Education that Gets Results:

Giving Taxpayers Their Money's Worth

Budgets are about more than money. Budgets express an administration's priorities.

The educational priorities of this budget are clear…achieving student results while giving districts the tools to control costs. It turns away from old, expensive and ineffective practices that are robbing our children of the opportunity to get a great education. It aligns Ohio practices to the practices that create successful schools. These changes will improve student performance while cutting costs that don't relate to student results.

Today's educational realities

Education is the key to personal prosperity, and our state's long-term success. Education does not operate in a vacuum and must respond to an ever-changing world that includes:

- **A globally competitive marketplace.** Our children will compete globally for jobs and economic prosperity.

- **Rising expectations for knowledge and skills.** Advanced learning is the new normal for today's jobs. A good high school education isn't sufficient to prepare young people for competitive jobs in today's economy. Blue collar jobs require knowledge and skills that exceed our traditional expectations for entering college.

- **Urgency for all students to succeed.** If Ohio is to become competitive nationally and internationally, we must greatly increase the number of students who succeed.

What We Know About Schools That Succeed

A high performing, cost effective educational system is achievable. Real schools serving real students in really tough environments are already showing results. They are beating the odds and proving success is possible. Here are some of the hallmarks of these schools.

- **Results –** Everyone at the school knows where they stand on student results as compared to their peers. Moreover, results at these schools are benchmarked against high performing schools, and not schools that let them look good.

- **Responsibility –** Within every high performing school, the adults take responsibility for student success. They refuse to participate in the practice of blaming poverty, parents, and poor support for student results. They work on what they control and solve problems one child at a time. This sense of responsibility by the educators inspires students, parents and community members to also take responsibility for student results.

- **Students –** Students and their success become the focus of daily work. Contracts, reforms, communications, school design, and all other decisions are driven by a simple question…Will this improve student success?

- **Choice –** High performing schools embrace choice and see it as a catalyst for making a difference for children. They recognize that when adults compete for the right to educate our children, the children win.

- **Flexibility –** High performing schools have been successful despite being unnecessarily burdened by rules and regulations that too often raise barriers to creativity and problem solving. All that matters is student success. Flexibility to offer student-centered educational experiences is required and pursued.

- **Technology –** Technology is often added to existing school structures like butter onto toast. Simply installing computers isn't enough. Students only truly benefit when technology and technology-based instruction are integrated into every aspect of the school experience. Schools that do this capitalize on the capacity of today's students, who are digital natives, to learn in a technology-rich environment.

Budget Provisions

State K-12 education funding to schools is increased each year of the biennium (2% and 1.5% respectively). A transition funding formula is provided for the first year of the biennium. This transition formula directs more funds to poorer districts, as defined by local property wealth per pupil. A student-focused, results-driven funding formula will be developed and submitted to the General Assembly within a year of budget approval.

Funds allocated to state and regional entities are being adjusted to:

- Fund students, not bureaucracies; and
- Fund the most successful and flexible programs possible.
- Assure critical investments in performance tracking systems;

Federal maintenance of effort provisions are met for special education and career-technical education, ensuring continued funding of specific federal programs.

In the previous biennium, many districts used federal stimulus funds for ongoing operations even though policymakers knew these funds were one-time money, and would not be available in the future. Schools that relied on stimulus money to continue to operate or even expand their programs are going to have the hardest time coping with the budget moving forward. Schools that used stimulus dollars to reform their operations will be in much better shape going forward.

We are providing all school districts with the tools to adapt to the current and future budget landscape while continuing their efforts to improve student results. These reforms are integral to achieving the goals and priorities of the budget.

Needed Reforms We Will Implement

The reforms we will implement are aligned to what successful schools require. These reforms will allow great teachers, principals, superintendents, and school boards to assure student results. Our reform agenda will move Ohio from being a manager of the educational status quo to becoming a model that other states will emulate.

1. Put superior teachers in every classroom and excellent principals in every school

We will make Ohio the preferred destination for creative, talented educators including Teach for America.

Reward superior educators

What will change

Pay teachers a bonus when their students learn more than expected in a year based on the value-added assessment process.

Why this change is important

Teachers who are helping students gain more than a year's growth in a year deserve to be rewarded.

