

Education

This section reviews the 2020-21 budget for public pre-school (early learning), primary and secondary education (K-12) and higher education.

Public education can open the door to boundless opportunities for Ohioans, but only if all students attend safe, high-quality schools, no matter where they live. Ohio has 1.7 million K-12 students in 612 traditional school districts,¹ and about 500,000 students attending the state's 14 public universities and 47 university branch campuses and community colleges.²

Once a leader in public preschool for low-income youngsters, Ohio now serves a fraction of the national average.³ Ohio earned a "C" and ranked 18th in Education Week's 2019 K-12 education rankings, moving up in the rankings since 2013 but far below 2010, when it ranked 5th in the nation.⁴ Thirty-two states made attending four-year public colleges more affordable to students in 2018 than Ohio and 33 made attending two-year schools more affordable.⁵ Financial aid is more than \$100 million a year below the target set by Governor Taft's task force – even with a substantial increase in the 2020-21 budget bill.⁶

There are new investments in the budget for 2020-21 that will benefit students of low and modest income. However, increases in classroom teaching do not keep up with inflation, leaving teachers and institutions with fewer resources over the coming biennium.

EARLY EDUCATION

Children who have access to quality preschool develop the skills that prepare them for school. Children who go to preschool are more likely to succeed at school and in the workforce.⁷ Most states provide public preschool, nearly all targeted to families with low income.⁸ Ohio's is targeted to those earning no more than 200% of the federal poverty level (about \$42,000 a year for a family of three).

Ohio's early education grant program will fund 17,913 preschool seats in school year 2020.⁹ In 2018, the same number of seats served 11% of eligible 4-year-olds (nationally, 33% of eligible children were in public preschool that year) and 1% of 3-year-olds (the national share was 5.7%). Ohio ranks 33d among states in preschool access and 38th in investment per-seat.¹⁰

Across three primary line items¹¹ Ohio will spend \$201 million on early care and education in the 2020-21 budget; 68% comes from the GRF. Funding rises by \$7.2 million (3.7%) from the prior biennium. Of that \$201 million, \$73 million in each year funds the Early Childhood Education Grant, for public preschool,¹² and \$12.6 million in federal funds supports special education and related services to three-to-five year olds with disabilities.¹³ The remainder supports early learning and development in smaller communities or programs that enhance services

through the state’s “Step Up to Quality (SUTQ) program.” This five-star quality rating system administered by the Ohio Department of Education and the Ohio Department of Job and Family Services aims to ensure children are kindergarten-ready by improving the quality of childcare and early education in Ohio.

A bipartisan effort led by Representatives Cupp (R-Lima) and Patterson (D- Ashtabula) is developing a proposal for a new school funding formula. The broad outline recommends that every economically disadvantaged 4-year-old has access to high quality preschool.¹⁴ The Cupp-Paterson proposal did not make it into the budget, but lawmakers and stakeholders continue to work on it with the hope it may be adopted for the second year of the budget.

PRIMARY AND SECONDARY EDUCATION

The 2020-21 budget bill appropriates \$23.7 billion for primary and secondary education over the two-year budget period. Just over two-thirds – \$16.3 billion – is state GRF dollars. The biggest expenditure is for foundation funding to run school districts and support classroom teaching. Foundation funds are held to the level of 2019 in both 2020 and 2021. Increases in other areas drive an all-funds budget increase of \$1.6 billion, or 7.1% compared to the prior two-year budget period (not adjusted for inflation).

STUDENT WELLNESS AND SUCCESS FUND: This new \$675 million program supports wraparound services for economically disadvantaged students who struggle to learn because of problems external to school. The resources are for health, mental health, social and other non-academic services that help students be ready to learn in the classroom. Funding is distributed to school districts, joint vocational school districts, charter schools and STEM schools based on a per-pupil amount for each student’s resident district, calculated using federal census poverty data. For 2020, the amounts range from \$20 per student in the highest-income districts to \$250 per student in the lowest-income districts and increase in 2021 to \$30-\$360 per student.

CHARTER AND PRIVATE SCHOOLS: The new budget makes an additional \$165 million available to schools outside the district system. This increase is driven by a \$95 million boost for the income-based EdChoice voucher program, an expansion of the state’s original EdChoice program available to students with family income less than 200% of federal poverty guidelines.¹⁵ The budget also expands voucher access in three ways: by raising the cap on the number of EdChoice vouchers available; by allowing high school students to use the voucher even if they’ve never attended a public school; and by expanding the income-based EdChoice voucher to students in all grades starting in 2021 (in FY19 this voucher was available only to students in grades K-5, with eligibility being added by a grade level each year).

