eTech Ohio Commission

- Continuation operating budget
- Total GRF funding increases by 2.5% in FY 2008 and essentially remains flat in FY 2009.
- Establishes the Distance Learning Clearinghouse

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OVERVIEW

Duties and Responsibilities

Am. Sub. H.B. 66 of the 126th General Assembly created the eTech Ohio Commission to merge the educational technology functions and support provided by the Ohio SchoolNet Commission (NET) and the Ohio Educational Telecommunications Network Commission (OET). eTech's mission is to advance education and accelerate the learning of Ohioans through technology. It is responsible for promoting access to and use of all forms of educational technology. In order to support its mission, eTech offers a variety of programs and services to students, educators, and the general public.

eTech is governed by a thirteen-member commission, which consists of nine voting members and four nonvoting legislative members. Voting members include the Superintendent of Public Instruction, the Chancellor of the Ohio Board of Regents, the Director of the Office of Information Technology, and six public representatives with education and information technology experience from across the state. An executive director, appointed by the commission, oversees day-to-day operations of the agency.

Agency in Brief

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Number of Employees*	**Total Appropriations-All Funds**		**GRF Appropriations**		**Appropriation Bill(s)**
	2008	**2009**	**2008**	**2009**	
78	$30.16 million	$30.14 million	$26.45 million	$26.43 million	Am. Sub. H.B. 119

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2007.

The all-fund appropriations for eTech total $60.3 million over the biennium. Of this amount, $52.9 million (87.7%) comes from the General Revenue Fund (GRF). The table below shows the appropriations for eTech by fund group. As can be seen from the table, the GRF appropriations increase by 2.5% in FY 2008 while the all-fund appropriations decrease by 8.8% in that same year. Both the GRF and all-fund appropriations for FY 2009 remain essentially flat.

The 8.8% decrease in all-fund appropriations for FY 2008 was due to significant decreases in eTech's General Services Fund (GSF) and State Special Revenue Fund (SSR) appropriations. GSF funding for FY 2007 includes $2.0 million for Ohio SCORES (Ohio Students Choosing Online Resources for Educational Success); this project is no longer funded in the budget. In addition, GSF appropriation item 935-603, Affiliate Services, decreases by $1.0 million. This item receives fees for certain network services provided by eTech to its affiliates, including transmission tower rental fees. The budget's

appropriation for this item reflects what the actual program expenditure is likely to be in FY 2008 as most towers have been transferred to the Office of Information Technology (OIT) (see below). The decrease of $0.3 million in SSR funding reflects the phasing out of the distance learning program, which has been supported by funds resulting from a 1995 settlement between Ameritech and the state. This program is expected to end by FY 2010.

eTech Budget by Fund Group, FY 2008-FY 2009					
Fund Group	**FY 2007**	**FY 2008**	**% change, FY 2007-FY 2008**	**FY 2009**	**% change, FY 2008-FY 2009**
General Revenue	$25,791,452	$26,446,440	2.5%	$26,433,443	-0.0%
General Services	$6,144,817	$2,846,817	-53.7%	$2,846,817	0.0%
State Special Revenue	$530,202	$275,000	-48.1%	$275,000	0.0%
Federal Special Revenue	$589,363	$589,363	0.0%	$589,363	0.0%
Total	**$33,055,834**	**$30,157,620**	**-8.8%**	**$30,144,623**	**-0.0%**

Distance Learning Clearinghouse

The budget requires eTech to establish and maintain a clearinghouse of interactive and other distance learning courses delivered by school districts through a computer-based method for sharing with other school districts or community schools for a fee. The budget establishes the fee at $175 per half-unit (60 hours of instruction), but permits eTech to adopt rules to establish a different amount. The budget requires the Department of Education to transfer the amount of the fee from state payments to a participating student's resident district or the community school where the student is enrolled to the district delivering the course. In order for a student to take a course offered through the clearinghouse, the school where the student is enrolled must approve the course and agree to accept for credit the grade assigned by the district delivering the course.

