

# **LSC Greenbook**

**Analysis of the Enacted Budget**

**Department of Education**

Jason Phillips, Fiscal Supervisor  
Merilee Newsham, Budget Analyst  
Neil Townsend, Budget Analyst  
Legislative Service Commission

August 2015

# TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
<b>Agency Overview</b> .....	<b>1</b>
<b>Appropriation Overview</b> .....	<b>1</b>
<b>Primary and Secondary Education's Share of the State GRF Budget</b> .....	<b>2</b>
<b>Lottery Profits and State Spending on Education</b> .....	<b>3</b>
<b>Traditional School District Funding</b> .....	<b>4</b>
State Share Index.....	5
Per-Pupil Formula and Categorical Amounts .....	6
Targeted Assistance .....	8
Capacity Aid.....	9
Performance Bonuses .....	10
Pupil Transportation .....	11
Transportation Supplement .....	11
State Aid Adjustments .....	12
<b>Joint Vocational School District Funding</b> .....	<b>14</b>
<b>Deductions and Transfers</b> .....	<b>14</b>
EdChoice Scholarship Program .....	14
Autism and Jon Peterson Special Needs Scholarship Programs.....	15
Cleveland Scholarship Program .....	15
<b>Property Tax Reimbursement Phase-out</b> .....	<b>15</b>
<b>TPP Supplement</b> .....	<b>16</b>
<b>Early Childhood Education</b> .....	<b>17</b>
<b>Career Counseling</b> .....	<b>17</b>
<b>Straight A Program</b> .....	<b>17</b>
<b>Competency-Based Education Pilot Program</b> .....	<b>18</b>
<b>Provisions Related to Testing</b> .....	<b>18</b>
Test Administration.....	18
High School Graduation Testing Requirements.....	19
<b>Educator Provisions</b> .....	<b>19</b>
Coursework Exemption for High-Performing Teachers .....	19
Teacher and Principal Evaluations.....	19
School Counseling .....	20
Bright New Leaders for Ohio Schools Program .....	20
<b>Provisions Related to Community Schools</b> .....	<b>20</b>
Community School Law Reforms.....	20
Community School Facilities.....	21
<b>School Security</b> .....	<b>21</b>
<b>Vetoed Provisions</b> .....	<b>21</b>
TPP Supplement – Second Year Funding.....	21
Secondary Per-Pupil Guarantee.....	21
Exemption from TPP Reimbursement Phase-Out for Certain Districts.....	22
Removal of JVSD Spending Requirements .....	22

<b>ANALYSIS OF ENACTED BUDGET .....</b>	<b>23</b>
<b>Introduction .....</b>	<b>23</b>
<b>Basic Public School Support.....</b>	<b>27</b>
Foundation Funding (200550 and 200612) .....	27
Pupil Transportation (200502).....	33
Community Schools and Choice Programs (200455).....	34
School District TPP Supplement (200697) .....	35
EdChoice Expansion (200573) .....	35
Half-Mill Maintenance Equalization (200574) .....	35
Ohio School Sponsorship Program (200691).....	36
Career-Technical Education Basic Grant (200621) .....	36
Individuals with Disabilities Education Act (200680) .....	36
ESEA Title 1A (200623).....	37
<b>Property Tax Reimbursements .....</b>	<b>38</b>
State Revenue Distributions .....	38
Property Tax Reimbursement – Education (200903).....	38
Property Tax Replacement Phase Out – Education (200902).....	39
General Business Tangible Personal Property Tax Reimbursements.....	39
Property Tax on Utilities Reimbursements .....	39
Property Tax Reimbursement Phase-out.....	40
<b>Educational Enhancements .....</b>	<b>41</b>
Special Education Enhancements (200540) .....	41
Tech Prep Consortia Support (200425) .....	43
STEM Initiatives (200457) .....	43
Career-Technical Education Enhancements (200545).....	43
Adaptive Sports Program (200576) .....	46
Neglected and Delinquent Education (200601) .....	47
Education of Exceptional Children (200624).....	47
School Medicaid Administrative Claims (200603) .....	47
Math Science Partnerships (200667) .....	47
Migrant Education (200620) .....	47
Homeless Children Education (200622).....	47
Project Aware (200679).....	48
Rural and Low Income Technical Assistance (200639).....	48
<b>Nonpublic School Support .....</b>	<b>49</b>
Auxiliary Services (200511).....	49
Nonpublic Administrative Cost Reimbursement (200532) .....	50
Auxiliary Services Reimbursement (200659) .....	50
<b>School Operations Support.....</b>	<b>51</b>
School Management Assistance (200422) .....	51
Ohio Educational Computer Network (200426).....	52
Education Technology Resources (200465) .....	53
Commodity Foods (200608).....	54
Child Nutrition Refunds (200677) .....	54

