



# BUILDING FOR OHIO'S NEXT GENERATION

BUDGET OF THE STATE OF OHIO • FISCAL YEARS 2018–2019

## **PROVIDING OHIOANS OF ALL AGES WITH WORLD-CLASS PREPARATION FOR CAREERS AND COLLEGE**

Continual learning and workforce training are crucial in today's economy if we are to ensure Ohioans are prepared when technology creates profound changes for industries and their workforce needs. To make Ohio workers more competitive in today's global marketplace, we must continue to transform what in many ways have become outmoded and inflexible models for education and workforce training. Under the leadership of Governor John R. Kasich, our state has made solid progress in helping prepare Ohioans for careers and college, while better aligning our education and workforce efforts with in-demand occupations – but we have more work to do.

### **Helping Ohioans Prepare for a Rapidly Changing Workforce:**

Transforming Ohio's workforce-preparedness system has been a key priority for Gov. Kasich and an essential component of his efforts to create an economic environment that promotes job creation and opportunity for all Ohioans. This commitment includes working with job creators to determine what skills and workers their companies need – today and well into the future – in order to ensure that training programs to meet those needs are available across the full spectrum of Ohio's education and workforce systems. Members of the Governor's Executive Workforce Board, a group of business, labor and workforce stakeholders, serve as key advisors to help Ohio strengthen its workforce training efforts. The board has proposed a number of recommendations that are included in the governor's budget, including:

- **Establishing Stronger Connections between Educators and Businesses:** The governor's budget will increase business commitment at the local school board level by having superintendents appoint three, non-voting ex-officio business people on each school board. Doing so will ensure that businesses and educators have a better understanding of the skills needed for local in-demand jobs. Further, to strengthen ties between educators and businesses, teachers will engage in externships with businesses as part of their state licensure renewal and professional development plans, while also receiving continuing education credits.
- **Addressing the Skills Gap:** The governor's budget will have higher education and K-12 collaborate to ensure that more students are prepared for post-secondary education and training by establishing transition classes for students needing remediation while still in high school. Schools also will be required to give high school credit for career exploration through work-based learning programs and provide an OhioMeansJobs designation to those students who demonstrate that they are job-ready.
- **Increasing Pathways to Employment:** The governor's budget will align pre-apprenticeship programs with Ohio's College Credit Plus program to provide college credit to high school students for completion of an approved pre-apprenticeship program.
- **Making it Easier for Schools to Provide Work Experience:** Public schools have had flexibility in providing credit for internships and other work experience, but it remains underutilized. Through this budget, Ohio will require districts to review and update their plans and policies to ensure that all students have the opportunity receive credit for appropriate work experience.

- Leveraging the Strength of Ohio's Public Library System: The governor's budget will position libraries as "continuous learning centers," and help adult learners access online programs to gain additional skills.
- Strengthening Ohio's Investment in K-12 Education: Despite a restrained overall Executive Budget, Gov. Kasich has again made K-12 education a priority by increasing base support to Ohio schools by nearly \$200 million. As a result, under Gov. Kasich's leadership, Ohio will be spending \$1.6 billion more for K-12 education than in 2011 – the strongest level ever at \$10.6 billion. The continuation of "Guarantee Funds" in this budget ensures that no district will receive less in formula state aid than it did in the current 2017 fiscal year, unless the district has lost more than five percent of its students over the past five years and would otherwise be funded for students that no longer exist. Schools where student populations have declined at rates greater than five percent will see their state aid reduced by one percent for each additional percent below the 95 percent threshold, up to a maximum of five percent of state aid.
- Improving Ohio's Popular College Credit Plus Program: Last year, through the College Credit Plus Program, more than 52,000 Ohio students earned college credit while still in high school. This Kasich Administration initiative gives students the ability to earn college credits while in high school, without paying for tuition, books or fees. In the program's first year, College Credit Plus saved Ohio students and their families more than \$120 million in college costs. The budget will take important steps to improve the popular program by better defining eligible courses and what it means for a student to be "college-ready," while ensuring reasonable and predictable textbooks costs for school districts.
- Encouraging Innovation in Our Classrooms: To continue to help schools implement their best reform ideas to improve student achievement, increase efficiency and tear down barriers to college and career training, the governor's budget will allocate \$30 million to the Straight A Fund.
- A Continued Commitment to Mentoring: Ohio's Community Connectors mentorship effort has sparked much interest in communities across the state, bringing together parents, schools, communities, faith and value-based groups, and businesses. The budget invests \$20 million to support new community mentorship partnerships.

### **Helping More Ohioans Advance Their Education and Pursue a College Degree or Certificate**

In a world where an educated workforce is the key to building a competitive, technology-focused economy, Gov. Kasich knows that a credential or a college degree is a gateway to prosperity and a fulfilling career for many Ohioans. That is why higher education reform has been among the governor's foremost priorities as Ohio is working on many fronts to strengthen the state's economy and provide a well-prepared, well-educated workforce to fill the new jobs being created here. Today, Ohio's public colleges and universities are funded on how well they succeed at guiding students to complete their courses of study and get their degrees. While Ohio has been among the nation's very best states at restraining tuition growth over the past six years, Gov. Kasich has been working on a more lasting solution by having state colleges and universities implement recommendations from a task force of business leaders on how those institutions can cut costs and pass savings along to students.

