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Reforming Ohio's Education System for the 21st Century Governor Ted Strickland's Education Reform and Funding Plan

"It is absolutely clear to me that simply tinkering with centuries-old education practices will not prepare Ohio's children for success in college, for success in the workplace, or for success in life. Therefore, today, I present my plan to build our education system anew."

-Governor Strickland's 2009 State of the State Address, 1/28/2009

Education Accomplishments of Strickland Administration

- Governor Strickland's FY 08-09 budget reduced the tax burden on local communities and increased the state's share of funding from 48 percent to 52 percent.
- The Governor and legislature froze tuition for two years at all public colleges and universities through the FY 08-09 budget.
- By securitizing the state's tobacco settlement funds, the Ohio school building program was expanded to fund the renovation and building of hundreds of new schools, each constructed under energy efficiency standards.
- From July-December 2008, Governor Strickland hosted 17 "Conversation on Education" forums across the state on reform and funding.
- In June 2008, Governor Strickland and First Lady Frances Strickland hosted the Governor's Institute on Creativity and Innovation in Education, which brought together educators and community members to identify and discuss creative and innovative best practices in education.

Components of Governor Strickland's Education Plan

1. 21st Century Learning Environments
2. Expanded Learning Opportunities
3. High Quality Educators
4. Measure Ohio Students Against the World
5. School District Accountability
6. Effective Funding for a 21st Century System of Education

Governor Strickland's education plan uses the Ohio evidence-based approach, which harnesses research results and applies those findings to meet Ohio's specific circumstances.

1. 21st Century Learning Environments

How we teach and what we teach will be designed to prepare Ohio students to thrive in the 21st Century.

Prepare students for success in life and in the jobs of the 21st Century

- Continue to teach the rigorous requirements of core subjects, like math and science, that are critical to a student's success
- Help students develop the 21st Century skills our business leaders look for in people they hire: creativity and innovation, critical thinking and problem solving (as well as communication and collaboration, media literacy, leadership and productivity, adaptability and accountability)
- Charge the Department of Education with setting standards for Ohio schools to require innovative teaching formats, such as interdisciplinary methods, project-based learning, real world lessons and service learning
- Establish a life and career readiness course for middle school students

2. Expanded Learning Opportunities

The Governor's plan will provide increased opportunities for students to learn by engaging the community and encouraging life-long learning.

Increased learning time for students

- Establish universal all-day kindergarten
- Phase in 20 additional learning days to the learning year over a 10-year period, bringing Ohio's learning year up to the international average of 200 days
- Expand the learning day with additional activities, such as community service, tutoring, and health and wellness programs

Celebrate learning and meet the challenges of unique schools and regions

- Establish the Office of Urban and Rural Student Success to assist students and districts in areas of poverty
- Build on the Governor's Closing the Achievement Gap initiative to provide enhanced intervention services in schools with high dropout rates
- Create the Ohio Academic Olympics: statewide competitions organized by the Department of Education to recognize academic talents in science, math, writing, debate, arts and technology
- Establish the Center for Creativity and Innovation at the Department of Education, which will monitor research and results from across the country and world to keep Ohio schools and educators informed of new advances
- Encourage the creation of public school district sponsored charter schools focused on the principles and ideas gathered from the Governor's Institute on Creativity and Innovation in Education
- Dedicate state resources toward instructional materials and enrichment activities, such as field trips

Help educators, families and community service providers collaborate to help students succeed

- Place one registered nurse in each district and nurse wellness coordinator (LPN) in each building
- Require each district to have a Family and Community Engagement Team, which will work with the county and state Family and Children First Councils to break down non-academic barriers that may inhibit learning for students
- Place a Family and Community coordinator in each school building

3. High Quality Educators

There is nothing more consequential to a school than providing top quality teachers for its students. The Governor's plan will revolutionize teacher training and recognize the development of a teacher's skills and accomplishments.

Develop a residency program and career ladder for teachers

- Recognize a teacher's skills and accomplishments with a career ladder with four licensure levels: Resident Educator License, Professional Educator License, Senior Professional Educator License and Lead Professional Educator License
 - Advancement to the next licensure level will be based on the teacher's credentials, experience and the progress of the teacher's students
- Establish a teacher residency program, which will allow for mentored clinical experience for new teachers modeled from the comprehensive training doctors receive early in their career
 - Upon successful completion of the four-year residency program, candidates will be eligible for their professional teaching license
- Teachers will be eligible for tenure after nine years, following the completion of the residency program and after serving as a professional educator for an additional five years.
 - Currently, teachers are eligible for tenure after at least three years of teaching
- Direct the Chancellor, State Superintendent and Educator Standards Board to coordinate all funds allocated to educator training and professional development

Strengthen and enhance accountability in the professions of educators and administrators