School District Solvency Assistance (200687) .....	54
Community School Facilities (200684) .....	55
School Food Services (200607).....	55
Drug Free Schools (200664) .....	55
Summer Food Service Program (200674).....	55
Miscellaneous Nutrition Grants (200675).....	56
Fresh Fruit and Vegetable Program (200676).....	56
School Lunches (200505 and 200617) .....	56
Federal School Breakfast (200618) .....	56
Child/Adult Food Programs (200619).....	56
<b>Academic Achievement .....</b>	<b>57</b>
Alternative Education Programs (200421).....	57
Literacy Improvement (200566) .....	58
Adult Diploma (200572).....	59
Competency Based Education Pilot (200588).....	59
Community Connectors (200629) .....	60
Straight A Fund (200644) .....	60
School Improvement Grants (200671).....	61
Race to the Top (200665) .....	61
School Climate Transformation (200600).....	62
21st Century Community Learning Centers (200688) .....	62
English Language Acquisition (200689) .....	62
<b>Early Childhood Education.....</b>	<b>63</b>
Early Childhood Education (200408) .....	63
Child Care Licensing (200442).....	64
Early Childhood Education (200661) .....	64
Early Learning Challenge Grant – Race to the Top (200672) .....	64
Head Start Collaboration Project (200605).....	65
<b>Educator Quality .....</b>	<b>66</b>
Educator Preparation (200448).....	66
Education Program Support (200597).....	67
Teacher Certification and Licensure (200681).....	68
Teacher Incentive (200646).....	68
Improving Teacher Quality (200635) .....	68
<b>Curriculum, Assessment, and Accountability.....</b>	<b>69</b>
Policy Analysis (200424) .....	69
Academic Content Standards (200427) .....	69
Student Assessment (200437 and 200690) .....	70
Accountability/Report Cards (200439).....	71
Education Management Information System (200446).....	72
GED Testing (200447 and 200610) .....	72
Advanced Placement (200637) .....	73
National Education Statistics (200685).....	73

<b>State Administration .....</b>	<b>74</b>
Operating Expenses (200321) .....	74
Information Technology Development and Support (200420 and 200606) .....	75
Fees and Refunds (200638).....	75
Educational Improvement Grants (200615) .....	75
Indirect Operational Support (200695) .....	75
Interagency Program Support (200633) .....	76
Consolidated Federal Grant Administration (200645) .....	76

**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Department of Education

- Modifies school funding formula, including increases to the formula amount to \$5,900 in FY 2016 and \$6,000 in FY 2017
- Resumes phase-out of TPP reimbursements, but provides supplement in FY 2016 to offset net losses in funding
- Continues the Straight A competitive grant program at a lower funding level
- Expands public preschool funding and provides for greater linkage with publicly funded child care

## OVERVIEW

### Agency Overview

The Ohio Department of Education (ODE) oversees a public education system consisting of 611 public school districts, 49 joint vocational school districts (JVSDs), and approximately 385 public community schools. This system enrolls 1.8 million students in grades kindergarten through 12 and graduates approximately 123,000 students each year. In addition, ODE monitors 53 educational service centers, other regional education providers, several early learning programs, and approximately 725 state-chartered nonpublic schools. ODE also administers the school funding system, collects school data, develops academic standards and model curricula, administers the state achievement tests, issues district and school report cards, administers Ohio's school choice programs, and licenses education personnel.

ODE is governed by a 19-member State Board of Education. Eleven of those 19 members are elected by the citizens of Ohio and the other eight members are appointed by the Governor. The Superintendent of Public Instruction, who is hired by the State Board of Education, is responsible for ODE's day-to-day operation. As of the end of June 2015, ODE has 527 full-time permanent employees and 33 intermittent employees.

### Appropriation Overview

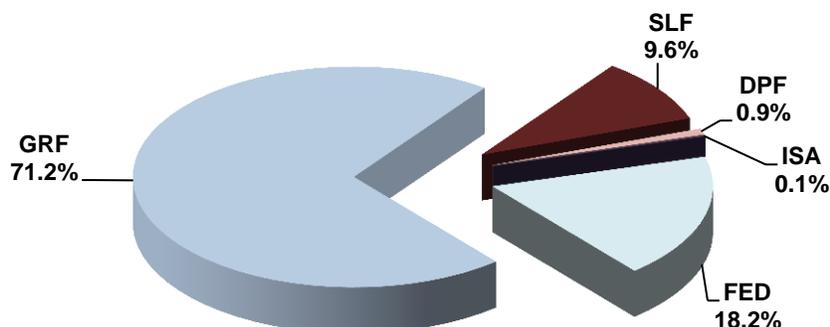
Agency Appropriations by Fund Group, FY 2016-FY 2017 (Am. Sub. H.B. 64)					
Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
General Revenue	\$8,402,723,205	\$7,605,232,635	-9.5%	\$7,925,458,867	4.2%
Dedicated Purpose	\$45,828,033	\$130,091,329	183.9%	\$67,382,510	-48.2%
Internal Service Activity	\$11,998,087	\$14,950,090	24.6%	\$14,950,090	0.0%
State Lottery	\$1,027,283,084	\$1,012,550,000	-1.4%	\$1,073,400,000	6.0%
Revenue Distribution	\$509,467,946	\$0	-100.0%	\$0	0.0%
Federal	\$1,870,487,786	\$1,986,665,123	6.2%	\$1,988,559,443	0.1%
<b>TOTAL</b>	<b>\$11,867,788,141</b>	<b>\$10,749,489,177</b>	<b>-9.4%</b>	<b>\$11,069,750,910</b>	<b>3.0%</b>
<b>GRF and Lottery Subtotal</b>	<b>\$9,430,006,289</b>	<b>\$8,617,782,635</b>	<b>-8.6%</b>	<b>\$8,998,858,867</b>	<b>4.4%</b>

\*FY 2015 figures represent actual expenditures.