Eliminate licensure provisions that unnecessarily restrict quality candidates

What will change

Restrictive licensure procedures will be eliminated to allow individuals with expertise and passion, but who have not pursued traditional teacher education programming, to

teach in our classrooms and lead our schools. These changes will bring organizations like Teach for America to Ohio. They will also allow great teachers who want to live and work in Ohio to be licensed to teach here.

Why this change is important

Great teachers come from many walks of life. Research shows teachers from alternative licensure routes are as good as or better than traditionally prepared teachers.[1] And because our historic licensure requirements are not tied to student results, they are a poor proxy for teacher quality.

Teach for America recruits the top students from major universities around the country to work in urban schools. They are idealistic, passionate and motived, and they have very high standards for academic success and commitment from members. More importantly, they are taught to reject out of hand the discriminatory idea that some children can't learn The program provides intensive, student-centered training for candidates prior to putting them in the classroom. Once TFA members are placed in the classroom, Teach for America provides ongoing onsite and group support to the first year teachers. Teach for America has a strong track record of improving student results in hard to serve environments like poor urban schools. Thirty one states and the District of Columbia currently welcome Teach for America members.

Individuals testifying before the House Education Committee in February, 2011 indicated they were unable to get licensed in Ohio even though they were highly successful teachers in other states. These individuals were all from Ohio and wanted to return to the Buckeye state, but the current licensure process discouraged them from doing so.

These provisions do not require schools to hire specific people; they only provide schools with an additional pool of high quality candidates.

Eliminate seniority (last in, first out) as the basis of employment decisions

What will change

Employment decisions will be based on teacher quality, not seniority. Teacher quality will be determined by student performance levels (actual and/or growth), evaluations, and licensure.

[1] Kane, T.J., Rockoff, J.E., and Staiger, D.O. (2006). What Does Certification Tell Us About Teacher Effectiveness? Evidence from New York City.

Why this change is important

Seniority-based layoffs ignore the fact that novice teachers are *not* always the least effective teachers. Teachers of all levels of effectiveness lose their jobs; 80% of those cut are better than the lowest performers who continue teaching. Statistically, only 13-16% of the teachers laid off in a seniority-based system would also have been cut under an effectiveness-based system.[2]

Up to 3.5 months of learning can be lost per year because superior teachers are lost in a seniority based system.[3]

Dayton Public Schools experienced a travesty for kids under the current seniority-based system. After retiring from the Army Rangers and raising a family, Homer Knightstep went back to school, became a teacher and hired on at Dayton Schools. In his second year at Kemp Elementary, he was honored as "Dayton's Teacher of the Year." Two weeks later, he was let go in a reduction in force (RIF) under rigid seniority rules, something that could not have happened in a district that puts kids first. (He went on to another school district where shortly after he arrived, 99 percent of third graders passed their grade-level reading achievement test, and 95.8 percent passed math achievement tests.)

Ohio is only one of 14 states that still require seniority as the basis for employment decisions. Eight states and the District of Columbia have either passed or are considering passage of legislation requiring performance to be a major factor in employment decisions.

Michael Bloomberg, the New York Mayor, said "It's time for us to end the 'last-in, first-out' layoff policy that puts children at risk here in New York – and across our wonderful country."[4]

Test teachers in poor performing schools

What will change

Teachers employed in a school identified in the bottom 5% of the state's schools on the basis of student results will be required to take licensure tests.

Why this change is important

Massachusetts successfully implemented a teacher testing program that significantly improved student results. They tested teachers on the content they were supposed to be teaching.

[2] Boyd, Donald; Lankford, Hamilton; Loeb, Susanna; and Wyckoff, James (2010). "Teacher Layoffs: An Empirical Illustration of Seniority v. Measures of Effectiveness." The Urban Institute, National Center for the Analysis of Longitudinal Data in Education Research (CALDER)

[3] Boyd et al., 2010; Goldhaberet al., 2010

[4] Gotham Schools blog, September 27, 2010)

Testing will make sure teachers are competent in the subjects they are teaching. Limiting this provision to poor performing schools will minimize costs and avoid unnecessary burdens on quality schools.

Struggling schools need to be sure teachers are competent and fully capable of teaching their assigned curriculum. Testing teachers to be sure they know their content and basic pedagogy is a key step in this process.

