

# Education Imperatives for Ohio

## *K-12 Policy Priorities for the Next Biennium*

### Introduction

Congratulations to John Kasich and his team for their win on November 2. The new governor will take office with much goodwill and support in both the House and Senate and will presumably benefit from GOP majorities in both chambers. State leaders will also face a vast budget shortfall—estimated at \$6 to \$8 billion—for the FY 2012-2013 biennium. The resolution of this shortfall will surely affect everything the state supports and does, including K-12 education, which now consumes 40 percent of state dollars.

Education, however, is no simple “government service” or “consumable.” It is a critical investment in our children’s and our state’s future. It is central to creating great jobs, transforming the economy from physical labor to brain work, boosting competitiveness, strengthening the polity, and sustaining the culture. That’s true of higher education as well as K-12, of course, and is no new insight. Indeed, “education reform” has been front-and-center for decades.

### Where We Stand Today

For the past two decades, lawmakers from both parties have invested heavily in the public education sector. As a consequence, total K-12 education funding, measured in constant dollars, has grown by over 60 percent since 1997, even as Ohio’s K-12 student enrollment has shrunk by more than 24,000 students (1.4 percent) during that same time.

Under Republican leadership from the mid-1990s to 2007, Ohio launched multiple school choice programs (including both charter schools and vouchers), wrote new academic standards, built accountability systems, and gave birth to STEM and Early College programs. Governor Bob Taft (1999-2007) championed early literacy programs, more rigorous graduation requirements (the Ohio Core), and the state’s new STEM schools.

Over the past four years, Governor Ted Strickland and his administration enacted further laudable reforms, including [lengthening](#) the period for teacher-tenure decisions until the seventh year of service, supporting Ohio’s [participation](#) in new multi-state academic standards in math and English (“Common Core”), and successfully bidding for federal “Race to the Top” funding (with several [concomitant reforms](#)). In higher education, Chancellor Eric Fingerhut developed a sophisticated, multi-faceted [game plan](#) for reforming and strengthening the post-secondary system—and student options and achievement—that is apt to yield benefits for students, taxpayers, and the state’s economic health for years to come.

Despite all this worthy effort, however, Ohio’s young people are not nearly as well educated as they need to be and the academic payoff from Ohio’s whopping investment in public education has been disappointing, to put it mildly. The fraction of Ohio students deemed proficient in [math](#) and [reading](#) on the National Assessment of Educational Progress has barely budged in the last decade. High school graduation rates remain virtually stagnant—up two points since 2000 to 83 percent. At least as troubling is the evidence that those who do graduate are not adequately prepared for higher education. One third

of Ohio graduates entering state colleges and universities need remedial coursework in math. (In English, it's about one fifth.)

Not nearly enough schools (or colleges) are high-performing. Urban education is generally [catastrophic](#). Costs are high. Results-based accountability is weak. Bureaucratic regulation is rampant. Quality choices are insufficient. Adult interests have over-ridden those of children, families, and taxpayers. Some foolish policies have been enacted along with sound ones. And now, of course, the state's fiscal health is perilous. So is that of many schools and school systems.

### **Opportunity Awaits**

Yet opportunity is also at hand—the opportunity to build upon yesterday's better policy decisions, to rectify poor ones, and to make lemonade out of sour circumstance. Ohio's education system could be transformed into an effective, efficient engine of individual opportunity, academic achievement, and economic growth, even as the money flowing into it diminishes. This can only happen, however, if the state's new leadership team is prepared to defy special interests, to alter entrenched but dysfunctional practices, to end low-payoff activities and invest in those that matter, to make sweeping changes in both education funding and “HR,” and to stick to its guns in the face of what will surely be intense opposition.

The bad news is that pulling this off will be incredibly hard. The good news is that persevering with it might secure the state's future.

To move Ohio forward in education, while spending less, we recommend seven policy priorities:

1. Strengthen results-based accountability for schools and those who work in them.
2. Replace the so-called “Evidence-Based Model” of school funding with a rational allocation of available resources in ways that empower families, schools, and districts to get the most bang for these bucks.
3. Invest in high-yield programs and activities while pursuing smart savings.
4. Improve teacher quality, reform teacher compensation, and reduce barriers to entering the profession.
5. Expand access to quality schools of choice of every kind.
6. Turn around or close persistently low-performing schools.
7. Develop modern, versatile instructional-delivery systems that both improve and go beyond traditional schools.