The budget provides a total appropriation of \$10.75 billion in FY 2016 and \$11.07 billion in FY 2017 for ODE. The preceding table and Chart 1 present the appropriations by fund group. As the chart shows, appropriations from the GRF and State Lottery Fund (SLF) Group make up a majority of ODE's funding for the biennium at 80.8%. Federal funds account for the next largest portion at 18.2%. The Dedicated Purpose Fund (DPF) Group and the Internal Service Activity (ISA) Fund Group account for the remaining 1.0%.

The budget moves GRF appropriations that pay the reimbursements for property tax rollbacks and the homestead exemption as well as appropriations in the Revenue Distribution Fund (RDF) Group, which provide direct reimbursements to school districts and JVSs for property tax losses due to utility deregulation and the phase-out of the business tangible personal property tax, out of ODE's budget and into the RDF budget section for the FY 2016-FY 2017 biennium. As a result, the table shows ODE's GRF appropriations declining by \$797.5 million (9.5%) from FY 2015 to FY 2016. Comparing FY 2016 appropriations to FY 2015 spending net of the property tax rollbacks, GRF funding increases by \$358.7 million (5.0%) in FY 2016 while GRF plus lottery funding increases by \$344.0 million (4.2%).

**Chart 1: Biennial Budget by Fund Group, FY 2016-FY 2017**



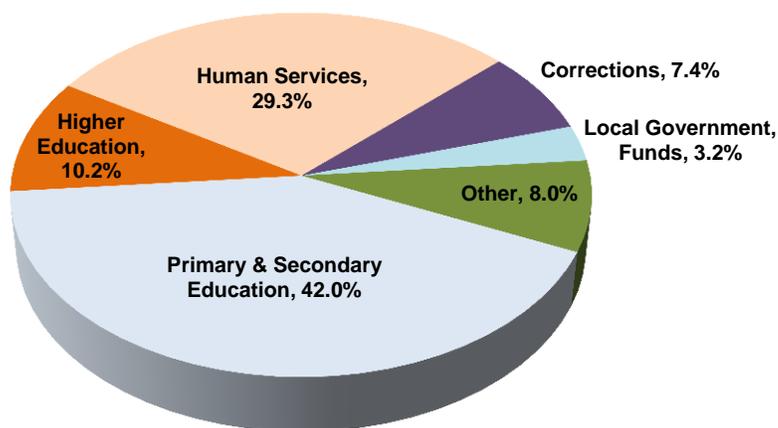
**Primary and Secondary Education's Share of the State GRF Budget<sup>1</sup>**

The four major spending areas of the state budget are: primary and secondary education, human services, higher education, and corrections. State-source GRF appropriations total \$49.59 billion for the FY 2016-FY 2017 biennium. Chart 2 shows these appropriations broken down by the four major spending areas as well as

<sup>1</sup> For this section, the state GRF budget includes allocations from the General Revenue Fund (GRF), as well as from the local government funds (LGFs), and the Lottery Profits Education Fund (LPEF) but does not include spending reimbursed by the federal government.

spending allocated to local government funds and all other areas. Spending on primary and secondary education continues to be the largest spending area at 42.0% of the budget. The proportions for the other areas of spending are: 29.3% for human services, 10.2% for higher education, 7.4% for corrections, 3.2% for local government funds, and 8.0% for all other areas.

**Chart 2: State Appropriations by Program Area,  
FY 2016-FY 2017 Biennium**



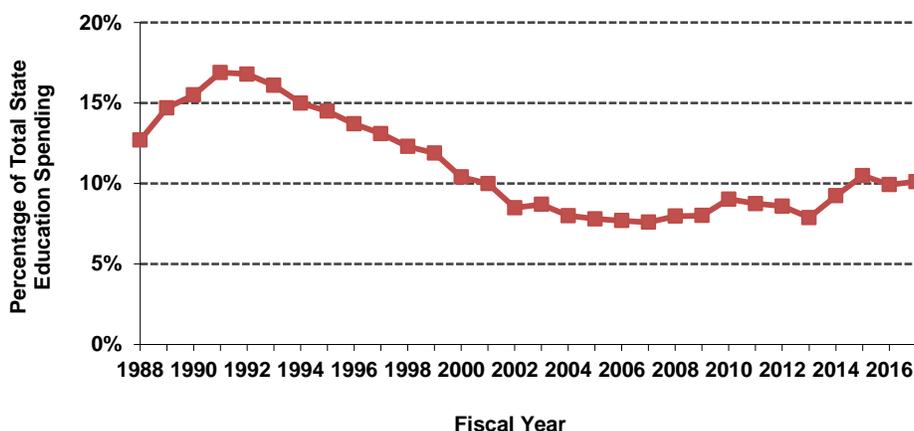
### Lottery Profits and State Spending on Education

In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio Lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education. In FY 2012, the Ohio Lottery began regulating video lottery terminals (VLTs) at Ohio horse racetracks (racinos). Generally, the majority of lottery profits in each year have been combined with the GRF to provide foundation funding to schools in Ohio.

Chart 3 shows the percentage of state GRF and LPEF spending on primary and secondary education that comes from lottery profits. As can be seen from Chart 3, lottery profits have always been a relatively small percentage of this spending. After reaching a peak of 16.9% in FY 1991, this percentage decreased to a record low of 7.6% in FY 2007. Since then, this percentage stabilized between around 8.0% and 9.0% until the emergence of VLTs at Ohio racinos in FY 2014, which along with other factors, significantly increased lottery profits. In FY 2014 and FY 2015, the percentage increased to 9.2% and 10.5%, respectively. The percentage is expected to decrease slightly in this biennium, as more GRF funding flows into the primary and secondary education area.