While eTech is required to approve the technical specifications of how to deliver the course, the State Board of Education is responsible for recommending the content requirements for the courses offered through the clearinghouse. eTech is also required to catalog each approved course through a print or electronic medium that includes information necessary for a student, the student's parent, guardian, or custodian, and the student's school district or community school to decide whether to enroll in the course and instructions for enrolling in that course.

Telecommunications Towers

eTech owned or leased an interest in 20 towers for wireless communications' purposes in support of Ohio's public television and radio affiliates. Am. Sub. H.B. 66 of the 126th General Assembly required that eTech and the Department of Administrative Services (DAS) develop a plan to outline how the control of the towers that were no longer needed by eTech could be transferred to DAS. This plan was submitted to the Office of Budget and Management on June 30, 2006. The budget implements this plan by authorizing the Governor to convey certain parcels of real property on which eTech towers stand to OIT by July 1, 2007 and to substitute OIT for eTech as the lessee of certain other parcels of real property on which towers stand.

Vetoed Provisions

The Governor vetoed an earmark of $1.0 million in each fiscal year from GRF appropriation item 935-404, Telecommunications Operating Subsidy, to support the conversion of Ohio's public educational television stations from analog to digital broadcasting technology.

ANALYSIS OF THE BUDGET

Program Series   **1: Professional Development**

Purpose: This program series supports online professional development, grants, and the educational technology conference.

The following table shows the funding levels for the Professional Development program series. Please note that some line items provide funding for multiple program series and/or programs. See the line item spreadsheet attached to the end of this analysis for each item's total appropriations.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	935-321	Operations	$2,730,586	$2,710,944
GRF	935-406	Technical & Instructional Prof. Development	$4,222,245	$4,209,187
		General Revenue Fund Subtotal	**$6,952,831**	**$6,920,131**
General Services Fund (GSF)				
SD4	935-640	Conference/Special Purposes	$1,821,817	$1,821,817
		General Services Fund Subtotal	**$1,821,817**	**$1,821,817**
State Special Revenue Fund (SSR)				
5T3	935-607	Gates Foundation Grants	$200,000	$200,000
		State Special Revenue Fund Subtotal	**$200,000**	**$200,000**
Federal Special Revenue Fund (FED)				
3S3	935-606	Enhancing Education Technology	$589,363	$589,363
		Federal Special Revenue Fund Subtotal	**$589,363**	**$589,363**
Total Funding: Professional Development			**$9,564,011**	**$9,531,311**

The Professional Development program series receives $19.1 million in total biennial appropriations, of which $13.9 million (72.8%) comes from GRF and $3.6 million (18.8%) from the General Services Fund Group. This program series contains five programs: Online Professional Development for Teachers, Professional Development for Technology Coordinators, Competitive and Formula Professional Development Grants, Educational Technology Grant Administration, and State Technology Conference. Details for each program are given below.

Online Professional Development for Teachers

eTech's online professional development program supports pre-K-12 education by building the capacity of Ohio educators, focusing on academic content standards and technology standards, and achieving results. The two major initiatives funded in this program are eLearning and instructional resources and services.

eLearning. This initiative develops and provides customized online professional development to Ohio teachers, administrators, and other educational professionals. In collaboration with the Department of Education, educational service centers, school districts, and others, eTech currently offers about 55 eLearning courses in over 210 sections to about 1,600 educators per year. Services provided under this initiative include course design and development, course hosting, course delivery and management, a

course clearing house, and an eLearning process model. Participants in eLearning courses pay a $20 per course fee to offset the cost of course facilitators and to encourage course completion. eTech estimates that approximately 8,000 individuals will participate in eLearning in FY 2008 and FY 2009.

Instructional Resources and Services. This initiative provides a library of online resources, free of charge, to all Ohio educators through eTech's web site. In addition, low cost professional development opportunities are offered to Ohio educators through the Technology Integration Pathways (TIPs), which provides information and resources to help districts plan and design professional development for the effective use and integration of technology based on student and teacher needs.