Streamline dismissal processes for poor performing educators

What will change

School employees will have their termination hearing to be held before the board of education.

Employees can choose to appeal a board of education's termination decision to either the common pleas court or through the grievance process, but not both.

Why this change is important

This will eliminate the common practice of moving poor performing teachers around in school districts. The practice is so common that it has been labeled the "Dance of the lemons".

Mount Vernon, Ohio taxpayers had to foot a $900,000 bill for the process of terminating an eighth-grade science teacher who defied school rules and failed to teach the curriculum assigned to him. This was a tremendous financial burden for the small school and the case against the teacher was clear. Although the school eventually prevailed, precious educational resources were lost.

2. Support innovative, successful schools and close failing schools

We can no longer trap Ohio's children in chronically failing schools.

Rank schools on the basis of student results

What will change

The Ohio Department of Education will be required to rank schools within comparable groupings on the basis of student results and cost effectiveness. They will use data currently collected from schools. The rankings will be made readily available to the public, especially parents.

Why this change is important

Ranking is part of accepting responsibility. Rankings provide a more transparent picture of student results and financial efficiency than our current report card rating system. In the current system, a school can be recognized as Excellent with Distinction while having nearly one in five students fail. Ninety excellent rated districts had ACT scores below the state average. One excellent rated district had a college remediation rate of 81%. Sixty-five excellent rated school districts had negative value added scores.[5] Clearly, excellence doesn't mean high student results in Ohio.

Rankings provide opportunities for high-performing schools to be recognized and poor performing schools to receive the attention they need to improve or be replaced. Rankings also encourage all schools to focus on student results and cost effectiveness. Ranking schools so top performers are evident will allow us to in Bill Gates words, "spread the practices that make them great—it would have an enormous impact on the entire system." According to Gates, "we haven't tapped into the dynamic of 'everybody learns from the best and gets better.'"[6]

Schools that make dramatic improvements in student results always begin with the realization they were not serving students well. They begin with comparing their performance with the high performing schools in their region, state, and nation. Their reform efforts are easier to undertake because they are aware of their standing in the education marketplace.

Parents deserve to know where their schools stand on student results. They also need to be able to make INFORMED choices when seeking better schools for their children.

[5] Ohio Department of Education
[6] Gates, Bill, presentation at the National Governors' Association, 2011

Schools vary significantly in how efficiently they operate. According to a report from KnowledgeWorks, if Ohio's schools were as efficient as the best schools, they could save up to $1.4 billion a year in non-instructional costs.

Ohio has an incredible resource in student growth data. This information shows which schools and which teachers are helping students learn a year's worth material in a year's time. Great teachers should be paid more. Student growth data recognizes teachers who work with students who may be struggling as they enter a school or class, but gain substantially during the year. It fairly recognizes teachers and schools for the value they add to children's educational experience.

Florida and Michigan currently rank their schools. Michigan uses these rankings in their school accreditation process.

Create a recognition program based on student results

What will change

A Governor's School Recognition Program will be established to recognize schools that are rated in the top 10% among Ohio schools in student results and cost effectiveness.

Why this change is important

Schools that are performing well should be recognized for their efforts. They should be held up as exemplars of what is possible and as places that aspiring high performers can find best practices.

Create innovation schools and innovation school zones

What will change

Schools will be given the opportunity to be identified as innovation schools. These schools will be given the authority to waive school certain district policies and procedures, collective bargaining agreement provisions, and state rules and regulations except for narrowly defined exceptions such as services for disabled or gifted students. Multiple schools can join together to create an innovation school zone.

The creation of an innovation school or school zone will only be possible if at least 50% (60% if collective bargaining provisions are to be waived) of the teachers and 50% of the administrators at the school or schools agree to do so. The school staff must present an innovation plan to the school board. The school board will be required to accept the plan except for very narrow reasons which may be presented to the State Board of Education for approval.

Provisions are made for the school board to monitor student results and cost effectiveness. If the school or schools fail to meet performance expectations, the innovation standing can be revoked.

Why this change is important

Quality schools require highly engaged teachers and principals. Engagement begins when these professionals take responsibility for student results and seek flexibility to meet student needs. The innovation designation affords the school staff the opportunity to take charge of their own programs, hiring processes, compensation, and other education decisions.

