

Education Update

To: LWVO

From: Joan Platz

Education Update for September 7, 2009

1) 128th Ohio General Assembly: The Ohio House and Senate have scheduled two committee hearings this week. The House and Senate education committees are not scheduled to meet.

*The House and Senate have scheduled sessions for September 15, 16, 29 & 30, 2009. Committee hearings are scheduled for September 17 & 24, 2009. Sessions and committee hearings are also scheduled for October, November, and December.

*The Senate selected Shannon Jones, Representative of the 67th House District, to complete the term of the late Senator Robert Schuler (7th Senate District). The House Republican caucus must now select a candidate to fill Representative Jones' 67th House District seat.

*Governor Strickland appointed Kathleen Burke as executive director of the Ohio Lottery Commission (replacing Michael Dolan) and Richard C. Murray as director of the Ohio Schools Facilities Commission (replacing Michael Shoemaker).

2) Coming Up: Over the next few months lawmakers in the Ohio House, led by House Speaker Armond Budish, and the Ohio Senate, led by Senate President Bill Harris, are expected to continue work on legislation covering a variety of topics, including the following:

-Redistricting (SJR4-Coughlin, Cates and SJR5-Husted) -Reauthorization of the Third Frontier Program -Election laws (HB 260-Stewart, Heard and SB8-Seitz) - Campaign finance limits/gambling interests -Ban on discrimination based on sexual orientation (HB 176- Stewart, McGregor) -Limits on cell phone/text messaging while driving (Six bills have been introduced: two in the Ohio Senate, and four in the Ohio House.) -Limiting the prevailing wage -Revisiting payday lending (HB 209-Lundy) -Budget corrections bill -Pension system adjustments

Senator Husted has also indicated that he intends to introduce legislation to make Ohio more competitive for the U.S. Department of Education's "Race to the Top" program. The legislation that Senator Husted is proposing would authorize more charter schools and make adjustments to Ohio's value added component.

Lawmakers may also need to respond, depending on the decisions, to four court cases, which could have over a billion dollar impact on the state's budget. The cases involve the anti-tobacco trust fund, DIRECTV, Inc., the Commercial Activity Tax, and video lottery terminals in Ohio's race tracks.

2) 111th Congress Returns: The U.S. Congress reconvenes on September 8, 2009. President Obama is scheduled to make a major address before a joint session of

Congress on September 8, 2009 on health care reform, which is expected to dominate activities in the House and Senate over the next few weeks. Other priority issues that lawmakers will be considering include the economy, climate change, financial regulatory reform, Afghanistan/Iraq/Iran, Israel/Arab negotiations, and appropriations bills for FY10.

The U.S. House approved the 2010 Labor, Health, and Education Appropriations Bill on July 24, 2009 (HR 3293), and the U.S. Senate Committee on Appropriations approved substitute HR 3293 on August 4, 2009. The next step is for the full Senate to take action on HR 3293, and then the House and Senate will work-out a compromise. The following are some of the provisions in the House and Senate versions:

-Head Start: House and Senate same -\$7.2 billion for early childhood services, including educational, health, nutritional, and social services, to approximately 978,000 low-income children before they enter school.

-Title I Grants for Low-Income Children: House -\$14.5 billion, Senate 13.8 billion for Title I grants to school districts. School districts may use any portion or all of these funds to support early childhood education activities.

-School Renovation: Senate -Includes \$700 million for a new program to improve the condition of school facilities.

-School Improvement: House -\$545 million for assistance to approximately 13,000 schools across the country with chronically poor academic performance.

-Teacher Incentive Fund: Senate -\$300 million; House-\$446 million to support school districts and States that aim to reward effective teaching through compensation systems that reward entire high-need schools for raising student achievement.

-Charter Schools: House and Senate same -\$256 million to support the start-up of over 1,300 new charter schools in fiscal year 2010. The bill also includes new accountability measures to ensure that new charter schools are successful.

-Striving Readers: Senate -\$263 million; House -\$146 million to help struggling adolescents build their literacy skills, start a new early reading comprehensive initiative, and improve the integration of reading initiatives across the Department of Education.

-High School Graduation Initiative: House and Senate same -\$50 million for a new High School Graduation Initiative to target assistance on high schools with high dropout rates.