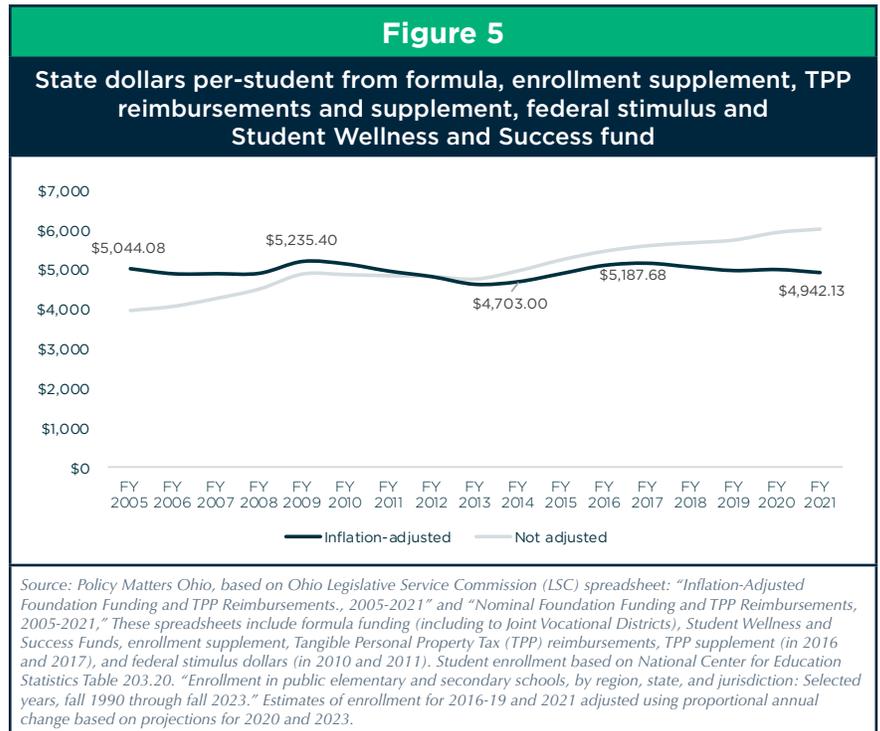
Finally, the increase includes a new line item of \$30 million each year of the biennium in supplemental aid to charter schools that meet academic performance criteria as “schools of quality” as spelled out in the law.¹⁶

In a move unrelated to the budget, the Ohio Department of Education has more than doubled the number of district schools considered low-performing, opening EdChoice voucher eligibility to many more Ohio families.

Public school enrollment has declined over time, but state funding has fallen faster. Figure 5 illustrates that on a per-student basis, funding for education – adjusted for inflation – has fluctuated but the net result is a 2% per student decline over 15 years, even with the new student success and wellness fund factored in. The decline in state funding accelerated in recent years. State funding will have dropped by 5% (\$246 per student) between 2017 and 2021 on an inflation-adjusted basis.

Figure 5 also illustrates the frequent changes in school funding in Ohio. Between school years 2005-06 and 2014-15, 3,269 social workers, guidance counselors, librarians and music, art and gym teachers were eliminated.¹⁷ The Student Wellness and Success program may help backfill some of this loss, but it is a new program with an uncertain future.

The correlation between poor school performance and poverty in Ohio has been well-documented,¹⁸ and the Student Wellness and Success program is rightfully intended to help the poorest students. Flat-funding foundation funding for school districts allows inflation to erode basic funding, even as vouchers further cut public school budgets. As a result, funding for K-12 rises in the new budget, but district schools face new stress.



POSTSECONDARY EDUCATION

People who complete at least some higher education or post-secondary training earn higher incomes, on average, than those with only a high school degree. That’s why Ohio’s Department of Higher Education has set an ambitious goal that by 2025, 65% of Ohioans aged 25 to 64 will have a degree, certificate, or other postsecondary workforce credential of value. In 2016, only 44.1 percent of Ohioans had this level of education.¹⁹

Despite the importance of higher education to Ohio’s future, state policymakers continue to underfund our public colleges and universities. Ohio is ranked 33d least affordable among states in cost of tuition and fees at two-year and four-year public colleges.

Ohio will spend \$5.6 billion on higher education over the biennium, an increase of \$390 million (7.5%, not adjusted for inflation). Virtually all higher education funds come from the GRF. The increase included a \$127 million boost (23%) in general obligation bonds which pay for debt service on financing for maintenance and new construction; \$116 million for the Choose Ohio First scholarship (the \$43 million represented a 173% increase) and the Ohio College Opportunity Grant (36.9%) and \$103 million for the State Share of Instruction line item (2.6%), which

supports classroom teaching and affects tuition. State Share of Instruction (SSI), at \$4.1 billion over the two-year budget period, makes up nearly three-quarters of the \$5.6 billion budget for the Department of Higher Education. The increase in SSI in the 2020-21 budget is too small to keep pace with inflation.