The concept of innovation schools and zones has provided Colorado schools with creative models for meeting student needs and creating student results.

According the Eric Hanushek, renowned educational researcher, one of the most important factors in improved student results is empowering local decision making.[7]

Give parents the right to reconstitute schools failing their children

What will change

Parents will be given the authority to force a school district to reconstitute a poor performing school (defined as a school that is in the bottom 5% in student results in Ohio as evidenced by their Local Report Card performance index) using one of the following methods: 1) reopen the school as a community school; 2) replace at least 70% of the staff at the school; 3) contract with an entity with a track record of effectiveness in operating schools; or 4) other major restructuring that makes major changes in school staffing or governance. At least 50% of the parents of students attending the school must sign a petition to request one of these reforms. Provisions allow the district board to appeal the parent request to the State Board of Education.

Why this change is important

Parents should have the right to force major reforms on schools who are failing their children. These failures often result in unsafe environments as well. They should not be forced to leave their neighborhoods or transport their children to other schools when a district does not maintain a high-quality school.

This model has been implemented in California with strong support from parents and a bi-partisan group of political leaders. Parents in Compton, California, are currently exercising their right under this new bi-partisan legislation. This action was taken after

[7] Hanushek, Eric, Testimony for the Senate Education Committee and the House Education Committee, State of Ohio, March 10, 2011.

an external "district assistance intervention team" indicated the district demonstrated a "lack of a sense of urgency related to student achievement." Colorado is considering similar legislation.

Parental authority made possible by this change is limited to chronically poor-performing schools, which gives a school district ample opportunity to restructure the school on its own. This provision provides even more encouragement to school districts to eliminate poor-performing schools.

Revoke the charters of the poorest performing schools

What will change

The Ohio Department of Education will be allowed to revoke the charter of any school that remains in the bottom 5% of all schools based on student results for three years in a row. An appeal provision will be provided to the school.

Why this change is important

The Department of Education already has the authority to close chronically poor performing community schools. This provision would expand the provision to all public schools.

According to Arne Duncan, U.S. Secretary of Education, "Children cannot wait for an education. They can't wait while administrators tinker around the edges." Continued support of chronically failing schools is a grievous injustice to children and parents. These schools damage children's lives, stunt economic growth within communities, and waste precious education resources. They also interfere with opportunities to open more effective schools within the community.

With the three year provision, districts have time to implement their own restructuring to improve chronically failing schools. This provision provides an aggressive incentive to make meaningful change. An appeal process is provided to assure the schools targeted by this provision are genuinely failing students.

3. Invest in students, not bureaucracies

Ohio ranks 9th in administrative costs and 47th in funding that gets to the classroom.[8]

If every school in Ohio was as efficient as the best schools, we could save as much as $1.4 billion in non-instructional costs.[9]

Encourage shared services to reduce non-instructional costs

What will change

Shared services, such as human resources, IT, and purchasing, occur when government entities work together to provide better services or to drive down costs. Ohio statutes that inhibit government entities from working together to cut costs will be eliminated. It is envisioned that Regional Shared Services Centers will be created by merging the various regional education service providers. These centers will be given the authority to work with local government entities. A plan will be developed over the next year and the new system will be in place beginning July 1, 2012.

Why this change is important

In education there are significant opportunities for shared services. There are currently about 7 types of regional support groups working with schools. It's time to simplify, clarify and coordinate better.

Current budget challenges will require all government entities including schools to seek more cost effective ways to provide services. Giving them authority to collaborate and share services will provide better services at a lower cost.

Repeal the Evidence-Based Model for funding

What will change

Most provisions related to the implementation of the Evidenced Based Model including most unfunded mandates will be eliminated.

Why this change is important

The EBM funds standardized inputs such as number of teachers, administrators, and support employees. It creates mandates instead of giving flexibility to teachers and principals. It assumes that standard costs are inevitable and does not account for

[8] Brookings Institute
[9] Ohio Smart Schools, 2011, KnowledgeWorks

creative new approaches to education such as blended learning that can create high student results while spending less.

The EBM approach to educational funding has not achieved the promised student performance gains. These results never materialized, even though funding went up.