### **Priority 1: *Strengthen results-based accountability for schools and those who work in them.***

Ohio has a decent but underwhelming K-12 accountability system that needs to be stronger, be grounded in rigorous academic expectations, and reward success and intervene in cases of failure. This means resisting the temptation to save money by weakening school accountability. Rather, Ohio should embrace and fully implement the new “Common Core” academic standards in English and math, as well as new assessments aligned with them, and a transparent reporting system by which everyone—parents, teachers, administrators, policymakers, taxpayers—can see how schools and students are doing (see more in priority 2). Despite budgetary challenges, Ohio must not be tempted to put testing on the chopping block (as it previously did with social studies and writing assessments). These data yield essential information about the quality of education across the state and where things need to change.

Accountability systems that effectively measure school performance and include real rewards and sanctions can help district leaders press for change and improvement. Just as charter schools are subject to an academic “death penalty” for chronic poor performance, so should district schools (see more in

priority 6). Principals should be rewarded for success—and replaced when their schools fail dismally. Student academic performance must figure into teacher evaluations, too (see more in priority 4). The state also needs better means of holding its “drop-out recovery” schools and programs accountable for *their* results.

Ohio will be well-served by data systems that provide detailed and timely information on both academic performance and growth-over-time of students, teachers, schools, and districts. To increase fiscal transparency and school board accountability, the state should also require—and make public—regular fiscal-status reports for its charter schools and districts, including spending-and-results comparisons across them, and should develop a robust system to track “[return on educational investment](#)” at every level of the system (see more in priorities 2 and 3).

**Priority 2: Replace the so-called “Evidence-Based Model” of school funding with a rational allocation of available resources in ways that empower families, schools, and districts to get the most bang for these bucks.**

The Evidence-Based Model (EBM) of school funding is [critically flawed on multiple dimensions](#), beginning with the fact that it’s not based upon evidence but on subjective readings of anecdotal studies. Prescriptive, uniform, and regulatory to a fault, it’s designed to lock in increasing numbers of school staff and to deny those who run schools and systems the capacity to make their own personnel and budgetary decisions. (And there is little reason to believe Ohio *needs* more adults working in its schools. Previous to the EBM, the state saw a 35 percent increase in K-12 public school employees over the past two decades, even as student enrollment declined slightly.) Simply put, the EBM applies a one-size-fits-all solution that cannot work, given Ohio’s size and diversity, and that rests on a faulty approach to management that curbs “on the ground” freedom rather than enhancing it.

Nor does EBM allocate money fairly. Basic funding levels vary widely and have more to do with zip codes than with student needs and circumstances. It creates unjustifiable resource disparities among districts while depriving charter school students of equal resources, and guts funding to working- and middle-class districts based upon a flawed formula for allocating dollars (in the Education Challenge Factor).

What’s more, the EBM is unfunded – and [unfundable](#) – and should be scrapped.

In its place, Ohio should move toward a system where dollars follow individual children to the schools of their parents’ choice (see more in priority 5). For the most part, school principals are best equipped to know and address the needs of their students. They need greater autonomy to allocate available resources in the most efficacious ways, including making personnel decisions. They should not be hamstrung by seniority-based teaching assignments, tenure laws, or rigid collective-bargaining contracts (see more in priority 4).

Empowering principals to lead their schools—and families to send their children to schools suited to their needs—can be facilitated by moving toward a weighted student-based funding system (WSF) based on three key principles:

- Full state funding (and, properly encouraged, local funding) follows the child to the school that he or she attends, including charter schools. (This could also be extended, voucher-like, to private schools.)
- Per-pupil amounts vary according to children’s individual needs and circumstances. For example, disabled and disadvantaged youngsters have additional dollars in their “backpacks.”

- Resources arrive at the school as real dollars that can be spent flexibly with an emphasis on results, rather than on predetermined programs, rigid staffing ratios (or numbers of positions), and immutable activities.