-Individuals With Disabilities Act: Senate \$12.6 billion, House -\$11.5 billion

-Institute for Education Sciences: Senate -\$62 million.

-Adult Education: House -\$628 million for Adult Basic Literacy Education State Grants. These State formula grants will enable over three million adults to acquire basic literacy skills and complete a secondary education.

-Pell Grants: House and Senate same -Pell grants were increased in FY09 to \$5,350. This bill maintains the discretionary portion of the maximum Pell Grant award at \$4,860, which, combined with a mandatory supplement of \$690, will support a \$5,550 maximum Pell Grant in fiscal year 2010.

-Support for Developing Institutions: House -\$653 million to strengthen the capacity of historically Black and predominantly Black colleges and universities, Hispanic-serving Institutions, Tribal colleges and universities and Native American-serving institutions, Asian Pacific Islander, and Native American institutions. In addition, the bill provides for \$178 million in new loan guarantees for historically Black college and university facilities.

-TRIO and GEAR UP: House -\$868 million for the TRIO programs and \$333 million for GEAR UP to assist approximately 1.7 million disadvantaged and first-generation college students to prepare for, enter, and complete college.

3) Economic Outlook for Ohio: While some experts are seeing signs of a national economic recovery, Ohio's economy continues to under perform, and the state's credit rating has recently been downgraded by Moody's Investors Service. (Bloomberg.com, June 15, 2009). One of the reasons given for the credit adjustment is Ohio's recently approved FY10-11 budget, which is based on one-time funds, federal stimulus dollars, delayed debt payments, and estimated revenue from Video Lottery Terminals. The rainy day fund was also used to balance the FY09 budget, and is no longer available to help balance future state budgets, and some critical state revenue sources are also being challenged in the courts, such as the Commercial Activity Tax paid by grocers, the use of Tobacco Settlement funds, and Video Lottery Terminals.

Policy Matters Ohio recently published a study that indicates that revenue from the Commercial Activities Tax (CAT), which took effect in 2005, will fall below expectations this biennium. The study, "Not a Fat CAT, Commercial Activity Tax" by Zach Schiller, reports that receipts from the CAT dropped \$94.9 million or 7.4 percent below projections from earlier this year. Future CAT receipts may be \$400 million below estimates over the FY10-11 biennium. The loss of CAT revenue could have an impact on school districts and local governments that depend on the CAT for reimbursements for the loss of the tangible personal property tax.

Policy Matters recommends that the Ohio General Assembly restore the upward trigger that was removed in 2007 and allowed the CAT rate to increase the following year when CAT receipts fall ten percent or more below estimates. (A trigger that lowers the CAT rate when receipts are above 10 percent still exists.) The General Assembly should also take other steps to stabilize state revenues, such as restoring the corporate franchise tax and closing tax loopholes.

The Policy Matters study is available at www.policymattersohio.org/NotFatCAT2009.htm.

4) Supreme Court Hears Two Critical Cases: The Ohio Supreme Court heard last week two lawsuits that could have an impact on the state's biennial budget and school district budgets.

On September 1, 2009 the Ohio Supreme Court heard oral arguments in the case Ohio Grocers Association, et. al v. Levin, a lawsuit that challenges the constitutionality of the Commercial Activity Tax (CAT) and how it is applied to grocers operating in Ohio.

The plaintiffs in the case argued that the CAT is unconstitutional when applied to grocers, because food is not a taxable item in Ohio. The defendants allege that the CAT is a tax on gross receipts and not on sales, and is a tax for the privilege for doing business in Ohio.

At stake is the \$188 million raised through the CAT from grocers, and approximately \$355 million that would need to be refunded if the plaintiffs win. The loss of CAT revenue could affect schools districts and local governments, which depend on the CAT for reimbursements of the phased-out tangible personal property tax.

On September 2, 2009 justices heard oral arguments in the case State ex rel. LetOhioVote.org v. Hon. Jennifer Brunner. The plaintiffs, LetOhioVote.org, asked the court to allow voters through the referendum process to vote on a provision that allows the Lottery Commission to operate up to 17,500 video terminals (VLTs) at Ohio's seven race tracks. The provision was included in the recently approved state budget, Am. Sub. HB1. The VLTs are expected to raise \$933 million when fully implemented. Plaintiffs argued that the VLT provision is not an appropriation, and not exempted by the Constitution from the referendum process, and therefore should be subject to the referendum process.