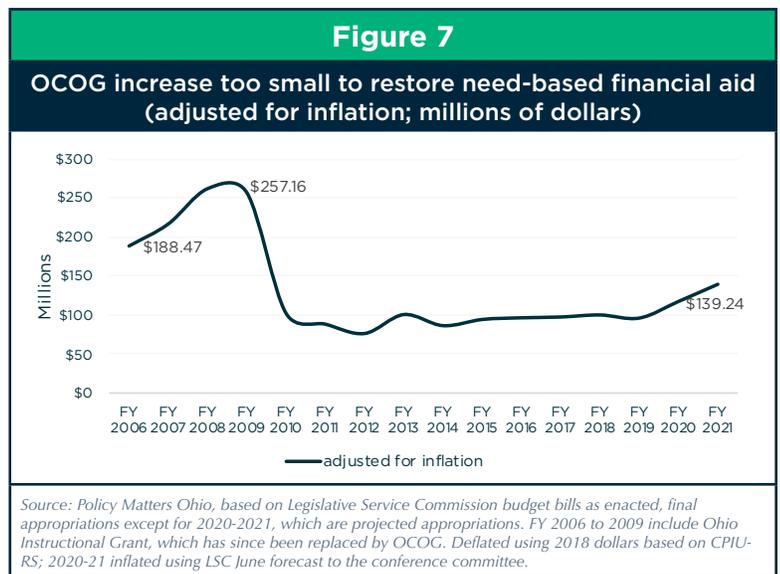
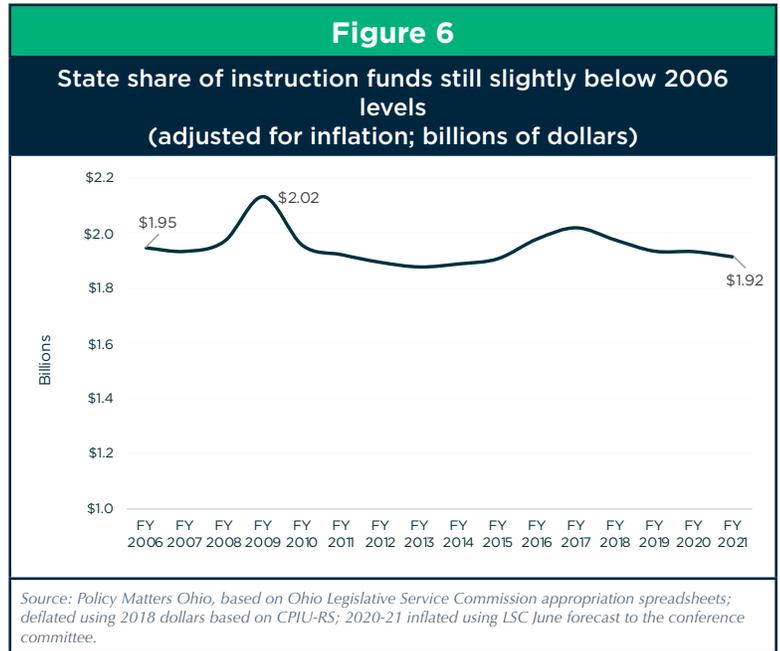
The new state budget’s investment in both the State Share of Instruction (SSI) and the Ohio College Opportunity Grant (OCOG) does little to remedy this problem.

STATE SHARE OF INSTRUCTION: The new budget increased funding for SSI, Ohio’s main financial support for public higher education, by 2.6% for the new budget over the previous biennium. Figure 6 shows that when adjusted for inflation, SSI funding remains below 2006 levels. SSI is directly tied to the cost of tuition, which means that tuition rises when funding drops.²⁰

OHIO COLLEGE OPPORTUNITY GRANT (OCOG): Ohio provides need-based aid through OCOG, which is essential to helping students from low-income backgrounds attend college. The 2020-21 budget increased OCOG funding by nearly \$72 million over the previous biennium, a 37% increase (not adjusted for inflation). Over the two-year budget period, the state will spend \$270.5 million on need-based college aid.