- Create the "Teach Ohio" program
 - Establish an alternative licensure program for professionals with subject knowledge but without a background in instruction that allows them to complete an intensive six-week course in classroom methods and then begin the four-year residency program
 - Create a scholarship for Ohio Teaching Fellows who agree to work in hard-to-staff schools and subject areas
- Provide additional time for teacher collaboration, mentoring and professional development
- Increase the authority of a school board to dismiss teachers for good cause, the same standard that is applied to other public employees
- Strengthen the licensing standards for school principals, while giving them the ability and responsibility to manage their schools
- Establish standards for the mastery of both education and management principles that will be expected of superintendents, school treasurers and other school business officials
- Charge the Chancellor with redesigning college education programs to meet the needs and standards of Ohio's primary and secondary schools
- Use STEM schools for technical training of non-STEM school teachers
- Implement an Ohio Instructional Quality Index, which will drive resources for teachers to the students that need it most

4. Measure Ohio Students Against the World

Ohio schools must prepare students to think and compete globally through effective testing and teaching. The Governor's plan makes the requirements to graduate from high school more rigorous and relevant, and establishes better methods to measure creativity, problem solving and other key skills.

Revise Ohio's current requirements for high school graduation

- Replaces the Ohio Graduation Test (OGT) with "ACT Plus," a four-part assessment consisting of the ACT college entrance exam, end of course exams, completion of a service learning project, and submission of a senior project
- Provide the ACT exam to all students at no cost, encouraging additional students to consider higher education opportunities
- Revise the assessments for grades 3-8 to align with the information and skills taught in the core subjects and the updated 21st Century curriculum

5. School District Accountability

The Governor's education plan sets an unprecedented level of school district accountability and transparency to achieve results.

The Ohio Department of Education will regularly review the spending plans and performance of school districts.

- Require districts to report budget targets before each school year and account for spending at the year's end. Using that information, the Department of Education will issue an annual fiscal and operational report card to present to the taxpayers of that school district.
- Facilitate performance audits of school districts to ensure they are maintaining the academic and operating standards established in this plan
- Hold the Department of Education responsible for enforcing district compliance with standards and implementing penalties for continued non-compliance
- Establish the following escalating consequences for district non-compliance:
 - Initially, provide technical assistance to help a school district correct its deficiencies
 - Require a district to present a comprehensive plan outlining how it will reach full compliance
 - Establish a state intervention team, which will evaluate all aspects of a district's operation and assist them in making improvements
 - Place the district in receivership with entirely new leadership
 - Revoke the school district's charter and shut down a failing district
- Require ODE to conduct a visit of each school building every five years

Establish accountability in charter schools

- Charter schools should meet the high standards of traditional public schools, hire quality teachers, have fiscal and academic accountability and should not be funded by for-profit management services
- Grant the Department of Education authority to regulate charter schools and sponsors

6. Effective Funding for a 21st Century System of Education

To implement the Ohio evidence-based plan, Ohio students will need the educators, support staff, materials, and special programs designed to support a 21st Century system of education.

By defining student needs, we have defined the resources our schools need to meet them.

Current formula to calculate tax revenue uses "phantom revenue"

- Currently, when the state calculates how much tax revenue a local school district has, the state uses phony numbers, often referred to as "phantom revenue."
 - For example, in many school districts, rising property values do not produce additional property tax revenue. However, the state formula for school aid assumes districts receive additional revenue. This formula is not logical, and it results in many districts being punished because the formula says they have an abundance of phantom dollars that don't actually exist.

Establish an effective system of funding that accounts for local resources

- Under the Governor's plan, the state will no longer ask school districts to pay their bills with phantom dollars
- Instead, the plan lowers what local taxpayers are expected to contribute to local schools from 23 mills to 20 mills.
 - The state will assume responsibility for providing the difference between what those 20 mills raise and the cost of the full range of education resources our students need according to our evidence-based approach.

Use of conversion levies will allow districts' revenues to grow

- Districts will have the option of asking voters to pass a conversion levy, which maintains the existing millage on residential property for a district currently above 20 mills.
- Districts that use a conversion levy, and all districts whose tax structure already allows growth on 20 mills, will see their tax revenues grow with increased property values, helping schools to keep up with inflation.

State share of education funding will reach unprecedented level

- In the upcoming two-year budget, the Governor's plan will take the state's share of education funding to an unprecedented 55 percent.
- When the funding plan is fully in place by fiscal year 2017, the state's share of local school budgets will reach 59 percent.
- Upon full implementation of the plan, the state will have unquestionably met its constitutional requirement to its children.

"Taking these steps, we will graduate Ohioans ready to succeed in the modern economy and in modern life. Future generations will look back gratefully and say that when we came together on education, we claimed this new century for Ohio."

-Governor Strickland's 2009 State of the State Address, 1/28/2009



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Highlights from Governor Strickland's State of the State Address January 28, 2009

Fiscal Responsibility: Living Within Our Means

Though forecasts indicate general revenue taxes available to the State of Ohio will be lower in the 2011 fiscal year than they were seven years earlier, the Governor's budget is balanced through a series of tough choices, leveraging federal stimulus funds and without raising taxes on Ohioans.