Defendants of the provision, represented by State Solicitor General Benjamin Mizer, told the court that the people of Ohio have already approved the activities of the Lottery Commission to raise funds for Ohio's schools. The defendants asked the court to agree that the Lottery Commission has pre-existing authority to install the VLTs, and the appropriation included in Am. Sub. HB 1 is not subject to referendum.

The Supreme Court did not indicate when it would issue decisions for these two cases.

5) State Retirement Systems Propose Changes: Several recommendations have been proposed over the summer to strengthen the state's public employee retirement systems to ensure the availability of benefits in the future.

Proposals from the State Teachers Retirement System (STRS), the Highway Patrol Retirement System, the Ohio Police & Fire Pension Fund, and the School Employees Retirement System (SERS), will be presented to the Ohio Retirement Study Council (ORSC) on September 9, 2009. The Ohio Public Employees Retirement System (OPERS) is also considering changes to reduce expenses.

After the proposals are reviewed by the ORSC they will be drafted into legislation and considered through the legislative process by the General Assembly and the governor.

The Board of the State Teachers Retirement System of Ohio (STRS) approved increasing the contribution rates, reducing the annual cost of living adjustment (COLA), increasing the number of years factored into the final average salary years, changing eligibility for retirement, and changing the formula for calculating benefits. Visit <http://www.strsoh.org/pdfs/40-304.pdf> for more information.

The Board of the School Employees Retirement System (SERS) approved on August 24, 2009 making changes in retirement eligibility, and would consider other options such as increasing the contribution rates, and reducing COLA and health care adjustments. Visit <http://www.ohsers.org/GD/Templates/Pages/OHSers/OHSERSDefault.aspx?page=1> for more information.

6) OEM Publishes Report on Dropouts in Ohio Schools: Ohio Education Matters (OEM), Andy Benson executive director, issued in August 2009 a policy report called "The Pursuit of High-Quality High Schools: A progress report on Ohio's quest to graduate more students ready for college and career".

The report looks at changes in dropout rates in Ohio's schools since 2004 when the State Board of Education's Task Force on Quality High Schools for a Lifetime of Opportunities released their recommendations in a report called "High-Quality High Schools: Preparing All Students for Success in Postsecondary Education, Careers and Citizenship".

The OEM report provides an update on the number of students who left traditional public high schools before receiving their diplomas in 2004-5 and 2007-8, and focuses on the thirty high schools that have the highest numbers of students who have left school. The study reviewed the data of a cohort of 608 out of a possible 790 traditional high schools in Ohio. The cohort high schools were selected based on criteria that included enrollment, grade levels, graduating seniors, and sufficient data.

The study does not include charter schools, because so few met the criteria for the study, although some data about dropouts from charter schools is included. The report notes the following:

"Given those limitations, though, it is worth noting that charter high schools experienced some of the state's highest dropout rates during that time. In fact, when we looked at the 30 worst-case schools for dropout rates in 2004-05 without excluding charter schools, we found that 13 of those schools were charters. The remaining charter school for which we had data ranked 31.

It is also noteworthy that nine of the 10 schools with the highest dropout rates were charters." (Page 15.)

According to the OEM report, Ohio's dropout rate has increased from 13.8 percent (18,702 students) in the 2004-05 to 15.2 percent (21,664 students) in the 2007-08 school year.

The report states, "Among the 30 schools with the biggest dropout problem in 2004-05, the dropout rate fell from 38.5% to 33.6% over four years, a decline of almost 5 percentage points. That compared to a drop of 1.8 points for the cohort overall. Graduation rates changed similarly. 11 So while dropout rates remained very high in the 30 worst schools, they improved at a faster rate than schools with lower dropout rates."

The report recommends that Ohio establish a comprehensive plan and targeted strategy for "turning around its dropout problem." More information is also needed to understand the scope and causes of the dropout problem, including how factors such as economic disadvantage, school budget cuts, school size, and student mobility impact the dropout rate.

More information also needs to be known about successful strategies and interventions that help keep students in school and earn their diplomas. School districts should be provided assistance to implement new school designs to help retain students.

According to the report, "Ohio has a once-in-a-generation opportunity to improve its high schools, an opportunity the state must not fail to seize."