WSF equitably directs more funds to schools that serve high proportions of needy children, regardless of where they live, and it ensures that a student's school receives all of the resources generated by that student, whether it's a district school, a magnet school, a STEM school, or a charter school and whether it is located in a poor or affluent neighborhood, a tranquil suburb, or a tough urban neighborhood. WSF enables school leaders and other educators to deploy available resources in ways that meet the needs of their specific pupils, aligning authority and responsibility in a modern, performance-oriented management system, and making resources flexible even as their total quantity may be reduced. WSF also fosters accountability, for if fewer children enroll in a school, its budget shrinks, which gives management and staff strong incentives to improve their school's effectiveness.

School finance expert Paul Hill – and lead author of the major study [Facing the Future: Financing Productive Schools](#) – describes a funding scheme upon which Ohio should build. He and his team [call for](#) a funding-follows-the-child formula because it encourages and supports:

- Experimenting with technology-based instruction, especially in subjects such as math and physics, where regular classroom teachers are hard to find (see more in priority 7).
- Experimenting with online schooling, especially to provide top-quality instruction for children in remote areas, and for challenged high schoolers who can't attend school at regular times because of parenthood, jobs, and other issues.
- Computer-based instruction and testing that allows teachers to see where students are stalled and to intervene before they fall behind.
- New hybrid forms of schooling, using some online instruction and some direct classroom work, that free up teachers from lecturing so they focus on diagnosis, individualization, and tutoring.
- New efforts to keep young children out of special education by providing personal attention as soon as they show signs of struggling to read.
- Obtaining music, visual arts, and sports coaching by paying lesson fees to experts working in the community, rather than by employing full-time teachers and paying for their costly benefits.

This new funding system would encourage flexibility, as Ohio schools would be free to determine how to use their funds. Hill envisions a new role for the state once K-12 education moves away from a one-size-fits-all solution:

The state of Ohio could play a vital new role: tracking how much children learn in every school, identifying high-performing schools and programs, and insisting that districts either replace or improve low-performing schools. The state would not care whether a school was run by district employees or someone else, or whether a school employs the "right" number of teachers according to some pre-determined formula.

Instead, it would care only about whether students learn. Schools and districts would be encouraged to change as student needs changed and new teaching methods and technologies emerged. These results are possible. The first steps are to attach state funds to children, not to adults or programs, and to judge schools on results, not on compliance with a maze of formulas dictated from on high.

**Priority 3: Invest in high-yield programs and activities while pursuing smart savings.**

Just as one-size-fits-all school funding is wasteful and ineffectual, one-size-fits-all budget-cutting is rarely the best approach for a state to take in education. Besides determining how much total money can be afforded for schooling and devising a rational way of allocating it among districts and schools, the state's job with respect to school finance is to enable local and school-level leaders to get the [greatest productivity](#) from their available dollars. This means eliminating dysfunctional constraints on them and helping them to understand which uses of money are apt to yield the greatest payoff. "Smart cutting" is mostly done at the district and building level—but for that to work the state must take advantage of scale where possible while eliminating obstacles where needed.

First, the state should standardize school-employee healthcare benefits into a single pool. This is one of the few instances where "one size fitting everyone" will yield greater efficiency and savings. Having school districts participate in a statewide pool (with participants in every county) would standardize benefits and gain economies of scale, both of which should reduce health care outlays by districts, charter schools, etc; would allow districts to trim the personnel involved in health care HR work; and would remove health care as a subject for local collective bargaining, which will increase the transparency of collective bargaining (no more disguising pay increases as benefit changes) and end practices that do not encourage personal responsibility for health management (like districts paying the entire employee share of health care).

Health care pooling for teachers was proposed in 2005 by then-Representative Chris Widener but was not seriously considered by the legislature due to opposition from the insurance industry, local districts, and unions. It's time to try again.

Second, Ohio should require districts with extreme spending patterns to conform to spending norms. Local control of budget decisions should not mean the right to squander resources. Columbus City Schools, for example, has about 1,077 square feet of physical plant per pupil, whereas the state average is 180 square feet. This waste of state and local tax dollars should no longer be acceptable. Similar problems can be seen in districts with extremely high concentrations of personnel in certain support categories (including but not limited to administration).