- Freezing Tuition and Fees to Continue to Make College More Affordable: While Ohio's public colleges and universities have been among the nation's leaders in limiting tuition increases in the past six years, the governor's budget seeks to continue that positive trend by freezing tuition, general fees and special fees for two years.
- Cutting Textbook Costs for Students: The average college student spends \$600 a year on textbooks. In academic year 2018-2019, Ohio will require all public colleges and universities to cover the cost textbooks for

students. Schools will be allowed to charge up to \$300 to partially offset those costs. Addressing textbook costs was a recommendation from the governor's task force on affordability and efficiency.

- Encouraging Students Who Don't Complete to Finish Their Degree: The governor's budget seeks to increase the number of Ohioans with a post-high school credential or degree from 43 percent to 65 percent by 2025. Ohio will establish the *Finish for Your Future Scholarship* program, targeting support to students who have incurred debt and have dropped out of school within a year of graduating with their first degree or credential. Bringing these students back to school will help meet workforce needs and also reduce student debt, as students who take out loans and then drop out of school are more likely to default on those loans. The state portion of the scholarship will be up to \$3,500 with a one-to-one dollar match by both the institution and the student. All public and private non-profit colleges and universities will be eligible to participate in this program.
- Addressing Student Debt: A new study by the Ohio Department of Higher Education will look at income-sharing agreements, which can be used to pay for tuition and college expenses, as a possible strategy to help students avoid or lessen the burden of student loan debt.
- Supporting Low-Income Community College Students to Ensure Degree Completion: To ensure that more low-income students succeed, Ohio will fund pilot programs in community colleges to provide comprehensive support services to low-income students pursuing associate degrees for in-demand jobs. The program, Accelerated Completion of Technical Studies, is modeled after a successful City University of New York program for low-income adults which doubled graduation rates for this vulnerable population. The supports provided include advising, career counseling, waivers to cover tuition gaps and textbooks. Further, Ohio will launch an emergency scholarship program for students in danger of leaving college due to unexpected change in circumstances.
- Awarding Degrees and Certificates Based on Competency Instead of Just Classroom Time: Ohio's community colleges joined a partnership with Western Governors University, a multi-state, nonprofit online institution that awards college credit and degrees based on a student's demonstrated competencies instead of just the amount of time spent in the classroom. The university provides a flexible college option for working, adult learners to pursue a college degree in four career fields. To build upon that relationship, Ohio will formalize Western Governors University within Ohio's public college and universities.
- Offering Bachelor's Degrees at Community Colleges Where There is a Local Demand That is Not Being Met: To help meet local job demands, bachelor's degree programs may be offered through Ohio's community colleges in areas where Ohio's universities do not offer specialized degree programs. The program must demonstrate employer demand and be a partnership between industry and the community college.
- Strengthening Pathways to a Low-Cost Degree: The success of Ohio's efforts to provide a seamless transition between community colleges and four-year universities has paved the way for expanded opportunities to allow students to complete three years of their coursework at a community college and finish their degree at a four-year university. While a number of schools have "3+1" pathways agreements, Ohio will seek to create more "3+1" pathways between Ohio's two- and four-year institutions.
- Helping Universities Control Their Costs: Gov. Kasich's Task Force on Affordability and Efficiency in Higher Education, a team that included business leaders who are experts at controlling costs and balancing the bottom line, recommended a number of ways for colleges and universities to reduce costs by sharing services, analyzing staff overhead expenses, monetizing assets, examining space utilization, reassessing low-enrollment courses and exploring new revenue streams. To continue this work, public colleges and universities

must maintain annual reporting on the savings that they are achieving through their plans and how they are passing those savings onto students.

- Maximizing Savings at Co-Located Campuses. To ensure that Ohio's seven co-located campuses are maximizing efficiencies, these institutions will now include best practices that drive down costs as part of their annual affordability and efficiency report.
- Better Preparing Students with Expanded STEM Programs and New STEAM Education: Ohio has seen growth in educational opportunities for students in grades 6-12 who focus their studies on STEM classes (Science, Technology, Engineering, and Math education). Recently, educators have added the arts to this range of studies, offering a new STEAM designation to better prepare students for widening career fields. The governor will add a STEAM designation for all grade levels, offering additional opportunities for Ohio's students to be exposed to these increasingly important fields.

**BOTTOM LINE:** Knowing that new technologies are rapidly bringing profound changes to business and industry – including the skills required for jobs of the 21st century – Gov. Kasich's new budget strengthens his ongoing commitment to keeping Ohio workers competitive in the evolving global marketplace. Budget initiatives continue the transformation of Ohio's workforce training system by opening new pathways to college degrees and professional certification, while aligning Ohio's education and workforce preparation systems with the most in-demand occupations of today – and tomorrow.

