million U.S. students took AP exams in subjects such as biology, calculus, and English. The exams, however, are not inexpensive—about \$100 per test—and students typically pay out of pocket to sit for them. For low-income students seeking to prove their knowledge and abilities on these exams—and potentially earn college credit—the assessment costs might prove prohibitive. To provide assistance, the College Board discounts AP exam prices for low-income students, and the federal government previously further defrayed exam fees for low-income pupils. However, Congress eliminated this program in 2016, leaving it unclear whether low-income students would continue to receive this form of financial assistance (districts could still use their federal dollars to provide help but are not required to do so). To its credit, the ODE stepped in for 2017–18 and covered most of the testing costs for low-income students. Despite these efforts, it’s not certain moving forward whether low-income students will continue to receive the financial assistance needed to take these exams. Although public attention is often focused on AP exams and fees, several of Ohio’s industry credentialing programs, such as the programs for becoming a certified logistics technician and physical therapy aide, require students to pass standardized assessments that charge testing fees.

**Proposal rationale:** AP and IB courses and exams are widely respected for their rigorous academic content, are critical for building competitive college applications, and offer an opportunity to earn credit while in high school. To fully take advantage of AP or IB programs, students should have the opportunity to take the summative assessments, regardless of family income. Although this proposal cannot solve all problems with access to AP/IB courses, covering the full exam costs would be a step forward in supporting advanced opportunities for Ohio’s most able low-income students. Likewise, assessment fees should not discourage low-income students from pursuing industry credentials that could open career opportunities.

**Cost:** The state should allocate \$5 million per year to fund this cost-reimbursement program. This amount should cover AP/IB and credentialing testing fees for low-income students (after any test providers’ discounts are applied).

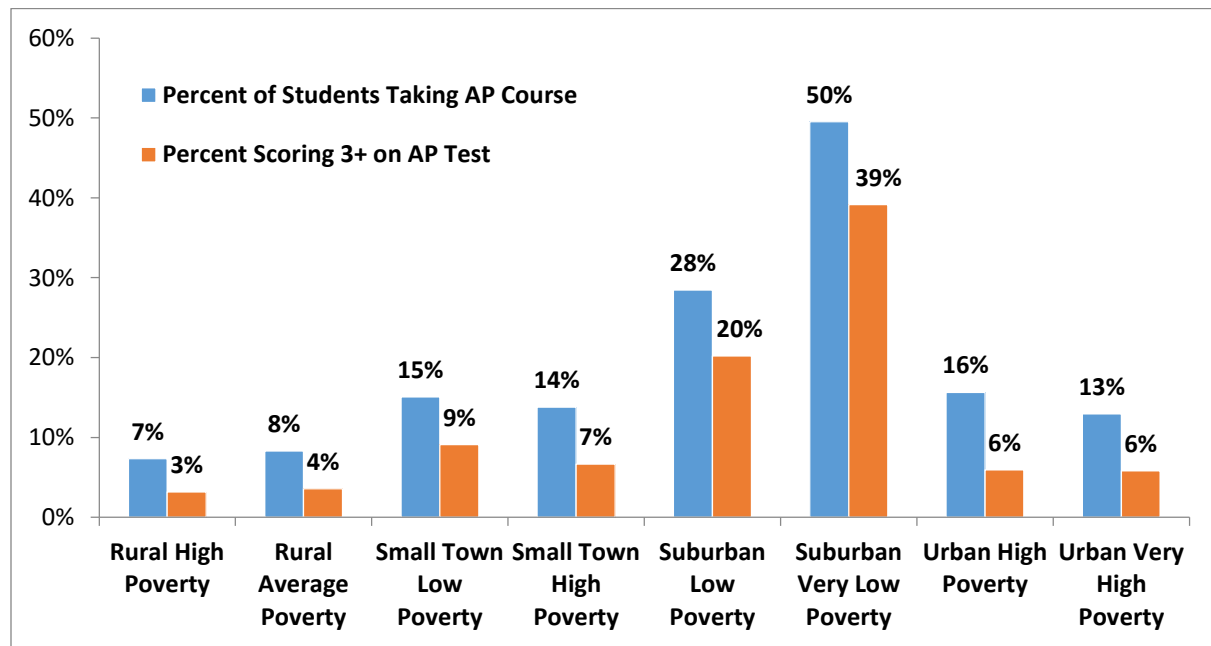
**Resources:** For discussion on expanding access to AP and IB programs, see Christina Theokas and Reid Saaris’ [Finding America’s Missing AP and IB Students](#), published by Education Trust (2013); for more on Ohio’s current policy for reimbursing exam costs, see ODE’s [“Advanced Placement and International Baccalaureate Test Fee Reimbursement”](#); and for other states’ reimbursement policies on AP exams, see College Board’s [“Changes to AP Federal Funding Under ESSA.”](#)

## Provide bonuses to teachers when students pass AP/IB exams

**Proposal:** Create a fund that provides bonuses to AP or IB teachers when their students pass these exams, with larger bonuses to teachers working in high-poverty districts.