Schools and districts vary enough that few "right amounts" should be prescribed, but the Ohio Department of Education should do more to monitor districts (and charter schools or their authorizers) to identify unreasonable deviations from average spending patterns, and to share this information so all districts can compare their performance to others. Because of smart requirements in House Bill 1, Ohio now makes such data publicly available in database format where individual school district finance, spending, personnel, and facilities patterns can be compared. But currently neither the state nor many districts are using this information in any meaningful way. This information should be publicized widely and districts helped to use it, much as the Council of the Great City Schools (CGCS) has been doing for member districts, in their efforts to make smart cuts and achieve greater efficiency.

Third, Ohio should incentivize districts to consolidate support and back-office services (including treasurer, special education, etc.) and should clean up state law so as to encourage this. More than one-third of the state's districts have fewer than 100 students per grade, a level that has been cited by school experts as a minimum efficient size. A [few](#) districts have consolidated some services, but many more should be encouraged to do so.

As for consolidating entire districts, we're mindful of valid arguments on both sides of this touchy issue. One can, however, preserve the essence of a local district by keeping a separate school board, principals, and teaching staff (and separate sports teams). A district's HR department, food services, bus maintenance, or janitorial staff, however, are not what makes the district unique and consolidating those functions can make a major difference in the short- and long-term financial viability of a smaller district (and might be able to improve even larger ones). To go a step further, small districts could share superintendents and other central administrators without losing local identities, as well as treasurers, or specialized – and often in short-supply – instructors in areas such as special education, AP calculus, foreign languages, etc.

School leadership is another area where district and state leaders should consider alternative management structures, so that successful principals can have the opportunity to lead a second or third school, or even a "mini-district." Such added responsibilities would be matched with commensurate compensation, as well as a new form of career mobility that many top-flight school leaders may seek. With roughly half (49 percent) of Ohio's districts serving 1,700 or fewer students, and with enrollments declining in many cities, enabling expert principals to work across multiple schools makes good fiscal sense and maximizes existing leadership talent.

Note, too, that consolidation of services need not be limited to school districts and schools. In many smaller communities, the local government and the school district exist in close proximity and could benefit as well from service consolidation, cost-sharing, and facility-sharing.

Finally, Ohio should encourage market-style competition for services typically controlled by district offices (e.g., food service, transportation, and technology) and county educational service centers. Many non-core services provided by districts might be more efficiently purchased from other governmental bodies or from private vendors. The state should remove barriers to competition for services. In the case of those that require certificated personnel, such as fiscal services, the state could allow districts to contract with other government agencies or entities in the private sector where the work is managed or directed by someone with the appropriate experience and qualifications.

It's likely that unions will seek contract clauses that prohibit competitive bidding for services. State law should prohibit such clauses, though unions and unionized providers should be free to bid on outsourcing contracts.

#### ***Priority 4: Improve teacher quality, reform teacher compensation and reduce barriers to entry.***

Excellent teachers are key to improving student achievement. They are the single most important factor—and sustained, scalable gains in the performance of Ohio's schools won't happen without a bold plan to increase teacher quality. But that means tackling a bundle of touchy issues.

Continuing to recruit, train, evaluate, reward, retain, and develop teachers in the same ways we've done it for decades is woefully inappropriate for a time of stagnant performance, insidious achievement gaps, and tight budgets. Despite modest improvements wrought by House Bill 1 in 2009 relating to tenure and licensure, Ohio still lags far behind other states when it comes to 21<sup>st</sup> Century HR practices for teachers. Most glaring is that Ohio currently has no way of measuring or comparing teacher effectiveness. (Thanks to the good work of Battelle for Kids, some local districts have much of the requisite data, but these are used in professional development efforts and not to evaluate, compare, or report on teacher

effectiveness.) Current evaluations can't distinguish great from weak teachers— a *prerequisite* for almost every other worthwhile policy change on the teaching front, including retaining excellent instructors and doing something about chronic underperformers.

Ohio should pursue several legislative and policy changes in this realm.