Since reaching a high of \$718.7 million in FY 1999, the annual dollar amount of lottery profits accounted for in the budget fell to \$637.9 million in FY 2007 before rising to a then record of \$745.0 million in FY 2010. The budgeted commitment of lottery profit transfers was below this amount until FY 2014, when lottery profit commitments reached \$840.1 million. In FY 2015, they eclipsed \$1.0 billion. Lottery profit commitments remain above \$1.0 billion each year in this biennium, reaching \$1.07 billion in FY 2017. From FY 1988 to FY 2015, total state GRF and lottery spending on primary and secondary education increased by \$6.35 billion (184.4%). Of this growth, \$591.7 million (9.3%) was provided by the lottery.

**Chart 3: Lottery Profits as a Percentage of Total State GRF and Lottery Spending for K-12 Education, FY 1988-FY 2017**



### Traditional School District Funding

The budget largely retains the current method used to determine the amount and allocation of state aid for traditional school districts. Even so, the budget makes various changes to the school funding formula for FY 2016 and FY 2017, including changes to the computation of the state share index, increases in the formula amount and certain other per-pupil amounts, new components that target funding to small, low-density school districts, new performance bonuses based on graduation and third grade reading proficiency rates, alterations to the pupil transportation formula, a revised basis for determining temporary transitional aid, and a decrease in the percentage by which a district's state aid may grow from year to year under the gain cap. These changes are described in more detail below. For a detailed analysis of the system of funding public schools in Ohio under H.B. 59 of the 130th General Assembly, including state, local, and

federal revenues, please refer to the February 2015 edition of the School Funding Complete Resource on the LSC website.<sup>2</sup>

### State Share Index

The state share index is the formula's measure of a district's capacity to raise local revenue. In general, the index is translated from a district's wealth index, which is based on a valuation index and, for certain districts, an income index. The state share index is calculated once for both years of the biennium. The budget's changes to the calculation of the state share index are discussed below.

### Valuation Index

The budget calculates the valuation index in generally the same manner as current law, except that updated valuation data (tax years 2012, 2013, and 2014) and total Average Daily Membership (ADM) for FY 2015 are used in the calculations. Using total ADM for the fiscal year preceding the new biennium provides additional stability to a district's funding by preventing its state share index from changing continually throughout the first fiscal year of the biennium as changes occur to district total ADM. The valuation index is equal to the district's three-year average valuation per pupil divided by the state three-year average valuation per pupil.

### Income Index

The budget incorporates a measure of average income into the calculation of the income index. The budget does so by dividing a district's three-year average federal adjusted gross income (FAGI) per pupil by the statewide average per pupil. The district's income index is calculated by multiplying this value by 0.5 and adding it to 0.5 times the district's median income index, which is calculated as under the H.B. 59 formula. The calculation of the income index is summarized below.

<b>Income Index</b>
Median income index = District median Ohio adjusted gross income for TY 2013 / Statewide median Ohio adjusted gross income for TY 2013
District FAGI per pupil = District three-year average FAGI / Formula ADM
District three-year average FAGI = average of FAGI for TYs 2011, 2012, 2013
Statewide FAGI per pupil = Sum of all districts' three-year average FAGI / Sum of all districts' formula ADM
Income index = (Median income index x 0.5) + [(District FAGI per pupil / Statewide FAGI per pupil) x 0.5]

<sup>2</sup> <http://www.lsc.ohio.gov/schoolfunding/default.htm>.

**Wealth Index**

Similar to the H.B. 59 formula, the budget compares a district's income index to a district's valuation index to determine the district's wealth index. For districts with relatively low income (in general, an income index less the valuation index), the income index is taken into account to make an applicable district look less wealthy to the formula and thus, increase its state share. However, the budget modifies the income index to limit its effect to districts with median incomes at or below 150% of the statewide median. For qualifying districts, the wealth index is now based on 60% of the district's valuation index and 40% of the district's income index. The budget puts more weight on income for qualifying school districts than the H.B. 59 formula, which used weights of  $\frac{2}{3}$  and  $\frac{1}{3}$ , respectively. For districts that do not meet the criteria for the income factor, the wealth index continues to be equal to the valuation index. The calculation of the wealth index is summarized in the table below.

<b>Wealth Index</b>
If Income index < Valuation index and Median income index ≤ 1.5: Wealth index = (0.6 x Valuation index) + (0.4 x Income index) If Income index ≥ Valuation index or Median income index > 1.5: Wealth index = Valuation index

**Translation to State Share Index**

The budget continues, without modification, the formula specified in current law for translating the wealth index into the state share index, which is summarized below.

<b>State Share Index</b>
If Wealth index ≤ 0.35: State share index = 0.90; If Wealth index > 0.35 but ≤ 0.90: State share index = {0.40 x [(0.90 – Wealth index) / 0.55]} + 0.50; If Wealth index > 0.90 but < 1.8: State share index = {0.45 x [(1.8 – Wealth index) / 0.9]} + 0.05; If Wealth index ≥ 1.8: State share index = 0.05

**Per-Pupil Formula and Categorical Amounts**

The budget provides annual increases in the per-pupil formula amount used to calculate the opportunity grant as well as the per-pupil amounts for special education additional aid, K-3 literacy funds, and career-technical education funds. The per-pupil amounts and other various factors for economically disadvantaged funds, gifted education funds, and limited English proficiency funds remain unchanged from those used in FY 2015.