The report is available at
<http://www.ohioeducationmatters.org/sites/default/files/Pursuit%20of%20High-Quality%20High%20Schools.pdf>

Ohio Education Matters is a nonpartisan public policy think tank, that acts as a catalyst of education transformation - providing research, advocacy, engagement and policy development that inspire others to create a new system of education for Ohio's next generation.

7) Resources from the ODE: The Ohio Department of Education has created several helpful documents that provide information and analysis about Am. Sub. HB 1, the FY10-11 budget, under a new web site called Education Reform Plan Information. The following information is now available:

-Summary of Education Provisions in HB 1 - ODE has prepared this summary, which outlines the education components included in the final version of HB 1.

-District Responsibility Table: ODE compiled this table of new and/or updated requirements that school districts and other local education agencies will be responsible for implementing.

-Ohio Department of Education Simulations - ODE has prepared funding simulations for FY2010 and FY2011 based on the Evidence Based Funding Model included in HB 1. Released August 20, 2009

-Evidence Based Funding Model (EBM) Outline - This table explains the different components of the EBM and how they are used to calculate district funding. Released August 20, 2009

-State Aid for Schools FY 2010 and 2011 - This spreadsheet shows the estimated state aide for each school district for fiscal years 2010 and 2011, based on the

Conference Committee proposal. The chart shows funding levels before and after federal stimulus dollars are included. Please note that ODE did not prepare this report. Released July 13, 2009

-Frequently Asked Questions

The Education Reform Plan Information web site is at <http://education.ohio.gov/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=1599&Content=72441>

8) Bills Introduced (July 1-September 5, 2009)

*HB268 (Driehaus) Funding Nonpublic Schools: Temporarily reduces the per pupil base cost payments to community schools in academic watch or academic emergency, and uses the aggregate of those reductions to make supplemental payments for Auxiliary Services for chartered nonpublic school students, administrative cost reimbursement to chartered nonpublic school students, administrative cost reimbursement to chartered nonpublic schools, and makes an appropriation. Introduced 08/18/2009

HB263 (Koziura) Video Lottery Terminals: Authorizes the playing of video lottery terminals at D liquor permit premises; regulates the use of video lottery terminals; requires licensure of video lottery terminal manufacturers, distributors, and operators, and exempts video lottery terminals from certain state taxes. Introduced 08/04/2009

HB253 (DeBose, Hite) Education Leadership Character Ethics: Regarding leadership character ethics in public schools and public institutions of higher education. Introduced 07/13/2009

9) 2010 Governor's Awards: The Ohio Arts Council is now accepting nominations for the 2010 Governor's Awards for the Arts in Ohio.

The annual awards are given to Ohio individuals and organizations in recognition of outstanding contributions to the arts statewide, regionally and nationally. Awards are given for arts administration, arts education, arts patron, business support of the arts, community development and participation, and individual artist. The deadline for nominations is Wednesday, September 23, 2009 at 5:00 PM, and the deadline for support letters is Wednesday, September 30, 2009 at 5:00 PM.

Nominations will be accepted only online. A complete explanation of the nomination process is available on the 2010 Governor's Awards for the Arts in Ohio and Arts Day Luncheon website at www.oac.state.oh.us. For more information about the Governor's Awards nomination process contact Jaclyn Reynolds at the Ohio Arts Council; phone 614-995-4125; or via email to jaclyn.reynolds@oac.state.oh.us.

The 2010 Governor's Awards for the Arts in Ohio and Arts Day Luncheon will be held Wednesday, April 21, 2010 at noon at the Columbus Athenaeum in downtown Columbus, Ohio. Tickets are \$50 and include lunch and a dessert reception. All

proceeds go to the Ohio Citizens for the Arts Foundation. The Governor's Awards for the Arts in Ohio and Arts Day Luncheon is presented by the Ohio Arts Council and Ohio Citizens for the Arts Foundation. Winners will receive an original work of art by Ohio photographer Larry Kasperek at a public ceremony during the luncheon.

The awards luncheon will be held in conjunction with Arts Day 2010. This daylong event demonstrating public value and support for the arts is sponsored by Ohio Citizens for the Arts Foundation. Arts Day will include an arts advocacy briefing, legislative visits, arts tradeshow, Statehouse tours and student exhibitions. For more information on Arts Day 2010, visit www.ohiocitizensforthearts.org or call 614-221-4064.