First, overhaul the teacher evaluation system to differentiate highly effective, effective, and ineffective teachers; tie tenure and dismissal decisions directly to effectiveness; remove “last hired, first fired” rules so effectiveness counts more than seniority in RIF situations; and install “mutual consent” hiring rules (where both principal and teacher must agree to the teacher’s assignment). Principals should not be forced to hire a teacher they don’t want. (Most of these changes will require legislation.)

Second, follow through on Ohio’s plan (as [promised](#) in its Race to the Top application) not only to track teacher effectiveness data across years but also to tie data back to the preparation programs from which teachers come and move toward a performance-based funding system for schools of education. The state should publicly report these data so Ohioans can determine which teacher prep programs are most effective, compare alternative with traditional preparation programs, and make *data-informed* decisions about expanding or limiting such programs.

Third, to increase the talent pipeline—especially teachers who are committed to working in Ohio’s neediest schools—the state should open its doors to classroom talent from many more directions (see more in priority 6). Ohio should [seek to attract](#) more top college graduates into its teaching ranks via partnerships with groups like [Teach For America](#) and [The New Teacher Project](#). Private philanthropy can play an important role in helping launch such efforts and should be encouraged to do so.

Recruiting talented newcomers is part of the solution. Astute use of mid-careerists is another. Currently, however, Ohio teaching licenses are extremely hard to come by for [individuals](#) who did not complete an approved “college of education” program, no matter what they may have [achieved](#) in their careers (including private-school and college teaching, military and corporate training programs, etc.) Ohio should extend alternative licensure to all subjects and grades while providing more robust mentoring and practical in-classroom training found in the best traditional preparation programs. Further, as a cost-saving measure the state should seriously consider abolishing the “independent” educator standards board.

Once Ohio can distinguish its most effective teachers from others, it can move toward a system of teacher pay that abandons the state law requiring rigid, step-ladder salary schedules (see more in priority 3). Like most other states, districts in Ohio reward seniority and time in service as well as advanced degrees that do not correlate with classroom effectiveness. Instead, teacher performance should drive compensation and advancement.

Attracting able people into teaching also means changing a teacher-pay system that today is backloaded to confer the greatest benefit on the oldest teachers (and retired teachers). Today’s salary structure is weak on cash pay, especially in the early years of teaching, but exceptionally heavy on pensions and health benefits for retirees. New teachers are paid poorly in comparison to their peers entering other fields but are promised a generous defined pension if they stick it out for 25-30 years. Yet fully a quarter of them leaves the classroom within five years and thus do not benefit from the state’s retirement system. The state [needs to move away](#) from such defined-benefit pension systems toward what the best

private-sector firms provide: individual, portable, defined-contribution retirement plans and/or cash-balance plans.

**Priority 5: *Expand access to quality schools of choice of every kind.***

It's a cliché in education circles, and a theme of this paper, to observe that traditional one-size-fits-all schooling does not meet the needs of an ever more diverse student population. But it's true. Simply put, we need more schools and school options that align instructional methods (and much else) to actual student needs and family circumstances. School choice is increasingly becoming a fact of life for many children and families.

Nationally, more than 30 percent of children attend schools *other than* their neighborhood district school; 35 percent of public school students in Ohio's "Big 8" districts attend schools other than their neighborhood school. (The percentages rise above 50 when you count youngsters who do attend their neighborhood school but it's one their families chose—and moved into the neighborhood because of the school.) Ohio has created a number of school options. These include district-operated magnet schools and alternative programs; STEM high schools and Early College Academies; regional vocational schools; charter schools; and voucher programs for [children otherwise stuck](#) in failing public schools. (Other voucher programs benefit youngsters with [autism](#) and those who live in [Cleveland](#).)