Professional Development for Technology Coordinators

This program funds two major initiatives that support school district technical staff: technical training and resources and E-Rate support.

Technical Training and Resources. This initiative provides district technology staff the opportunity to acquire the necessary technical skills to support and manage their districts' technology systems. eTech leverages statewide pricing for hands-on, highly focused technical resources, web-based technical resources, online technical reference materials, research, templates, sample technical planning documents and policies, and access to technology experts.

E-Rate Consulting and Support. The federal Universal Service Fund for Schools and Libraries, more commonly known as the E-Rate program, provides telecommunications service discounts to schools and libraries. Schools and libraries can annually apply for discounts of 20% to 90% on telecommunication and Internet services. eTech has one dedicated staff member to provide planning and support services to Ohio schools in applying for E-Rate discounts. In addition, eTech is the state authority to approve public schools' technology plans, a requirement of the E-Rate program. In the seven years of the program's existence, Ohio schools and libraries have received over $420 million in discounts on telecommunications and Internet services.

Competitive and Formula Professional Development Grants

This program provides competitive and formula professional development grants with the goal of increasing the capacity of teachers and administrators to use and lead with technology. Grant eligible entities include traditional public schools, joint vocational school districts, community schools, educational service centers, the Ohio State School for the Blind, the Ohio School for the Deaf, and schools operated by the Department of Youth Services.

Competitive Grants. Funded at $200,000 in each fiscal year from GRF appropriation item 935-406, Technical and Instructional Professional Development, these two-year grants are distributed on a competitive basis to schools for the purpose of conducting action research, focusing on how teachers' use of emerging technology improves student achievement and on instruction that aligns with the academic content standards. Results, including teaching practices, tools, lessons learned, and examples are shared statewide. It is expected that 20 schools will receive grants of $20,000 each over the biennium.

Formula Grants. Funded at approximately $2.6 million in each fiscal year from GRF appropriation item 935-406, Technical and Instructional Professional Development, these grants are distributed to eligible entities through a formula that is largely based on the number of full-time certified teachers in each eligible entity. In FY 2007, eligible entities received between $2,100 and $13,500 for technology-related professional development.

Education Technology Grant Administration

This program supports the federal Enhancing Education Through Technology grant and the Bill and Melinda Gates Foundation grant. The Gates Foundation grant is used to provide technology training to school district administrators through the Ohio Leadership for Integrating Technology program.

Enhancing Education Through Technology (EETT) Grant. eTech and the Department of Education are partners in the implementation of the No Child Left Behind (NCLB) Title II D EETT grants. There are two types of EETT grants, entitlement and competitive. The entitlement grants are distributed by the Department of Education. eTech and the Department of Education jointly administer the two-year competitive EETT grants. These grants target K-8 students in districts with high poverty and high need for academic assistance. Grant recipients use these funds to develop and implement lessons aligned with the state academic content standards and for online professional development.

Ohio Leadership for Integrating Technology (Ohio LIT). Supported in part by a grant from the Bill and Melinda Gates Foundation, Ohio LIT provides educational technology leadership training to 2,350 public and nonpublic school superintendents and principals and helps Ohio school administrators to increase their understanding of how technology could be used to support learning in their schools and districts. Ohio LIT is a research-based course of six interrelated modules dealing with leading and managing technology integration. The course is offered in three full-day sessions with interim periods between sessions for individualized and online work. Funds provided for the FY 2008 - 2009 biennium will be used mainly to provide follow-up courses that provide tools and resources to sustain Ohio LIT success.

State Technology Conference

eTech's annual education technology conference is a three-day event serving Ohio's K-12 teachers, administrators, instructional integrationists, and curriculum and technology coordinators. Over 6,300 participants attended the 2007 conference. For the 2007 conference, eTech hosted seven keynote speakers, scheduled over 400 concurrent sessions and displays, and sold over 36,000 square feet of exhibit hall space. In addition to the paid registrants, the conference attracted nearly 100 volunteers and several hundred presenters and teacher and student displays. The conference is largely supported by registration fees paid by conference attendees.