### Opportunity Grant

The opportunity grant is the largest part of foundation funding. As under the H.B. 59 formula, it is based on a per-pupil formula amount, each district's formula ADM, and the state share index. The budget increases the per-pupil formula amount from \$5,800 in FY 2015 to \$5,900 in FY 2016 and \$6,000 in FY 2017, increases of 1.7% per year.

### Special Education Additional Aid

The budget increases the per-pupil amounts used to calculate special education additional aid by 2.0% each year for each of the six categories of disability for funding purposes. The following table provides the per-pupil amount for each special education category in FY 2015 and the increases included in H.B. 64 for FY 2016 and FY 2017.

<b>Special Education Per-Pupil Amounts</b>			
<b>Category</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
1 Speech only	\$1,517	\$1,547	\$1,578
2 Specific learning disabled, developmentally disabled, other health – minor	\$3,849	\$3,926	\$4,005
3 Hearing impaired, severe behavior disabled	\$9,248	\$9,433	\$9,622
4 Vision impaired, other health – major	\$12,342	\$12,589	\$12,841
5 Orthopedically disabled, multi-disabled	\$16,715	\$17,049	\$17,390
6 Autism, traumatic brain injury, both visually and hearing impaired	\$24,641	\$25,134	\$25,637

### K-3 Literacy Funds

The budget increases the per-pupil amounts used to calculate each district's K-3 literacy funds by roughly 5% per year. The following table provides the per-pupil amount for each of the component's two tiers provided under H.B. 64 as well as the per-pupil amounts in FY 2015.

<b>K-3 Literacy Funds Per-Pupil Amounts</b>			
<b>Category</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Tier 1 (State pays 100%)	\$115	\$121	\$127
Tier 2 (Equalized according to state share index)	\$175	\$184	\$193

### Career-Technical Education Funds

The budget increases the per-pupil amounts used to calculate career-technical education funds by 4.0% per year for each of the five categories used for funding purposes and for associated services funds. These categories and the amounts are given in the table below.

<b>Career-Technical Education and Associated Services Per-Pupil Amounts</b>			
<b>Category</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
1 Workforce development programs in agricultural and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	\$4,800	\$4,992	\$5,192
2 Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, arts and communications, and transportation systems	\$4,550	\$4,732	\$4,921
3 Career-based intervention programs	\$1,660	\$1,726	\$1,795
4 Workforce development programs in education and training, marketing, workforce development academics, public administration, and career development	\$1,410	\$1,466	\$1,525
5 Family and consumer science programs	\$1,210	\$1,258	\$1,308
Associated Services	\$227	\$236	\$245

### Targeted Assistance

The budget changes the computation of the supplemental tier of targeted assistance to target it more directly to the most rural low-wealth districts. The budget continues to determine each district's agricultural percentage in a manner similar to the H.B. 59 formula, though the percentage is recalculated each year rather than fixed for both years of the biennium. Supplemental targeted assistance is calculated by subtracting 10% from each district's agricultural percentage and multiplying the difference by 40% of the formula amount (\$2,360 in FY 2016 and \$2,400 in FY 2017) and then by the district's net formula ADM.<sup>3</sup> Thus, only districts with more than 10% agricultural real property qualify for this funding. However, unlike the H.B. 59 formula, a district may receive supplemental targeted assistance funds under the budget even if it does not receive base tier targeted assistance. Under the H.B. 59 formula, a district's supplemental tier was calculated based on a sliding percentage of up to 40% of its base tier of targeted assistance depending on the district's agricultural percentage. The calculation of supplemental targeted assistance funds under the budget is summarized below.

---

<sup>3</sup> A district's net formula ADM under the budget continues to be the district's formula ADM after subtracting the district's EdChoice Scholarship ADM, Autism Scholarship ADM, Jon Peterson Special Needs Scholarship ADM, e-school ADM, and 75% of "brick and mortar" community and STEM school ADM.

<b>Supplemental Targeted Assistance Funds</b>
District agricultural percentage = Three-year average valuation of district agricultural real property / Three-year average valuation of all real property in district
Supplemental targeted assistance funds = (District agricultural percentage – 0.1) x (0.4 x Formula amount) x Net formula ADM  If this calculation results in a negative number, then Supplemental targeted assistance funds = \$0
Three-year average valuation for FY 2016 = Average valuation for TYs 2012, 2013, and 2014 Three-year average valuation for FY 2017 = Average valuation for TYs 2013, 2014, and 2015

**Capacity Aid**

The budget adds a new funding component that targets funding to smaller districts with relatively low total property valuation. This component, capacity aid, is based on the amount a district can raise with one mill and is provided to districts that raise less than the median amount. The aid is calculated on a sliding scale so that districts further from the median receive a higher amount. This sliding scale is determined by a district's capacity ratio. The capacity ratio is calculated by multiplying each district's three-year average total property valuation by 0.001 to determine its capacity amount and then dividing the statewide median capacity amount by the district's capacity amount. The formula then subtracts a value of one from that quotient so that only districts below the median capacity amount qualify for funding. No district's capacity ratio may exceed a value of 2.5.

<b>Capacity Ratio</b>
District capacity amount = Three-year average valuation x 0.001
Capacity ratio = The lesser of [(Median capacity amount / District capacity amount) – 1] or 2.5  If this calculation results in a negative number, then Capacity ratio = 0
Three-year average valuation for FY 2016 = Average valuation for TYs 2012, 2013, and 2014 Three-year average valuation for FY 2017 = Average valuation for TYs 2013, 2014, and 2015

Next, the formula calculates the capacity aid per pupil amount, which is the median capacity amount divided by the average formula ADM of all of the districts with capacity amounts below the median capacity amount.