Yet the expanding marketplace of schools in Ohio—diverse schools, schools of choice—is weakened by its too-variable quality and the presence of a [handful](#) of operators who appear to be keener to make money than to educate children. (Other for-profit operators run excellent schools!) Going forward, the state's goal must be to ensure that the [quality](#) of its school choices keeps pace with their quantity. At the same time, the potential of choice is limited by overregulation, some genuinely foolish statutory and regulatory provisions and unfair funding, as well as arbitrary "caps" on charter schools and vouchers. Ohio's students would benefit from a common accountability framework for all schools of choice. This would limit market risk by ensuring that would-be operators are carefully vetted in advance; that all schools are thoroughly monitored by responsible authorities; and that poor performers exit the market in timely fashion or get thoroughly reconstituted. The recommendations below are separated into those that affect charter schools and those that bear on the voucher program:

*Charters (aka community schools):*

1. Clarify the roles and duties of school governing authorities, school operators, and school sponsors (aka authorizers). Most Ohioans—including many in policy roles—seem not to understand these crucial distinctions.
2. Demand that the Ohio Department of Education use its supervisory authority over all sponsors to hold them accountable in transparent fashion for the academic performance of their schools.
3. Push charter-school funding closer to parity with district schools by providing charter pupils the same level of operational funding as their district peers (see more in priority 2).
4. Require districts with available classroom space to provide high-quality charter schools with [access to facilities](#).
5. Lessen the reporting and compliance requirements that plague high-performing charter schools.
6. Remove the moratorium on [e-schools](#) and loosen caps on high-performing schools and authorizers.
7. Eliminate geographic restrictions on where new charter schools can be located.
8. Support and encourage district efforts to create portfolios of high-performing charters, and allow governing board members of high-performing schools to serve on multiple school boards (see more in priority 6).
9. Support and encourage the [consolidation](#) of some of the state's 80-plus charter sponsors.

10. Actively recruit and support strong operators from elsewhere to open new charter schools in Ohio (e.g., [KIPP](#), [Building Excellent Schools](#), [Green Dot](#), [Achievement First](#), [Uncommon Schools](#), and [Mastery Public Schools](#)) and to take over or otherwise turn around troubled ones (see more in priority 6).

Ohio is well-served by the [Ohio Alliance for Public Charter Schools](#), whose advice on improving the state's charter program while ensuring both school quality and accountability should be taken seriously.

#### *Vouchers*

In 2010-11, for the first time since its inception in 2005, Ohio's EdChoice Scholarship Program has reached its [limit](#) of 14,000 pupil slots. Several hundred students attending eligible schools – those persistently rated D or F by the state—were denied the opportunity to attend better schools this year. That number will grow in years to come. It seems clear that the current program cap should be loosened if not lifted altogether.

In addition to expanding EdChoice, Ohio should also consider other scholarship opportunities such as vouchers for [youngsters with disabilities](#) (not just those with autism) or tax credit scholarship programs targeted toward low-income students in low-performing schools. This is especially important as Ohio is seeing the demise of some well-established and long successful private and parochial schools due to a lack of children whose parents can pay tuition. It is in the state's interest on both educational and fiscal grounds to do what it can to infuse new life into those schools, and it also helps to ensure a robust market of quality school choices.

Here, too, the state is well-served by [School Choice Ohio](#), whose advice on how to improve voucher programs while ensuring their quality and accountability should be taken seriously.

#### **Priority 6: Turn around or close persistently low-performing schools.**

In 2009-10, almost [half](#) of all students in Ohio's Big 8 districts attended schools rated D or F by the state. That's roughly 120,000 young people, numbers that haven't changed much over the last eight years.

Two-hundred and fifty-seven public schools in the Buckeye State (serving 170,000 children) have been labeled "in need of corrective action" for five or more consecutive years. These are the schools for which the federal No Child Left Behind act was supposed to incite dramatic change yet they have [languished](#) in mediocrity (or worse). That's largely because the state (and its districts) lack the appropriate strategies, political will, and human capital to turn them around. Among the underperformers are 18 schools whose performance hasn't budged in a *decade*. An entire generation of young people has been failed within these grim schools, which currently enroll 17,100 students.

The federal government has made improving such schools a national priority and Ohio will receive \$132 million in federal dollars over the next three years to turn around its worst schools. Actually doing this, however, is really hard. Nobody has a foolproof formula, though organizations in several other states have a better track record and sounder ideas than Ohio has displayed (e.g., [MassInsight Education](#)).