Program Series 2   **2: Network and Infrastructure**

Purpose: This program series supports software and application development, video conferencing for educational purposes, the Ohio K-12 Network, and SchoolNet Plus.

The following table shows the funding levels for the Network and Infrastructure program series. Please note that some line items provide funding for multiple program series and/or programs. See the line item spreadsheet attached to the end of this analysis for each item's total appropriations.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	935-321	Operations	$3,850,257	$3,871,754
GRF	935-403	Technical Operations	$3,597,390	$3,597,389
GRF	935-406	Technical & Instructional Prof. Development	$803,106	$803,165
		General Revenue Fund Subtotal	**$8,250,753**	**$8,272,308**
State Special Revenue Fund (SSR)				
4W9	935-630	Telecommunity	$25,000	$25,000
4X1	935-634	Distance Learning	$50,000	$50,000
		State Special Revenue Fund Subtotal	**$75,000**	**$75,000**
General Services Fund (GSF)				
4F3	935-603	Affiliate Services	$1,000,000	$1,000,000
		General Services Fund Subtotal	**$1,000,000**	**$1,000,000**
Total Funding: Network and Infrastructure			**$9,325,753**	**$9,347,308**

The Network and Infrastructure program series receives $18.7 million in total biennial appropriations, of which $16.5 million (88.5%) comes from GRF, $10.2 million (10.7%) from the General Services Fund Group, and $0.2 million (0.8%) from the State Special Revenue Fund Group. This program series contains four programs: Applications Development, Video Distance Learning, Transmission and Network Services, and SchoolNet Plus. Details for each program are given below.

Applications Development

This program supports eTech's software and applications development. It provides school districts a variety of online resources and tools for technology planning and integration and for applying for state and federal grants. Examples of these resources and tools are: (a) hall pass, a single sign-on user account for accessing various online resources on eTech's web site, (b) opportunity tracking tool, a directory of workshops, conferences, eLearning, grants, and SchoolNet Plus programs currently being offered by eTech, (c) biennial educational technology assessment (BETA), a survey that collects school district data regarding technology accessibility and usage in Ohio's public schools, and (d) technology planning tool, a tool that allows a person to search for best practices in technology integration, to identify new strategies in managing technology, and to identify innovative and emerging technologies.

Video Distance Learning

This program supports grants related to the use of interactive video conferencing for educational purposes. Through this program eTech has built a statewide network of over 800 video conferencing

endpoints. This network links together Ohio K-12 classrooms with a variety of educational content providers, including higher education, zoos, museums, and education technology agencies.

The telecommunity and distance learning grants have been largely funded by money received through an agreement between the state and certain large local exchange telephone companies signed on August 15, 1996 and an agreement with Ameritech signed on April 24, 1995. Under this program, grants have been provided to eligible public and chartered nonpublic schools to support the hardware infrastructure and program development necessary to provide high quality educational content through interactive video conferencing. This grant program is expected to end; eTech is expected to complete the final round of grant distribution in this biennium.

Transmission and Network Services

This program supports the Ohio K-12 Network that provides wide area network services to the Ohio K-12 community and the Ohio Educational Telecommunications Network that provides wide area network services and connectivity to Ohio's public television stations, public radio stations, and radio reading services. Since the merger, eTech has connected and migrated these two networks into the OSCnet (formerly known as the Third Frontier Network) and assumed internal network management for these two networks. eTech also provides video conferencing bridging and technical services to the Ohio K-12 community.

In addition to these network services, eTech also provides various services to its affiliated public television and radio stations and radio reading services. It operates a 24 x 7 master control center and maintains round the clock monitoring of the live video feeds that eTech provides to the affiliates. It also provides traffic and scheduling resources for the affiliates and maintains an archive of content for rebroadcasting.