**Background:** Both the AP and IB programs are widely viewed as rigorous academic programs. For students, passing AP and IB assessments can mean earning college credit while saving time and tuition money. Ohio incentivizes schools to help students pass AP or IB exams through the state report card system. The Prepared for Success component provides bonus credit when graduates pass at least one of these exams. Nevertheless, too few Ohio schools provide AP or IB courses for high-achieving students—and an even smaller number of students achieve passing scores. As figure 5 below indicates, fewer than 10 percent of rural students have an opportunity to take an AP course, and even smaller fractions pass an exam before they graduate high school. The lack of AP opportunities is also evident in small towns and urban areas. Less than 1 percent of students statewide take IB courses (not displayed in the chart below). Though various factors contribute to low AP or IB course taking and test-passage rates, one explanation might be teachers who are less willing to bear the time commitments needed for rigorous AP or IB instruction, especially in schools where there may not be “critical masses” of students interested in a particular subject.

**Figure 5:** AP course taking and exam-passage rates (score of three or above) by district typology, Ohio’s graduating classes of 2015 and 2016



**Source:** ODE, School Report Cards: [Download Data](#) (District Prepared for Success file)

**Proposal rationale:** Ohio should encourage schools to offer rigorous coursework to high achievers, including opportunities to take AP/IB courses and exams. This program would provide an incentive for teachers to go the extra mile to help students pass exams that give them a head start on their college education. Akin to the discussion on AP/IB exam fees, it’s important to bear in mind that these proposals are modest steps toward solving problems of access to high-quality advanced coursework, especially for high-achieving, low-income students.

**Cost:** The state should allocate an additional \$6 million per year for this initiative. College Board data indicate that in 2017, Ohio students passed 81,781 AP exams; this appropriation would provide average teacher bonuses of roughly \$70 per test passed.

**Resources:** For more data on AP test taking in Ohio, see College Board’s [“AP Program Participation and Performance Data 2017.”](#) Since 2000, Florida has provided its AP teachers bonuses based on students’ exam performance: see Jay Matthews’ article [“Paying Teachers and Students for Good Scores”](#) in the *Washington Post* (2004) and Foundation for Excellence in Education’s [Florida’s Education Revolution: A Summary](#) (2013). And for an overview of how other states incentivize AP enrollment, see the Education Commission of the States’ [50-State Comparison of Financial Incentives for AP Courses.](#)



## Closing thoughts

“History is not kind to idlers,” wrote the authors of the landmark 1983 report *A Nation At Risk*. These words—part of a document urging bold education reform in the United States—were penned in the context of slumping SAT scores, appalling rates of illiteracy, poor performance on international exams, and grave concerns shared by business and military leaders about the basic skills of young Americans. Since that time, educational leaders across the U.S. have indeed acted on this report’s forceful call for change and instituted school reforms that have improved education in the U.S. Today, states have taken remarkable steps to strengthen academic standards, improve state assessments, and implement school report cards focused on pupil outcomes. Policy makers have enacted a slew of choice-related policies, enabling families to select among a variety of public and private school options that can meet the individual needs of their children. More recently, rigorous career and technical education has roared back to life as a viable pathway for young people who aspire to transition directly from high school into the workforce. Teacher quality is now at the forefront of policy debates, as are the needs of high-achieving students—particularly those from less-advantaged backgrounds. Education funding is now more focused on supporting individual students, rather than those of institutions or programs.

Despite substantial progress over the past three decades, Ohio policy leaders need to continue clearing the way for more young people to exit high school fully ready to handle the rights and responsibilities of adulthood. Some of the proposals in this paper are indeed “must do’s” for Ohio leaders—bread-and-butter policies such as high academic standards, transparent school report cards, and rigorous graduation requirements. We also strongly suggest that expanding and investing in quality schools of choice is essential to a healthy school system that caters to the needs of all families. Meanwhile, a few other proposals are important supports but somewhat less critical to the overall system. Initiatives such as teacher residencies or AP/IB bonus funding may be viewed as targeted ways to move the achievement needle in the right direction but are not necessarily foundational education policies like quality choice or standards-based accountability.

Newly elected Governor Mike DeWine and the members of the 133rd General Assembly will bear the hefty responsibility of—and be held accountable for—improving the livelihoods of all Ohioans, including its youngest citizens. Designing good education policy is no easy task. But if Governor DeWine and the legislature make these policy proposals central to Ohio’s education policy agenda for the coming years, a growing number of young people will begin to achieve their dreams.