<b>Capacity Aid Per-Pupil Amount</b>
Capacity aid per-pupil amount = Median capacity amount / Average formula ADM of all districts with capacity amounts below the median capacity amount

Finally, capacity aid is calculated by multiplying the capacity aid per-pupil amount by the district's formula ADM by the capacity aid multiplier (values of 2.75 in FY 2016 and 3.50 in FY 2017) and then by the capacity ratio.

<b>Capacity Aid</b>
Capacity aid = Capacity aid per-pupil amount x Formula ADM x Capacity aid multiplier x Capacity ratio
Capacity aid multiplier = 2.75 in FY 2016 and 3.50 in FY 2017

### Performance Bonuses

The budget adds two new components based on school district four-year graduation rates and third grade reading proficiency rates in an effort to incentivize performance. Each bonus payment is discussed in more detail below

#### Graduation Bonus

The formula's new graduation bonus payment is calculated by multiplying a district's graduation rate on its most recent report card by a per-pupil amount equal to 7.5% of the formula amount (\$443 in FY 2016 and \$450 in FY 2017). Each district's per-pupil amount is then multiplied by the number of the district's graduates and then by the district's state share index.

<b>Graduation Bonus</b>
Graduation bonus = Graduation rate x 0.075 x Formula amount x Graduate count x State share index
Graduation rate = Four-year adjusted cohort graduation rate on most recent report card
Graduate count = Number of graduates reported to ODE for the same school year for which the most recent report card is issued

#### Third Grade Reading Bonus

The formula's new third grade reading bonus payment is calculated by multiplying a district's third grade reading proficiency percentage by 7.5% of the formula amount (same as the graduation bonus). Each district's per-pupil amount is then multiplied by the number of the district's third graders who score proficient or higher in reading and then by the district's state share index.

<b>Third Grade Reading Bonus</b>
Third grade reading bonus = Third grade reading proficiency percentage x 0.075 x Formula amount x Number of proficient or higher readers in third grade x State share index
Third grade reading proficiency percentage = The number of a district's students scoring at a proficient or higher level of skill on the third grade English language arts assessment for the immediately preceding school year / The total number of the district's students required to take that assessment for the immediately preceding school year

## **Pupil Transportation**

While the budget largely retains the mechanism used to allocate funding to school districts under the pupil transportation formula, two significant adjustments are made. The budget decreases the minimum state share applied to a district's calculated transportation cost to 50% from the former level of 60%. This formula change, combined with additional appropriations in GRF appropriation item 200502, Pupil Transportation, provide full funding for the formula's calculated amounts. This is in contrast to the formula under H.B. 59, which required ODE to prorate the calculated amount for each district to fit within the appropriation. As a result, the budget eliminates proration of the payments as well as the H.B. 59 transportation supplement for low-wealth and low-density districts, which was calculated as the difference between the base unrestricted amount and the prorated amount.

In a separate provision, the budget creates the School Transportation Joint Task Force to study the appropriate transportation funding formula and relationship, duties, and responsibilities between school districts, community schools, and nonpublic schools regarding student transportation. The Task Force must submit its report to the General Assembly by February 1, 2016.

## **Transportation Supplement**

The budget replaces the H.B. 59 transportation supplement with a new supplement that is targeted to districts with low density to aid these districts with transportation operating costs. To calculate the supplement, the formula first determines each district's transportation supplement percentage, which is based on district rider density (defined as total ADM per square mile). The percentage is equal to a rider density threshold of 35 in FY 2016 and 50 in FY 2017 minus the district's rider density, the result of which is then divided by 100. Thus, lower density districts have a higher transportation supplement percentage, up to a theoretical maximum of 35% in FY 2016 and 50% in FY 2017. Districts above the density threshold in each fiscal year do not receive funding from this component.

Each district's supplement is calculated by multiplying the transportation supplement percentage by the district's calculated mile base from the main pupil transportation formula and then by a fixed value of 0.55. The calculation of the transportation supplement is summarized in the table below.

<b>Transportation Supplement</b>
Transportation supplement percentage = (Density threshold – District rider density) / 100
Density threshold = 35 in FY 2016 and 50 in FY 2017
District rider density = District total ADM / District square miles
Transportation supplement = Transportation supplement percentage x district mile base x 0.55 If this calculation results in a negative number, then Transportation supplement = \$0
District mile base = Statewide cost per mile x district annual miles driven

### State Aid Adjustments

#### Temporary Transitional Aid

Under the H.B. 59 formula, temporary transitional aid was provided to districts to guarantee 100% of their FY 2013 state aid. In general, the budget updates the calculation of temporary transitional aid to guarantee 100% of a district's FY 2015 state aid. However, in FY 2017, career-technical education and career-technical education associated services funds are provided outside of the guarantee. To account for this, the transitional aid guarantee base in FY 2017 is adjusted by subtracting each district's FY 2016 career-technical education and career-technical education associated services funds. The calculation of temporary transitional aid is summarized below.