Education: A Comprehensive Plan to Modernize Education and Ensure Every Child Learns Skills to be Successful in a 21st Century Economy

Governor Strickland's comprehensive plan to establish a modernized education system is designed to ensure every Ohio child learns the skills they need to be successful in the 21st Century – as productive citizens, in work and in life. The plan demands an **unprecedented level of accountability and transparency** from our school districts to ensure taxpayers know exactly how their dollars are being spent, right down to an individual school building's budget. When the new evidence-based approach to education is fully phased-in, the state contribution to local schools will reach 59 percent. **This evidence-based plan meets the state's constitutional obligation to provide a thorough and efficient system of public education for Ohio students.**

Tax Relief: New Tax Credits to Create New Ohio Jobs and Fully Phase-in Tax Reforms

The budget fully implements the tax reforms enacted in House Bill 66, including the full phase-in of a 21 percent across-the-board income tax reduction. In addition to broadening the Job Retention Tax Credit and Job Creation Tax Credit to encourage more business opportunity in Ohio, the Governor's budget **creates several new job-creating tax credits, including a Film Tax Credit to spur growth of the film industry and a New Markets Tax Credit to give our cities and towns a proven tool to spur investment and bring new life to downtown centers.**

Health Care: Access to Health Care for Every Ohio Child and 110,000 More Ohioans

Through the state children's health insurance program and buy-in program, **we will provide access to affordable health coverage for every single child in Ohio.** By allowing Ohioans with employer-provided insurance to purchase coverage for their dependents up to the age of 29, allowing small business employees who lose their jobs to purchase continuation coverage for up to 12 months and other innovative reforms, this budget **expands health care access to an additional 110,000 adult Ohioans** currently without coverage.

Higher Education: Extend Historic Tuition Freeze to a Third Year for All University System of Ohio Schools

Governor Strickland's budget extends the current 2-year tuition freeze at all University System of Ohio institutions for a third year in fiscal year 2010 (the 2009-2010 school year), and for a fourth straight year at all community college and university branch campuses in fiscal year 2011 (the 2010-2011 school year). Under this plan, 60 percent of all students in the University System of Ohio will have seen no increase in tuition for four straight years. The Governor has also asked all universities to voluntarily limit tuition increases at university main campuses to no more than 3.5 percent for the 2010-2011 school year. By the end of fiscal year 2011, **Ohio will have held tuition growth to the lowest rate for a four-year period since before 1970.**

Job Creation: Pledge to Work with Legislature to Develop a Second Job Stimulus Plan

In addition to several new job-creating tax credits to make Ohio more attractive to business growth and investment, Governor Strickland announced that he will work with the legislature to develop a **second job stimulus plan** in the coming months, to include an expansion of Ohio's Third Frontier program, regulatory reform and streamlining measures to assure that Ohio gets its share of federal stimulus funds and can put them to work quickly, and additional investments that will create jobs in the short term and strengthen Ohio for generations.



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**Governor Ted Strickland's State of the State Address
January 28, 2009**

Speaker Budish, President Harris, Leader Batchelder and Leader Cafaro, Lt. Governor Fisher, statewide elected officials, members of the Cabinet, members of the General Assembly and the Supreme Court, distinguished guests, First Lady Frances Strickland, and my fellow Ohioans...

There was a time when Ohio State University played its football games on a dusty field surrounded by a humble collection of wooden bleachers.

Back then, OSU played teams from universities and small private colleges. They even scheduled a game against the soldiers from an army camp in Chillicothe.

Just after World War I came to an end there was a painful combination of high inflation and high unemployment that produced economic misery in Ohio and across the nation.

It was a truly frightening moment – hardly the time for a bold new idea.

But several university leaders thought it was just the right time. They wanted to move forward with their long delayed plan to replace their modest football field with a modern stadium the likes of which had never before existed.

Now when the decision was finally made to build the stadium, Ohio State had little money and few fans.

But they believed in something bigger than what they could see in front of them. They had a vision for a grand new building that would help usher in a new day for Ohio State University.

Their blueprint for the new stadium called for 63,000 seats.

One of the university's most respected leaders, a member of the board of trustees, pointed out the absurdity of constructing such a big stadium. He said, and I quote: "It will not be claimed that there is *ever* a remote possibility of an actual demand for such capacity."

After many years of frustrating delays and false starts, a fundraising campaign was launched. The 'Boost Ohio Fund' was established, with alumni and other Ohioans asked to contribute what they could. Students went out with pails asking passersby for a quarter or 50 cents. With great pride in Ohio, the money was raised person to person. And

through the generosity of Ohioans, the university raised a million dollars to build Ohio Stadium.

From humble origins and modest resources, from vision and faith and collective effort we have today a stadium where more than 100,000 people convene to celebrate Buckeye football. A stadium where the eyes of the nation focus on fall Saturdays. A stadium that is the home of champions, the pride of our state, a living symbol of what we can accomplish together.

To the critics who said it couldn't be done, who were so certain this would fail, and who spoke unburdened by any sense of optimism, I think there's a lesson here:

Never, never underestimate the people of Ohio.

Just last year we were facing the prospect of runaway electricity rates. Other states failed to act when deregulation loomed. Their businesses were soon crippled and consumers overwhelmed by electricity prices that jumped as much as 70 percent.