Arts Day was created to foster a greater awareness of the value of the arts in Ohio. Citizens are encouraged to participate in Arts Day by visiting with their state legislators and communicating the need for public support of the arts and arts education.

The 2010 Governor's Awards for the Arts in Ohio and Arts Day Luncheon are presented in partnership with the National Endowment for the Arts and Ohio Government Telecommunications.

10) Statehouse Art Collection Teacher Resources: The Statehouse art collection has been created to benefit the people of Ohio - telling the story of our great state. The art depicts the hopes, dreams, values and aspirations of Ohio - and commemorates our state's accomplishments and struggles. Artworks have been added over the years to preserve the public memory and to create a consensus about what is important to Ohio.

The Ohio Alliance for Arts Education in partnership with the Capitol Square Review and Advisory Board and the Ohio Arts Council has developed a set of teacher resources for works of art found within the Ohio Statehouse and on Capitol Square. The teacher resources are individual lessons that focus on "The People's Art Collection". The People's Art Collection provides integrated lessons for use by educators and parents. To visit the site and download the lessons visit:

http://www.ohiochannel.org/your_state/ohio_statehouse/education/peoples_art_collection.cfm

In a world where arts education is the core to learning in other academic areas, and on its own, it is fitting that the works of art found in the Ohio Statehouse and on Capitol Square become an integral part of the visiting students' experience. These works of art are available to the public year round and are considered to be an added value to students taking a classic Statehouse tour. School age children and their teachers visit the Statehouse to discover the building's history and architecture as well as to observe state government in action. There are nearly 100,000 Statehouse tour participants annually.

Students who are unable to visit the Ohio Statehouse in person may now experience the arts through the lessons and virtual art exploration experience by downloading the various lesson plans at

http://www.ohiochannel.org/your_state/ohio_statehouse/education/peoples_art_collection.cfm.

Images of the works of art are contained in each lesson.

Special thanks to Capitol Square Review and Advisory Board staffer Gregg Dodd, Deputy Director for Communications, Marketing & Events for making this opportunity possible!

11) ESEA Funds Can Be Used for the Arts: U.S. Secretary of Education Arne Duncan recently released a letter reminding administrators and boards of education that the Elementary and Secondary Education Act Title I funds may be used to fund arts education in our schools.

According to Secretary Duncan, "At this time when you are making critical and far-reaching budget and program decisions for the upcoming school year, I write to bring to your attention the importance of the arts as a core academic subject and part of a complete education for all students. The Elementary and Secondary Education Act (ESEA) defines the arts as a core subject, and the arts play a significant role in children's development and learning process."

"Under ESEA, states and local school districts have the flexibility to support the arts. Title I, Part A of ESEA funds arts education to improve the achievement of disadvantaged students. Funds under Title II of ESEA can be used for professional development of arts teachers as well as for strategic partnerships with cultural, arts and other nonprofit organizations."

Please share this information with policy makers, superintendents, and members of boards of education.

12) Nominate a Teacher for Teacher of the Year: Since 1969 Ohio has demonstrated the value that it places on quality teaching through the Ohio Teacher of the Year program. This program was created to honor and promote excellence in teaching and the teaching profession; and to build a network of exemplary teachers who are leaders in school improvement initiatives.

Local districts may select up to three nominees. Teachers may be nominated by students, staff, parents and community members. All applications must contain the appropriate signatures affirming they are the district's nominees.

Each district should provide nominees the Teacher of the Year Program application to complete. Nominees are asked to provide a biographical sketch, respond to a series of essay questions that include their philosophy of teaching, personal teaching style and education issues; and provide three letters of support. Nominees send the completed application (with signatures from the superintendent and principal) to the Ohio Department of Education for review.

Please note: Applications must be postmarked by September 30, 2009, for the 2010 Ohio Teacher of the Year.

A state selection panel will meet in October in Columbus to review candidates' written applications and choose four finalists. The selection panel interviews each of the four finalists in October in Columbus and selects a winner. The State

Superintendent of Public Instruction announces the Teacher of the Year in December.

For more information please contact Leona Skunza-Keith at Leona.Skunza-Keith@ode.state.oh.us or (614) 995-3578.

To download a nomination form please visit <http://education.ohio.gov/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=527&ContentID=4538&Content=70029>

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