The EBM funding approach directs resources to educational structures such as schools and districts; not student results. It encourages the continuation of standardized, industrial age educational models designed around bureaucracies.

Report financial data to identify highly efficient schools

What will change

Expenditure data is collected by the Ohio Department of Education, but is not generally used to identify schools that are efficient or that expend significant resources where it counts, in the classroom. Under this reform, the Ohio Department of Education will be required to create easy to understand, transparent reports on how much each school spends on student instruction. Schools will be grouped by student enrollment size, and comparisons within these groups will be provided. These results will be required to be prominently reported. Provisions for acknowledging the highest performing and the lowest cost schools are provided.

Why this change is important

Ohio's schools need to become more effective at putting limited resources into the instructional activities. Reports show that many districts have seen declines in enrollment and teacher employment while the ranks of the non-instructional staff continued to grow.

Principals and teachers need greater control over the use of financial resources. Prominently reporting the percentage of expenditures getting to student instruction is the first step in making this possible.

Among the major city school districts, while enrollment has declined, staffing has increased. This is especially troubling when student enrollments and teacher positions have declined while non-instructional personnel increases.[10] Clearly, there needs to be greater transparency for financial data.

High performing or very cost effective schools will be recognized for their exceptional efforts.

[10] Ohio Department of Education

4. Expand school choice

When adults compete for the right to educate our children, children win.

Double scholarship availability

What will change

The EdChoice scholarship program will be increased from 14,000 to 30,000 scholarships in the first year and 60,000 scholarships in the second year of the biennium.

Why this change is important

The EdChoice program has been very successful. The EdChoice program has been available to students enrolled in public schools within districts rated academic watch or academic emergency for two of the last three years. The program has grown from 6,685 students in FY2008 to 13,021 in FY2011. The maximum values of the scholarships are $4,250 for elementary students and $5,000 for high school students.

These programs do not increase the cost to the state. Instead, they move money to schools supported by parents.

Remove the cap on community schools

What will change

The limit on the number of community schools will be removed. Poor performing sponsors will not be allowed to open new community schools.

Why this change is important

Community schools continue to provide quality alternatives to existing schools. The current cap on community schools can operate limit parents' choices and limit quality school options.

The removal of the cap and an aggressive stance on closing poor performing community schools will assure a more robust school environment focused on student results and cost effectiveness, and create a continuing atmosphere for school improvement. Ohio's role should be to support quality schools, regardless of their governance structure. These provisions will assure every effort is being made to provide quality schools to every child.

Sixteen states have no cap on community schools including Minnesota which has been recognized for having the best community schools in America.

Eliminate the transfer of a district collective bargaining agreement to a conversion school

What will change

Community schools created from existing schools using the conversion process have historically required the district collective bargaining agreement to remain in force at the new community schools. This provision would eliminate this requirement and provide the employees at the newly created community schools with the option to join a bargaining unit.

Why this change is important

Community schools were designed to provide an innovative environment for teachers and principals. The automatic application of a district collective bargaining agreement can limit this innovative environment. Providing the teachers in the newly created school the option to create a bargaining unit and to negotiate a unique collective bargaining agreement will assure maximum flexibility.

Enhance community school access to facilities

What will change

School districts currently must give community schools the opportunity to purchase school facilities before they are sold for other purposes. This requirement is extended to school facilities that are being leased.

Why this change is important

Community schools have no access to public funding for facilities. Facilities are a major issue for expanding successful schools. School districts have been reluctant to give community schools the opportunity to purchase or lease facilities from them. This provision will correct this problem and, in turn, enhance the opportunity for strong school choice.

5. Provide a Superior Marketplace for Technology-based Educational Innovations

Today's schools limit the use of the very technology our children will need to master to be successful in the global economy.

Create a digital-friendly marketplace

What will change

eTech Ohio will be required to negotiate statewide pricing on courses and, in turn, pass savings onto schools in FY2012.

Arbitrary restrictions on the use and availability of digital learning options set by collective bargaining agreements, school boards, or administrations will be prohibited. Student and parent rights regarding digital learning and competency-based credit earning is clarified.

A Digital Learning Taskforce will be established to recommend changes that will

- simplify the state's complicated digital learning bureaucracy,
- establish a free innovative system that will help deliver more digital instruction to schools more cost effectively.