But working with the legislature, we protected Ohio jobs and Ohio consumers with a new law that ensures Ohioans will have access to reliable electricity service at sustainable rates. What's more, we are creating Ohio jobs with an advanced energy portfolio standard.

Working together, we were one of the first states to recognize and respond to the national economic downturn. In the 1.57 billion dollar jobs stimulus bill enacted last year, we took swift action to invest in job-creating projects and industries that will produce a lasting positive effect in Ohio.

We invested in our infrastructure, in our communities, in our workforce, and in our most-promising and high growth industries. By investing those dollars over the coming months, we will be creating jobs and strengthening Ohio for decades to come.

And while our energy bill is expanding the market for advanced energy in Ohio, our jobs stimulus bill is building on that commitment by investing in Ohio companies that can supply the component parts, install the hardware, and harvest the power of advanced energy.

Together we've recognized that Ohio is key to meeting the energy needs of the nation and the world – and we are already seeing promising results.

Over the last three years, Ohio has led the nation with 350 new or expanded facility projects in the renewable energy sector.

Take solar energy, for example. The Toledo area has become an international center for solar research and production, with more than 6,000 people working in the solar industry. First Solar and Xunlight (*Zun-light*) both launched major expansions just this past year.

All across the state we've seen advanced energy creating opportunities. Rotek is making a major investment in their Portage County plant where they manufacture components for wind turbines.

And in a year in which bad news rightly claimed its place in the headlines, there were other major economic victories for Ohio.

R and D magazine has cited Battelle as one of the leading sources of innovation in the country. And, just this month, Battelle announced a 200 million dollar investment in their Ohio facilities, an investment that will accelerate their pursuit of research breakthroughs and expand their Ohio workforce by 200.

NetJets is creating more than 800 new jobs and investing 200 million dollars as they expand their headquarters and facilities in Columbus. NetJets' decision to invest in Ohio represents the triumph of a true collaboration between the state and local governments, our universities and colleges, and the private sector.

Leading the state's effort in that coalition was Ohio's Lieutenant Governor and director of our Department of Development Lee Fisher. I thank Lee for his boundless commitment to bringing new jobs and new opportunities to Ohio.

By working together we are breaking down barriers to higher education. With Chancellor Eric Fingerhut's vision we've created a new 10-year plan that serves as a blueprint for helping more Ohioans enroll and complete their studies in our University System of Ohio.

Already students are transferring seamlessly from our community colleges to our universities. High school students are taking their first college classes at no cost to their families with our Seniors to Sophomores program. And veterans have been welcomed to Ohio's campuses with our Ohio G.I. Promise. Under the program, we became the first state to offer veterans from across the country the opportunity to attend any public college or university without having to pay tuition.

Together we've acted to improve the services provided to our veterans. This past year the legislature unanimously passed and I was proud to sign legislation which created the Department of Veterans Services. This new cabinet department has united all of our veterans services into one office in order to help our veterans get the full benefits they have earned.

We take this important step because we cherish the fact that more than 950,000 veterans live in Ohio, and we eagerly await the opportunity to welcome home the thousands of Ohioans currently deployed in Iraq and Afghanistan and around the world.

In honor of all the servicemen and women from Ohio who are bravely serving this state and nation, please join me now in a moment of silent reflection. Let us pray for their safe return and for the comfort and strength of those who have suffered loss or injury.

...Thank you.

Together we are working to create a more efficient state government.

Our Ohio Government Accountability Plan is saving money, improving our performance, and providing better service to Ohioans.

We've streamlined the process for seeking federal reimbursements, claiming millions of additional dollars owed to Ohio. We've eliminated a backlog of 16,000 letters and forms that was hindering the Department of Taxation's ability to provide timely responses to Ohioans. We've reduced by 75 percent the time it takes to respond to employers questioning their workers compensation insurance rates. We've reduced elements of the coal permitting process by more than a year.

And with one simple new rule in the Department of Transportation – that all change orders for transportation projects now require the director's approval – we saved Ohioans 46 million dollars last year. Director Jim Beasley, my good friend for more than 30 years, will be retiring this week from a career dedicated to public service. And I want to thank him for his integrity and for his leadership building roads and bridges and multi-modal projects that will serve Ohioans for generations to come.

Today I'm calling on all state agencies to heed these successes and to make government services even simpler, faster, better and less costly.

But as we mark what we've accomplished together, the time has come for us to stare truth in the face.

The truth is, our nation has lost more jobs in 2008 than in any year since World War II. In Ohio alone we lost more than 100,000 jobs.

Titans of American industry, of Ohio industry, have suffered unprecedented setbacks. Last year GM's U.S. car and truck sales plunged to a 49-year low.

The stock market plummeted, eating away at the retirement savings of millions. In fact, last year the Dow Jones Industrial Average had its biggest decline since 1931.

Housing foreclosures more than doubled in 2008 from the already record levels of the year before.

Real wages measure what people earn after the effects of inflation. And the real wages of the average American worker are lower today than they were 30 years ago. That

means in terms of purchasing power, American workers are making less than their parents.

I have said many times that our great state embodies the American experience. So too does our economy mirror the current American struggle.