<b>Temporary Transitional Aid</b>
Temporary transitional aid = Transitional aid guarantee base – Foundation funding for the guarantee If this calculation results in a negative number, then Temporary transitional aid = \$0
Foundation funding for the guarantee in FY 2016 = Opportunity grant + Targeted assistance + Special education additional aid + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Career-technical education funds + Career-technical education associated services funds + Capacity aid + Graduation bonus + Third grade reading bonus + Pupil transportation funds + Transportation supplement
Foundation funding for the guarantee in FY 2017 = Opportunity grant + Targeted assistance + Special education additional aid + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid + Graduation bonus + Third grade reading bonus + Pupil transportation funds + Transportation supplement
Transitional aid guarantee base in FY 2016 = FY 2015 foundation funding
Transitional aid guarantee base in FY 2017 = Transitional aid guarantee base in FY 2016 – (FY 2016 Career-technical education funds + FY 2016 Career-technical education associated services funds)

#### Gain Cap

Foundation funding under the budget continues to be subject to a gain cap. In FY 2015, the gain cap was set at 10.5% compared to the previous year's foundation funding. The budget sets the gain cap at 7.5% of prior year funding in each year of the biennium, but exempts capacity aid, the transportation supplement, the graduation bonus, the third grade reading bonus, and, in FY 2017 only, career-technical education and career-technical education associated services funds from the cap. Thus, each

district will receive the full calculated amounts of these exempt components, whether or not the district is subject to the gain cap. Similar to the H.B. 59 formula, special education additional funds, career-technical education funds and career-technical education associated services funds in FY 2016 only, and pupil transportation funds, while included in the cap calculations, are exempt from the gain cap unless the calculated amounts for the other components are insufficient to fully comply with the cap limitation. In that case, ODE may proportionally reduce a district's calculated amount of those funds. This means that the cap will likely apply only to the opportunity grant, targeted assistance, K-3 literacy funds, economically disadvantaged funds, limited English proficiency funds, and gifted funds. The calculation of the gain cap is summarized below.

<b>Gain Cap</b>
Gain cap = Limitation base x 1.075
Limitation base in FY 2016 = the following FY 2015 amount after any reductions to comply with the gain cap: Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Career-technical education funds + Career-technical education associated services funds + Prorated transportation aid + Temporary transitional aid
Limitation base in FY 2017 = the following FY 2016 amount after any reductions to comply with the gain cap: Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Transportation aid + Temporary transitional aid

**Final State Aid**

A district's final state aid in each fiscal year is the lesser of the district's foundation funding subject to the gain cap or its gain cap computed above plus the amounts computed for the district for the components exempt from the gain cap. The calculation of final state aid for each school district is summarized below.

<b>Final State Aid</b>
Final state aid in FY 2016 = (the lesser of Foundation funding subject to the gain cap or the gain cap) + Capacity aid + Transportation supplement + Graduation bonus + Third grade reading bonus
Final state aid in FY 2017 = (the lesser of Foundation funding subject to the gain cap or the gain cap) + Career-technical education funds + Career-technical education associated services funds + Capacity aid + Transportation supplement + Graduation bonus + Third grade reading bonus
Foundation funding subject to the gain cap in FY 2016 = Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Career-technical education funds + Career-technical education associated services funds + Pupil transportation aid + Temporary transitional aid
Foundation funding subject to the gain cap in FY 2017 = Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Pupil transportation aid + Temporary transitional aid

## Joint Vocational School District Funding

JVSDs continue to be funded separately from regular school districts. The budget largely retains the method used to determine the amount and allocation of state aid for JVSDs, though some adjustments are made. For example, the budget calculates the opportunity grant, special education additional funds, and career-technical education funds using the same increased per-pupil amounts as traditional school districts in FY 2016 and FY 2017. Also, the budget specifies that no JVSD's opportunity grant may be less than 5% times the formula amount times the district's student count. In effect, this provision also sets a floor of 5% for the state share percentage. Under the H.B. 59 formula, if a JVSD's local charge-off was greater than its total opportunity grant amount, the district's opportunity grant and state share percentage were zero. The budget provides JVSDs with a new graduation bonus calculated in the same manner as that for traditional school districts. Finally, the budget also adjusts core foundation funding by guaranteeing and limiting foundation funding in substantially the same manner as traditional school districts, including exempting career-technical education funds and career-technical education associated services funds from the guarantee and the gain cap in FY 2017.

## Deductions and Transfers

The budget continues to count most students in the district where they reside. If a student is educated in a community school, STEM school, another district through open enrollment, or a chartered nonpublic school through a state scholarship program, or if students take college-level courses through the revamped College Credit Plus Program (formerly the Post-Secondary Enrollment Options Program (PSEO)), funding for that student is generally deducted from the state aid allocated to the resident district and transferred to the educating school, district, or program. The budget retains the overall structure of the formulas used to calculate the deductions from school districts, but, in general, uses the same dollar amounts as are used in the formula for traditional school districts in FY 2016 and FY 2017. Changes to the state's scholarship programs, including the amounts deducted and other program criteria, are described below.

### EdChoice Scholarship Program

The budget changes the calculation of deductions and transfers for the Educational Choice ("EdChoice") Scholarship Program. The budget increases the maximum scholarship amount for high school students from \$5,000 to \$5,900 in FY 2016 and \$6,000 in FY 2017, and also increases the maximum amount for elementary students from \$4,250 to \$4,650. The budget also makes two changes to eligibility criteria. First, the budget extends through the 2016-2017 school year the safe harbor provisions related to achievement assessment score results and report card ratings that are currently in effect for only the 2014-2015 school year for students, public schools, and teachers,

including a provision that prohibits report card ratings from being used to determine EdChoice Scholarship Program eligibility. Second, the bill changes the basis for eligibility based on performance index score ranking of a student's assigned district building, from a ranking based on the performance index scores of all public schools to a ranking based on the performance index scores of all buildings operated by city, local, and exempted village school districts.