SchoolNet Plus

The SchoolNet Plus program was established in 1995 with the goal of installing multi-media computers in public school classrooms at a computer-student ratio of 1:5 for grades kindergarten through four. Since its inception, SchoolNet Plus has provided approximately $557 million to school districts, which has led to the installation of more than 250,000 multi-media computers in grades K-7. In recent years funding for SchoolNet Plus grants has been provided by tobacco settlement money. eTech is expected to complete grant funding for the eighth grade by the end of FY 2008. The GRF funding provided for this program is used to fund the administrative costs of SchoolNet Plus.

Program Series   **3: Educational Resources**

Purpose: This program series supports Ohio's public television and radio stations, radio reading services, education technology agencies, the Statehouse News Bureau, and Ohio Government Telecommunications.

The following table shows the funding levels for the Educational Resources program series. Please note that some line items provide funding for multiple program series and/or programs. See the line item spreadsheet attached to the end of this analysis for each item's total appropriations.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	935-321	Operations	$250,075	$248,223
GRF	935-401	Statehouse News Bureau	$244,400	$244,400
GRF	935-402	Ohio Gov't Telecommunications Services	$716,417	$716,417
GRF	935-404	Telecommunications Operating Subsidy	$4,632,413	$4,632,413
GRF	935-406	Technical & Instructional Prof. Development	$1,260,000	$1,260,000
GRF	935-539	Educational Technology	$4,139,551	$4,139,551
		General Revenue Fund Subtotal	**$11,242,856**	**$11,241,004**
General Services Fund (GSF)				
4T2	935-605	Gov't Television/Telecomm. Operating	$25,000	25,000
		General Services Fund Subtotal	**$25,000**	25,000
Total Funding: Educational Resources			**$11,267,856**	**$11,266,004**

The Educational Resources program series receives $22.5 million in total biennial appropriations, of which all but $50,000 comes from the GRF. This program series contains two programs: Educational Resource Grants and Statehouse News and OGT Support. Details for each program are given below.

Educational Resource Grants

This program provides operating subsidies and consolidates purchasing and financial support to eTech's affiliated public television stations, public radio stations, public radio reading services, and education technology agencies.

Telecommunications Operating Subsidy. This subsidy is used to subsidize the operating costs of Ohio's 12 public educational television stations, 33 public educational radio stations, and 9 radio reading services. The funds are currently distributed as follows: 67.5% to public educational television stations, 22.5% to public radio stations, and 10.0% to public radio reading services.

The budget earmarks $45,000 in each fiscal year from GRF appropriation item 935-404, Telecommunications Operating Subsidy, to contract for dial-up newspaper reading services for the blind and physically handicapped. The contract to be awarded needs to be approved by the Controlling Board.

The Governor vetoed an earmark of $1.0 million in each fiscal year from GRF appropriation item 935-404, Telecommunications Operating Subsidy, to support the conversion of Ohio's public educational television stations from analog to digital broadcasting technology.

Educational Television Stations. The budget earmarks $1.26 million in each fiscal year from GRF appropriation item 935-406, Technical and Instructional Professional Development, for educational television stations. The funds are to be divided equally among the 12 stations for the production of interactive instructional programming series that align with Ohio's academic content standards. The programming is to target the needs of the poorest 200 school districts in the state.

Educational Television. Funds provided in GRF appropriation item 935-539, Educational Technology, are used to contract with educational television stations to provide Ohio public schools with instructional resources and services with priority given to resources and services aligned with the state academic content standards. Resources may include, but are not limited to, prerecorded video material, computer software for student use, live student courses, automated media systems, and instructional and professional development materials for teachers.

Statehouse News Bureau and Ohio Government Telecommunications Support

This program provides operating funds for the Statehouse News Bureau (SNB) and Ohio Government Telecommunications (OGT). As the sole dedicated news outlets for Ohio government, SNB and OGT provide coverage of legislative and other governmental activities for Ohio's citizens. SNB produces news reports of state government activities for broadcast on Ohio's 33 public radio stations. It also places these broadcasts on a web site accessible to all of Ohio's citizens on a 24-hour basis. In addition, a weekly half-hour video program is produced by SNB, which focuses on the latest statewide news and events and is made available for broadcast on Ohio's public television stations.