But through it all, through it all, the state of our state is steadfast. The people of Ohio have not failed, and in this moment of turmoil, we must not fail them.

Franklin Roosevelt spoke of the challenges of life that rise and fall like the tides. He said, "There is a mysterious cycle in human events. To some generations much is given. Of other generations, much is expected." And I would add, of our generation it has been both.

Now it is our duty, together, to make something of this moment.

We must begin by confronting the realities of our budget situation.

For the first time since the personal income tax was enacted in Ohio, we are projecting a three-year decline in income tax revenue.

For the first time since 1950, we are projecting a two-year decline in sales tax revenue.

For the first time in a half century, Ohio's general revenue taxes have declined two years in a row.

We now forecast that the general revenue taxes available to the state of Ohio will be lower in the 2011 fiscal year than they were seven years earlier.

So in this budget, I must ask all Ohioans to accept the sacrifices that these times demand. In order to protect the priorities most important to Ohio's future, we have no choice but to reduce a significant number of programs and services. We must ask state of Ohio employees to endure a financial sacrifice. This is a difficult day within a difficult year. But not for a moment do I doubt that we will emerge strengthened by adversity.

Just two years ago I stood before you to offer a state budget with the slowest rate of growth in state spending in 42 years. Today, circumstances dictate that my budget proposal must once again be modest. But we will not waver from our commitment to live within our means and invest in what matters. Our revenues may have retreated, but we will not.

Merely keeping our agencies at their previous budget levels for the next two years would leave us with a 7.3 billion dollar deficit. But the budget I will present next week will be balanced. And it will not raise taxes on Ohioans.

We have balanced the budget with a wide range of measures. We call for many program reductions of 10 to 20 percent. We will leverage existing resources and one-time cash transfers. We will increase various state agency fees, fines, and penalties. We will modify our Medicaid policies to manage our costs and to take advantage of funds available in the forthcoming federal stimulus package. In all, we have reduced spending by 3.2 billion dollars from 2009 planning levels.

Our budget leverages 3.4 billion dollars in federal stimulus funds specifically designated for state fiscal relief. Without the infusion of federal resources, we would have had to impose far more substantial cuts to balance our budget. I am grateful for the leadership of Ohio's congressional delegation on this issue and fully support their efforts to move forward quickly on the federal stimulus package.

Despite this austere budget, we will continue making investments that are critical to Ohio's economy and Ohio's future.

We will strengthen Ohio by maintaining our commitment to affordable access to our colleges and universities.

For the last two years, Ohio was the only state in the nation with no tuition increase at our public institutions. At our community colleges and regional campuses we will maintain that tuition freeze for the next two years. For our main university campuses, we will ask that they continue to freeze tuition in 2010, and keep any tuition increase to no more than 3.5 percent in 2011.

To better serve our youngest learners and help them thrive in school and in life, we will unite all of our early childhood development programs and resources into the Department of Education. This comprehensive early childhood system will focus on the whole child and provide quality early learning and care while improving our efficiency and effectiveness.

We recognize that education is not a series of disconnected steps, it's a staircase upward. And now in Ohio we will have a comprehensive P through 16 system built to help propel our young people up each step from pre-school enrollment to university degree.

We will strengthen Ohio by expanding access to health care coverage.

We have finally gained federal approval to offer coverage to Ohio children from families with incomes up to 300 percent of the poverty line. With funding provided in this budget, we will soon be able to say that health care coverage is available to every child in Ohio.

At the same time, we are taking innovative steps to expand health care access for adult Ohioans. Ohioans with employer-provided insurance will be able to buy coverage for their dependents up to the age of 29. Small business employees who lose their jobs will be able to purchase continuation coverage for up to 12 months. We will reform the open enrollment program to provide more affordable options for people who have pre-existing

health conditions. And, we will allow more uninsured workers to purchase health care coverage with pre-tax dollars. Taken together, these steps will bring more than 110,000 adult Ohioans under the protection of health care coverage.

We will also provide more choices to Ohioans in need of long term care. People want care in the least restrictive environment possible. But state policies have almost pushed seniors and the disabled out the door of their homes and away from their communities. With a unified long-term care budget, we begin to balance services and funding, allowing our elderly and disabled Ohioans more choices.

We will strengthen Ohio with innovative transportation projects.

We will work toward the restoration of passenger rail service between Cincinnati, Columbus, and Cleveland. Our goal is to link Ohio's three largest cities by passenger rail for the first time in 40 years. This will be a first step toward a rail system that links neighborhoods within a city, and cities within our state.

We will strengthen Ohio by continuing the implementation of the tax reforms of 2005 and the Homestead Property Tax Exemption we passed in 2007 that is saving money for every senior citizen homeowner in Ohio.

And we will strengthen Ohio with a commitment to job creation.

We will renew the Technology Investment Tax Credit to attract investors who are fueling the rise of new Ohio start-up technology companies.

We will broaden the Job Retention Tax Credit and Job Creation Tax Credit so that more businesses can benefit from creating opportunity in Ohio.

We will create a Film Tax Credit designed to spur the growth of the film industry, bringing new jobs and creative energy to Ohio.