Here are a few suggestions:

- Just as Ohio's academic death penalty closes chronically failing charter schools, the state should devise an "automatic" protocol for closing the very worst district schools (see more in priority 1). Shutting schools is painful but sometimes it's the best option. Note, though, that "closing" a

school doesn't mean padlocking the building. It means (assuming enrollment numbers justify this) creating a start-from-scratch school—with new staff and curriculum—in that same building, to which children may return for a completely different educational experience.

- For those schools that have won federal School Improvement Grants to improve their performance but have failed repeatedly to do so, the state needs to free districts to deploy more forceful turnaround strategies, including closure, outsourcing, and other dramatic overhauls (e.g., selecting a new principal and letting him/her replace the entire staff.)
- Ohio should experiment with “innovation zones” and “portfolio management” in districts – Cleveland is already moving in this direction – where many of the worst-performing schools are located. Innovation zones should be structured to free up schools in that zone/district from burdensome rules, requirements, and regulations either imposed by the state or collective bargaining agreements (see examples [from New York City](#)).

**Priority 7: *Develop modern, versatile instructional-delivery systems that both improve and go beyond traditional schools.***

Almost 30,000 young Ohioans already attend e-schools and receive their instruction online rather than in school buildings. Yet this is but a drop in the bucket in terms of what is possible for the state's 1.75 million K-12 public school students. And it doesn't begin to take advantage of the potential of technology both to improve education and to trim the cost of providing it.

The power of information/communication technologies and online learning to customize high-quality learning for children is accelerating. As John Chubb, Terry Moe, Clayton Christensen and others experts have noted, tomorrow's schools can and should be different from—and better than—today's. Students can thrive academically while working online with high-quality software packages as well as skilled instructors. Some Ohio schools are beginning to take advantage of these opportunities but they can do more. In [Stretching the School Dollar](#), Chubb describes the potential of “hybrid” learning:

Students need not learn in whole-group, teacher-led classrooms, which does not work well for many students anyway. Students can take some or all of their instruction online in a school building. Schools can decide which students, at what age, and for which subject instruction is best delivered face to face or online. Advanced high school students might take most of their courses online. Elementary students needing remediation might spend a part of their day being assisted online. Schools might decide that courses that absolutely must be mastered by all students – say algebra 1 – will be offered online so that students receive consistent instruction and can proceed at their own pace until proficiency is achieved. Schools might decide to use online instruction in classes for which quality teachers cannot be found. Or schools might find that some students simply learn better online than traditionally, or vice versa, and assign classes on that basis. Classes can also be a mixture of online and face-to-face, a bit like college classes that include lectures and recitations. Technology offers the potential – *right now* – for schools to change the mix of traditional and online instruction to better meet the academic needs of students.

In addition to differentiating instruction to meet students' needs, hybrid models can also save costs. Chubb estimates that online schools can realize an overall savings of 41 percent compared to a traditional school budget. Savings is driven in large part by the ability to deploy teachers differently in hybrid schooling and collapse stringent [class-size requirements](#) so that fewer teachers are needed.

Today, however, Ohio does almost nothing by way of “hybrid” instruction. In fact, the state’s present school funding system cannot pay for such models. It distinguishes sharply between classroom-based instruction and full-time, online learning and doesn’t allow blending them (see more in priority 2). This must change.

### **Summing It All Up**

No challenge facing Governor Kasich and the General Assembly is more difficult or urgent than obtaining for Ohio the education system that it deserves while also reducing the overall cost of that system. Even if times were flush, Ohio’s K-12 system would need a thoroughgoing overhaul. That it needs such an overhaul at a time of lean rations makes it doubly difficult—and very easy to blunder. The greatest but perhaps most tempting mistake would be cutting dollars without cutting red tape—i.e. keeping all the constraints in place while furnishing less money. Because Ohio today isn’t getting its money’s worth from the education system, reducing funding levels without changing anything else, while possibly the easiest course of action politically (shrink the pie but everyone keeps their slices), will yield worse education, not better.

Yet as we observed at the start, hard times also create a rare opportunity to make things better by making them different, to reshape and reallocate; to actually move from “reform as add-on” to “reform as substitute.” Such a change is really hard. But for the sake of Ohio’s future and the future of millions of its youngest and most vulnerable citizens, that is precisely the change that now needs to happen.