While SNB is primarily responsible for news reports of state government events, OGT broadcasts House and Senate floor sessions in addition to sessions of the Ohio Supreme Court through the Ohio Channel (available on cable access channels and Ohio's public television stations). In addition to archiving these sessions, OGT makes the session footage available on its web site for 24-hour access for Ohio's citizens. OGT produces educational documentaries on Ohio civics, history, government, and culture for use in Ohio's schools as well as for broadcast on public television stations. OGT is also responsible for coordinating all media events for members of the General Assembly and events at the Statehouse.

Line Item Detail by Agency			FY 2005:	FY 2006:	FY 2007 Adj. Appropriations:	FY 2008 Appropriations:	% Change 2007 to 2008:	FY 2009 Appropriations:	% Change 2008 to 2009:
Report For: Main Operating Appropriations Bill					**Version:** Enacted				
ETC	**_eTech Ohio_**								
GRF	935-321	Operations	----	$ 7,042,528	$ 6,830,917	$ 6,830,918	0.00%	$ 6,830,921	0.00%
GRF	935-401	Statehouse News Bureau	----	$ 244,400	$ 244,400	$ 244,400	0.00%	$ 244,400	0.00%
GRF	935-402	Ohio Government Telecommunications Services	----	$ 716,417	$ 716,417	$ 716,417	0.00%	$ 716,417	0.00%
GRF	935-403	Technical Operations	----	$ 1,760,075	$ 1,768,150	$ 3,597,390	103.46%	$ 3,597,390	0.00%
GRF	935-404	Telecommunications Operating Subsidy	----	$ 3,632,413	$ 3,632,413	$ 4,632,413	27.53%	$ 4,632,413	0.00%
GRF	935-406	Technical and Instructional Professional Development	----	$ 5,998,988	$ 6,607,144	$ 6,285,351	-4.87%	$ 6,272,351	-0.21%
GRF	935-539	Educational Technology	----	$ 6,282,002	$ 5,992,011	$ 4,139,551	-30.92%	$ 4,139,551	0.00%
General Revenue Fund Total			**----**	**$ 25,676,823**	**$ 25,791,452**	**$ 26,446,440**	**2.54%**	**$ 26,433,443**	**-0.05%**
4F3	935-603	Affiliate Services	----	$ 678,770	$ 2,000,000	$ 1,000,000	-50.00%	$ 1,000,000	0.00%
4T2	935-605	Government Television/Telecommunications Operating	----	----	$ 150,000	$ 25,000	-83.33%	$ 25,000	0.00%
5D4	935-640	Conference/Special Purposes	----	$ 1,673,150	$ 3,994,817	$ 1,821,817	-54.40%	$ 1,821,817	0.00%
General Services Fund Group Total			**----**	**$ 2,351,921**	**$ 6,144,817**	**$ 2,846,817**	**-53.67%**	**$ 2,846,817**	**0.00%**
3S3	935-606	Enhancing Education Technology	----	$ 336,001	$ 589,363	$ 589,363	0.00%	$ 589,363	0.00%
Federal Special Revenue Fund Group Total			**----**	**$ 336,001**	**$ 589,363**	**$ 589,363**	**0.00%**	**$ 589,363**	**0.00%**
4W9	935-630	Telecommunity	----	$ 188	$ 12,890	$ 25,000	93.95%	$ 25,000	0.00%
4X1	935-634	Distance Learning	----	$ 277,005	$ 317,312	$ 50,000	-84.24%	$ 50,000	0.00%
5T3	935-607	Gates Foundation Grants	----	$ 511,789	$ 200,000	$ 200,000	0.00%	$ 200,000	0.00%
State Special Revenue Fund Group Total			**----**	**$ 788,982**	**$ 530,202**	**$ 275,000**	**-48.13%**	**$ 275,000**	**0.00%**
eTech Ohio Total			**----**	**$ 29,153,727**	**$ 33,055,834**	**$ 30,157,620**	**-8.77%**	**$ 30,144,623**	**-0.04%**