And, we will create a New Markets Tax Credit based on the existing federal program, to give our cities and towns a proven tool to spur investment in multi-use projects that bring new life to downtown centers.

Building on the plan we enacted last year, and on these job creation incentives in my budget proposal, I will introduce a second jobs stimulus package in the coming months. The package will include an expansion of Ohio's Third Frontier program, regulatory reform and streamlining measures to assure that Ohio gets its share of federal stimulus funds and can put them to work quickly, and additional investments that will create jobs in the short term and strengthen Ohio for generations.

The philosopher and poet Ralph Waldo Emerson gave an interesting talk in the midst of what was called the "Panic of 1837." At the time, nearly half of all banks had failed, credit all but vanished, and the American economy had ground to a halt.

But Emerson did not lament the challenges of the day. He embraced them. He said, and I quote: "If there is any period one would desire to be born in, is it not the age of Revolution; when the old and the new stand side by side and admit of being compared; when the energies of all men are searched by fear and by hope; when the historic glories of the old can be compensated by the rich possibilities of the new era? This time, like all times, is a very good one, if we but know what to do with it."

I think those words sum up where we are today: this is a very good time if we but know what to do with it.

And I would submit to you that we do know. Together, we must focus our energies and resources on the programs most vital to our future prosperity. First on that list is education.

In the 1830s, Samuel Lewis was hired as Ohio's first state superintendent of schools. Lewis was given the task of making sure that every child in every town was provided a quality education.

Lewis needed to know how many schools we had, where they were, what and who they taught. He couldn't get the information he needed any other way, so he climbed atop his horse and he rode from town to town and school to school. He spoke to teachers and parents and students and people he met in the town square.

Lewis' journey took him a total of 1,200 miles as he circled Ohio and prepared a report for the legislature.

Lewis wrote in his report that public schools in Ohio must be "free to all, rich and poor, on equal terms." He said there was no greater tribute to patriotism than supporting strong public schools.

And Lewis concluded that the commitment to improving Ohio's schools must be made immediately. He wrote, "Every year's delay is adding mountains of obstacles to be overcome. We need no longer direct public attention to the future – to our children's children – to the third and fourth generation, before the promised blessings are realized. Nothing will be more hurtful," he said, "than procrastination."

Seventeen decades later, you can Google Lewis' report and see that his words still ring true. And what's more, if Lewis were to ride his horse up to one of our schools today, he would immediately recognize what he was looking at. He would recognize our school day. He would recognize our school year. In too many schools he would recognize the typical classroom with rows of students lined up to listen to a teacher and record, rather than interact, with the information being provided.

Now there is no doubt that by working together we have made improvements in our schools.

Over the last two years we reduced the tax burden on local communities as the state now provides the majority of funds needed for our local schools.

Together we took the school building program that Governor Taft and the legislature created, and we expanded it to fund hundreds of new and renovated school buildings. And our new schools are being built to efficiency standards that will reduce our energy costs for the life of the building. In fact, Ohio has the largest energy efficient school building program in the nation.

Our education system has been strengthened immeasurably by the vision of legislators and other leaders who have long been committed to seeing that Ohio's schools rank among the nation's best.

I share that commitment. And while I didn't ride on horseback, I have spent the past two years visiting every corner of our great state. I've met with parents, educators, researchers, business and community leaders. I've looked at the best research available on what we should teach and how we should teach it. And in the last few months I've benefited from the considerable experience and wisdom of Ohio's new Superintendent of Public Instruction Deborah Delisle.

It is absolutely clear to me that simply tinkering with centuries-old education practices will not prepare Ohio's children for success in college, in the workplace, or in life. Therefore, today I present my plan to build our education system anew.

The plan is based on a very simple premise: we should design our education system around what works. I have embraced an evidence-based education approach that harnesses research results and applies those findings to Ohio's specific circumstances.

Now there will surely be those who protest that education research isn't perfect. But frankly, we cannot afford to ignore the best available answers. Medical research isn't perfect either, but it saves lives.

My Ohio evidence-based plan is designed to provide the best education we can for all of Ohio's students. The elements of my plan are supported by evidence, and that evidence will guide our implementation of the plan over the next eight years.

First, what we teach and how we teach will prepare Ohioans to thrive in the 21st Century.

Students will, of course, continue to learn the timeless core subjects like math and science that are critical to their success. But we will also add new topics including global awareness and life skills to the curriculum. And we will use teaching methods that foster creativity and innovation, critical thinking and problem solving, communication and collaboration, media literacy, leadership and productivity, cultural awareness, adaptability and accountability.

These are the skills that help people thrive in their lives. These are the skills our business leaders look for in the people they hire. These are the skills we find in people who create jobs, create products, and create entirely new industries.

Under my plan, the Ohio Department of Education will set standards for Ohio schools requiring innovative teaching formats. Interdisciplinary methods, project-based learning, real world lessons, and service learning will be the norm.

For example, a history teacher might build a lesson around a novel being read in an English class. Students might write a research paper that winds up in the school newspaper instead of being tossed in the trash can.