Figure 7 compares the new OCOG budget with prior funding. Whether adjusted for inflation or not, despite the substantial increase from the previous biennium, the budget leaves need-based aid far below what it was before the recession.²¹ Ohio ranks 39th among states and among the lowest in the Midwest in need-based aid per-capita, according to the National Association of State Student Grant and Aid Programs.²²

At the same time, OCOG excludes over 110,000 community college and regional campus students, who are more likely to come from low-income families. Ohio also shortchanges students at Central State University, the state’s only public historically black university. This means low-income students and students of color are most likely to be left behind.²³



Endnotes

1. Ohio Department of Education, "Facts and Figures: Ohio's Education Landscape," Nov. 27, 2018, at <https://bit.ly/2mw6L1r>
2. Fall 2018 15th day headcount was 490,082. Ohio Department of Higher Education, "15th Day Headcount: Fall Term 2018," Oct. 2018 at <https://bit.ly/2l1aNiI>
3. The State Preschool 2018, The National Institute for Early Education Research, Rutgers Graduate School of Education at <https://bit.ly/2kRb5rD>
4. Quality Counts 2019: Grading the states. Education Week at <https://bit.ly/2k56fXy>
5. The College Board, Trends in College Pricing at <https://bit.ly/2mEs69y> See also 2016 College Affordability Diagnosis, University of Pennsylvania Graduate School of Education at <https://bit.ly/2kfBEXn>; this analysis is based on the cost of college by family income; by this measure, Ohio ranked 45th in the nation in 2016-17.
6. Jackson, Victoria, "Ohio Promise: Equitable Free College," Policy Matters Ohio, October 2018 at <https://bit.ly/2kRfvyJ>
7. Social Programs that Work, "The Perry Preschool Project," at <https://bit.ly/2lE68SX> see also James Heckman, "Research Summary: The life-cycle benefits of an early childhood program," at <https://bit.ly/2mF13Jf>
8. In 2018, 44 states and the district of Columbia offered public pre-school programs. See "The State of Preschool 2018," Op.Cit., at <https://bit.ly/2lwxk6k>
9. These are not full day or full week slots. According to the Ohio Department of Education Website: "Any preschool or daycare provider participating in the Early Childhood Education program created by H.B. 59 is required to have a schedule of at least 12 and ½ hours per week. This schedule is equivalent to part-time kindergarten, which equals 455 hours per year under Ohio Revised Code 3313.48." See Ohio Department of Education guidance at <https://bit.ly/2lfeOQd>
10. "The State of Preschool 2018," Op. Cit. at <https://bit.ly/2lwxk6k>
11. This includes Department of Education GRF line item 200408; federal funds line item 200661 and a dedicated purpose fund line item in the budget of the Ohio Department of Job and Family Services 600696.
12. Ohio Department of Education, Early Childhood Education Grant at <https://bit.ly/2mOZWlr>
13. Glover, Jason, et al., Red Book: Ohio Department of Education, Ohio Legislative Service Commission, April 2019 at <https://bit.ly/2lpbrpK>
14. PowerPoint on the Cupp-Patterson proposal at <https://bit.ly/2mrvv9q>
15. Ohio has five voucher programs. The oldest, and one of the first in the country, is the Cleveland Scholarship and Tutoring Program, which is only for students who live in the Cleveland school district. The statewide EdChoice program is for students outside of Cleveland who live in lower-performing school districts or would be assigned to lower-performing schools as rated by the Ohio Department of Education. In 2013, legislators created another statewide voucher program through an EdChoice expansion for which eligibility is based on family income. Ohio also has two voucher programs for children with special needs, See <https://bit.ly/2kxyAFZ>.
16. Schools meeting the criteria receive an additional \$1,750 per student identified as economically disadvantaged and \$1,000 for those who are not, based on the previous year's enrollment.
17. Jackson, Victoria, "Number of School's Vital Professionals Dwindling," Policy Matters Ohio, December 16, 2016 at <https://bit.ly/2ovFCN2>
18. Widman, Alissa N., and Bush, Bill, "Poverty and poor performance linked in school report cards," The Columbus Dispatch, Sept. 20, 2019 at <https://bit.ly/2kHHEIF>
19. Ohio Department of Higher Education, "Ohio Attainment Goal for 2025: 2018 Annual report," 2018, at <https://bit.ly/2LGsZci>
20. Jackson, Victoria, "Budget Bite: Public Higher Education," Policy Matters Ohio, May 10, 2019 at <https://bit.ly/2jXkFZy>
21. Halbert, Hannah, "Blocking the College Door: Cuts to financial aid lock Ohio students out," Policy Matters Ohio, March 6, 2014 at <https://bit.ly/35dFKSh> "Ohio Promise: Free equitable College," Policy Matters Ohio, Oct. 18, 2018 at <https://bit.ly/2RrBXJz>, cited in Jackson, Victoria, "Testimony on HB 166 before the House Finance: Higher Education Subcommittee," Policy Matters Ohio, April 11, 2019 at <https://bit.ly/2kx-6M4G>
22. 48th Annual Survey Report on State-Sponsored Student Financial Aid 2016-2017 Academic Year National Association of State Student Grant and Aid Programs, National Association of State Student Grant and Aid Programs (NASSGAP), at <https://bit.ly/2lwGRKE>
23. Jackson, Victoria, "Building Better Need-Based Aid in Ohio." Op. Cit.