Why this change is important

So far, technology has hardly changed the formal education system at all. For example, Carnegie Mellon University's Open Learning Initiative creates college-level online and blended courses. Initial evaluations have found that students in these courses can learn a semester's worth of material in half the time.[11]

Ohio's laws and rules still have vestiges of traditional, low-tech approaches to education that inhibit the use of innovative instructional technology. These must be removed if emerging educational approaches such as blended learning are to thrive in Ohio.

Ohio has too many boards, organizations, oversight bodies, and monopoly tech providers to be attractive for innovative digital providers who wish to do business here. Ohio has not developed the infrastructure needed to support schools wishing to use technology fully. Other states such as Florida and Michigan have been more strategic in their approach to educational technology.

[11] Gates, Bill, presentation notes from the National Governor's Association meeting, February, 2011

Digital learning is rapidly becoming the norm in private business and top universities such as MIT. However, many schools have negotiated away or established restrictions on the use of digital learning for their students. School administrations have been less than aggressive about informing parents and students of their rights to earn credit in digital and other competency-based instructional models. These provisions would correct these challenges.

Special emphasis will be placed on making technology based instruction widely available. Large numbers of Ohio children will master coursework ahead of schedule with this resource, improving both student outcomes and the time available for teachers to work with children who have more difficulty mastering their courses.

6. Make College More Affordable

Lifelong learning is critical in a knowledge economy.

Create charter universities

What will change

The Chancellor will submit a report to the General Assembly and the Governor containing findings and recommendations for developing the appropriate policy, administrative rule and statutory changes necessary to implement a charter university program. The plan will define the manner in which an institution of higher learning can become eligible for restricted financial and operational authority including the performance measures and criteria which will be used to determine eligibility requirements.

Why this change is important

Ohio's institutions of higher learning must become even more productive and efficient. This provision will provide them with a clear performance expectation while granting them increased autonomy in how they operate to achieve these performance expectations.

Reduce the higher education remediation rate

What will change

The Board of Regents will be required to report the remediation rate and cost for each school district based on graduates from each school. The Ohio Board of Regents will

work with the institutions of higher learning to create a clear, actionable definition of what is meant by remediation free. This definition will be required to explain remediation free in such a way that school districts can determine the coursework and special programs required to assure every student is college-ready. The Chancellor and the State Superintendent of Public Instruction will produce a set of recommendations to reduce these remediation costs by 50%.

Why this change is important

College remediation costs are crippling our ability to provide advanced learning and they are consuming too much of the resources available to students who need financial assistance to attend college. These costs must be reduced.

School districts are charged with preparing students to be college and career-ready. They are responsible for making sure students get the courses and services they need to be ready for college without remediation. Districts cannot determine the courses and services they need unless they have a clear understanding of what is meant to be college ready.

The remediation issue is a transition issue between high schools and institutions of higher learning. The Chancellor and the State Superintendent must work together to resolve this state challenge.

Encourage 3-year degrees at colleges and universities

What will change

Universities will be required to produce plans on how to move to 3-year baccalaureate degrees. The plan to transition 10% of their programs will be due in 2012 and a plan to transition 60% of their programs will be due in 2014.

Why this change is important

The traditional 4-year degree program has become a 5 or 6 year degree program in reality. Lengthening the time to completion increased higher education costs for the state and families. It also lengthens the time students require to enter new, higher paying employment. Finally, it discourages completion because of the extra years it takes to gain a degree.

Increasingly, high school students are coming to their first year of college with college credit earned from Advanced Placement and International Baccalaureate courses, post-secondary enrollment options credits, dual enrollment, and other innovative high school programs. These credits should reduce the time to degree once these students get to the college campus.

Technology advancements are reducing the time required to achieve high school coursework. These same advancements should assist universities with reducing the time required to earn a degree.

Promote faculty teaching

What will change

Ohio public colleges and universities will be encouraged to increase full-time research and instructional faculty teaching loads by one class in each of the two years of the biennium. The Ohio Board of Regents will report the instructional workloads of faculty for all colleges and universities for FY2010 through FY2013.

Why this change is important

Increasing faculty teaching workloads will increase Ohio's higher education class capacities without increasing costs.