The learning experience will be built around the individual student. Lessons will not end when a fact is memorized. Students will be given a chance to interact with information, to follow up on the subjects that fascinate, to think critically and creatively and to use what they've learned to draw conclusions.

Our schools are not assembly lines and our students are not widgets. We will teach to each individual student's need because we recognize that it is the surest path to seeing our young people reach their full potential.

Second, under my plan, we will expand learning opportunities.

Over a ten-year period we will add 20 instructional days to the school calendar – bringing Ohio's learning year up to the international average of 200 days.

We will end the outdated practice of giving our most impressionable students only a half-day of learning. Ohio will now require universal all-day kindergarten.

We will provide resources to expand the learning day for all students with activities such as community service, tutoring, and wellness programs.

We will build on our 'Closing the Achievement Gap' initiative to take what we've learned from the existing program to help us provide enhanced intervention services in schools with high dropout rates.

We will create community engagement teams in our schools. We will place nurses in our schools. We will have professionals in the schools who will help educators, families and community service providers come together to help our children succeed.

And for the first time the state will provide dedicated resources for instructional materials and enrichment activities.

We will celebrate learning with new academic achievement competitions and awards that make learning as publicly praised as athletics. With the creation of the Ohio Academic

Olympics, students will compete in science, in math, in writing, in debate, in the arts, and in technology.

Now, there are some who would say we'll never fill the seats of a stadium for this kind of competition. But I'll tell you this; the winners of this competition will be able to design the stadium.

Knowing that America's children are among the world's leaders in the amount of television they watch, we are claiming a few more hours of childhood for reading, thinking, community projects, and other activities. And in exchange for those few hours, we will give our students a lifetime of advantages.

Third, under my plan, we will improve educator quality.

There is simply nothing that we as policymakers can influence in our schools that is as consequential as providing top quality teachers for our students.

And before I go any further let me say something directly to Ohio's teachers: thank you. Thank you for what you do for Ohio's young people and for Ohio's future. I hope that every day as you work you take a moment to remember that you can never tell where your influence stops.

So, under my plan, in recognition of the enormous importance of excellent teachers, we will revolutionize teacher preparation and development in Ohio with a residency program. Just as future doctors begin their careers under the watchful eye of an experienced colleague, we will give our new teachers the benefit of thoughtful guidance from an accomplished senior teacher. After a four-year residency, successful candidates will earn their professional teaching license.

We will recognize the development of a teacher's skills and accomplishments with a career ladder that begins with their residency and can build up to lead teacher, a person whose credentials, experience, and student results warrant additional responsibilities. That means for the first time our teachers will have the opportunity to advance their careers based on objective evidence of student progress.

Our lead teachers will play an active role in overseeing new teachers in the residency program and assisting all their colleagues.

We will provide collaborative planning time so that the best ideas of the best teachers can spread across a school and reach the most students. Mentoring, coaching and peer review will be a standard part of a teacher's job.

We will harness the expertise of the Chancellor of Higher Education and the Superintendent of Public Instruction to collaborate on professional development programs and innovative techniques for the classroom.

Let me say that not everyone is cut out to be a teacher. And the residency program will identify them. But even for teachers already in the field, we must have the ability to remove them from the classroom if their students are not learning. Right now, it's harder to dismiss a teacher than any other public employee. Under my plan, we will give administrators the power to dismiss teachers for good cause, the same standard applied to other public employees.

We will create a Teach Ohio program to open a path to licensure for professionals who have the subject knowledge but lack coursework in education methods. Teach Ohio participants will complete an intensive course in classroom methods and then be eligible to begin the four-year residency program.

Scholarships will be made available for future teachers who agree to teach in hard to staff schools or in hard to staff subjects.

Our university teacher education programs will be redesigned to meet the needs and standards of our primary and secondary schools. The Chancellor of Higher Education will be empowered to reward university education programs that best prepare their students for success as teachers in Ohio.

We will strengthen our licensing standards for school principals while giving them the ability and the responsibility to properly manage their schools.

We will create standards for the mastery of both education and management principles for school superintendents, school treasurers and other business officials.

And you know, good ideas shouldn't be something we stumble on accidentally. That's why my plan creates a research and development function within the Department of Education. The department's Center for Creativity and Innovation will monitor research and results from across the country and across the world to keep Ohio schools and Ohio educators informed of new advances.

We take these steps to strengthen the education profession because we recognize that our teachers, much like doctors and pilots, hold lives in their hands, and we must do everything we can to make it possible for them to do their jobs extraordinarily well.

Fourth, under my plan, we will measure ourselves against the world.

Ohio's current graduation test does not measure creativity, problem solving, and other key skills. We will make our assessments both relevant and rigorous by replacing the Ohio Graduation Test with the ACT and three additional measures.

All students will take the ACT college entrance examination, not only to measure their high school achievement, but to help raise students' aspirations for higher education. Students will also take statewide 'end of course' exams, complete a service learning project, and submit a senior project.

These four measures will give our graduating high school seniors the opportunity to demonstrate knowledge, creativity, and problem solving skills, in short, to demonstrate precisely the skills that will help them succeed in life.

In grades 3 through 8, our assessments will also be entirely rewritten to test for mastery of the information and skills in the curriculum.

Our goal in our teaching and in our testing is nothing short of national and international leadership.

Fifth, under my plan, we will establish an unprecedented level of school district accountability and transparency.

School districts will undergo performance audits overseen by the Department of Education to make sure they are maintaining the academic and operating standards we've established.

Districts will report their spending plans before each school year and then account for every dollar at the conclusion of the school year.

And just as we provide an academic report card for our schools, we will provide parents, public officials, and taxpayers an annual fiscal and operational report card for every school district. That means that when we send districts funding to help students who need additional attention and instruction, we will now be able to track our dollars to see that they directly reach those students.

Failure to comply with our standards will result, first, in the assigning of technical assistance to help a school district correct its deficiencies. If the problem persists, a district will be required to present a comprehensive plan outlining how it will reach full compliance with our academic and operating standards. Continued failure would result in the district being placed in receivership, with entirely new leadership installed. And finally, if the district remains non-compliant, the State Board of Education would be required to revoke the school district's charter.

In short, if a school district fails, we will shut it down.

And, as we establish a new level of accountability in our school districts, we must also establish accountability in our charter schools.

For those who may have misunderstood my position on charter schools, I want to be very clear. I support charter schools that meet the same high standards we demand of traditional public schools. Charter schools that hire quality teachers, show fiscal and academic accountability, are regulated by the Department of Education, and are not run by for-profit management services have a place in my plan.

Now, in order to implement our evidence-based model, our students will need educators, support staff, materials, and special programs necessary to deliver a 21st century education. And by defining what our students need, we have in the process defined the resources our schools need.

The first step in providing those resources is eliminating aspects of our current funding system that are, quite frankly, indefensible.

In the current system, when the state calculates how much tax revenue a school district has, the state uses phony numbers. You may have heard this called 'phantom revenue.' For example, in many school districts, rising property values do not produce additional property tax revenue. But the state formula for school aid assumes districts do get additional tax revenue. That's not logical, and it results in many districts being punished because the formula says they have an abundance of phantom dollars that don't actually exist.

Under my plan, the state will no longer ask school districts to pay their bills with phantom dollars.

Instead, my plan lowers what our local taxpayers are expected to contribute to local schools from 23 mills to 20 mills. The state will assume responsibility for providing the difference between what those 20 mills raise and the cost of the full range of educational resources our students need according to our evidence-based approach.

Additionally, districts will have the option of asking voters to pass a conversion levy. Now, a conversion levy simply maintains the existing millage on residential property for a district currently above 20 mills.

Districts that use a conversion levy, and all districts whose tax structure already allows growth on 20 mills, will see their tax revenues grow with increased property values, helping schools to keep up with inflation.

Last November alone we had more than 200 school districts asking voters to approve school levies. Under my plan, school districts that choose this option will not have to go to the ballot year after year just to stay even with inflation.

And, we will strengthen the historic partnership between the state and our local school districts. When I came into office, local school districts paid for the majority of school costs. In the upcoming two-year budget, even with grave economic challenges facing Ohio and the nation, my plan will take the state's share of education funding to 55 percent. As our Ohio evidence-based plan is fully phased in, the state's share will grow to an unprecedented 59 percent.

And when we do these things, I believe we will have finally and unquestionably met our constitutional obligation to our children.

What's more, together we'll make Ohio one of the first states with a school year 200 days long.

Together we'll make Ohio among the first states to place 21st century skills like creativity, problem solving, communication and leadership at the center of its curriculum.

Together we'll make Ohio the first state with a comprehensive residency program for new teachers.

Together we'll make Ohio among the first states to require universal all day kindergarten.

And we'll take these steps with a very deliberate purpose. It's because, as President Kennedy once put it, "We want to be first. Not first if. Not first but, but first."

We will graduate Ohioans ready to succeed in the modern economy and in modern life. Future generations will look back gratefully and say that when we came together on education, we claimed this new century for Ohio.

Now, the words I quoted earlier aren't Franklin Roosevelt's best remembered comments about economic hardship. His most famous words were: "the only thing we have to fear is fear itself." That's a wonderful sentiment. But the truth is, our people have a good deal more to fear than fear. The loss of a job, a home, health care, and a pension hovers over far too many of our neighbors.

So I stand before you today with the unshakable knowledge that Ohio has been an economic powerhouse for 200 years, and, my friends, I believe Ohio's best days are yet to come.

Whether we progress swiftly or slowly, however, will be in direct proportion to how well we work together.

If you looked up at the sky as the weather turned cold and the birds headed south for the winter, you probably saw a flock of geese flying together in a V formation.

Many years ago a pastor asked his congregation, "Do you know why geese fly in a V instead of side by side?" And then he explained, they fly in a V because it allows each goose to reduce the wind resistance for the bird flying behind it. By flying in formation, the whole flock strengthens each individual bird, allowing each goose to fly vastly greater distances together than it could possibly fly alone.

My friends, surely we are as smart as the goose. We can share a common direction, a sense of common purpose, and in so doing we can strengthen each other even as we strengthen ourselves.

Thank you and may God Bless Ohio.