### **Autism and Jon Peterson Special Needs Scholarship Programs**

The budget increases the maximum amount of a scholarship awarded under the Autism and Jon Peterson Special Needs (JPSN) Scholarship programs from \$20,000 to \$27,000. Under the Autism Scholarship Program, the amount of the scholarship is the lesser of the maximum amount or the total fees charged by the alternative provider. Under the JPSN program, the amount of the scholarship cannot exceed the maximum and is the lesser of the tuition charged by the alternate provider and the sum of the formula amount and the applicable special education amount for the student's disability category.

### **Cleveland Scholarship Program**

The budget modifies the Cleveland Scholarship Program by eliminating the limitation on the number of scholarships awarded to students who were already enrolled in a nonpublic school when the student applied for the scholarship. The prior limit was 50% of all Cleveland Pilot Program scholarships awarded. The budget also specifies that, in order for a private secondary school to participate in the program, the private school must be located in a school district that is located within five miles of the pilot project (Cleveland) school district's border, rather than adjacent to the pilot project school district. This modification is in addition to current law requiring the private school be located in a school district that is located in a municipal corporation with a population of at least 50,000.

### **Property Tax Reimbursement Phase-out**

The budget resumes the phase-out of payments currently being made to school districts and other local taxing units to partly reimburse them for the loss of property tax revenue resulting from previously legislated reductions in local property taxes on tangible personal property (TPP). Beginning in 2001, the taxable value of some electric utility TPP was reduced by legislation that partly deregulated electric utilities. Subsequent utility deregulation legislation in following years reduced the taxable value of natural gas utility TPP and telephone utility TPP. In 2005, legislation eliminated taxes on TPP used in business over a five-year period. These reductions caused locally levied property taxes to decline accordingly. The legislation provided initial reimbursement for most of the revenue loss and gradual phase-out of the reimbursement over several years. In FY 2012 and FY 2013, Am. Sub. H.B. 153 of the 129th General Assembly

accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement in FY 2011. Reimbursements were phased out in FY 2012 and FY 2013 so that each district's reliance on the reimbursements fell by up to 2% per year. Under former law, reimbursement payments were generally constant for those districts whose reimbursements had not already been phased out under the changes in H.B. 153.

The budget resumes the phase-out of reimbursements for the loss of property tax revenue from tax on business TPP and for the reduction in taxes on some public utility TPP. The phase-out of TPP reimbursements will resume in FY 2016 on the basis of a district's combined business and utility property tax replacement payments in FY 2015. Payments based on the current expense class of tax levies are reduced by a certain percentage of total resources each year, starting between 1% and 2% in FY 2016, according to the district's property wealth and personal income. As a result, payments to districts with lower per-pupil property wealth and personal income are phased out more gradually. As the percentages increase incrementally each year, the amount of a district's payment decreases until the payments eventually end. Reimbursements based on emergency levies are phased out over five years, while payments for permanent improvement levies end after FY 2016. In FY 2015, reimbursement payments to school districts are appropriated at \$510.0 million. The budget decreases the appropriation for the reimbursements to \$361.8 million in FY 2016 and \$251.6 million in FY 2017.<sup>4</sup>

### **TPP Supplement**

Under the foundation formula in the budget, a school district's state aid generally may not fall below its FY 2015 level in FY 2016 or FY 2017. However, due to the phase-out of TPP replacement payments described above, a school district's combined amount from these sources may be less than what was received in FY 2015. In response, the budget provides supplemental funding to traditional school districts to guarantee that the combined amount of foundation funding and fixed-rate operating direct reimbursements for TPP tax losses does not fall below the FY 2015 level in FY 2016. The budget appropriates \$50.6 million for these payments in FY 2016, which are funded through transfers from the Medicaid Reserve Fund (Fund 5Y80) and FY 2015 GRF surplus revenues.

---

<sup>4</sup> The budget moves the appropriation for these reimbursements out of ODE's budget and into a separate State Revenue Distributions section of the budget.

## Early Childhood Education

The budget increases the funding for early childhood education programs by \$15.0 million in FY 2016 and another \$10.0 million in FY 2017. The additional funding will provide access to early childcare for approximately 3,675 additional children in FY 2016 and 6,125 in FY 2017. The budget also limits eligibility for the program in FY 2017 to only four-year-olds, instead of three-and four-year-olds as under former law.

Beginning in FY 2017, the budget requires the development of joint processes between the Ohio Department of Job and Family Services (ODJFS)-administered Publicly Funded Child Care Program, and ODE's Early Childhood Education Program in the areas of program eligibility determinations, applications, attendance tracking, and alignment of copays. The budget also permits community schools sponsored by exemplary authorizers or certain high-performing community schools to offer preschool opportunities.

## Career Counseling

The budget creates the Ohio Career Counseling Pilot Program, which utilizes career-technical planning districts (CTPDs) to deliver comprehensive career counseling services to students in grades 7-12. The program aims to connect students to career mentors, provide students with experiential learning opportunities and career pathways, and offer career-focused counseling for students. Participating institutions are required to establish participation and outcome goals and to report results to ODE each fiscal year. The bill requires ODE to compile results and provide a report to the Governor and General Assembly each fiscal year. Funding of just over \$1 million per year supports seven CTPDs for the biennium.

## Straight A Program

The budget extends the Straight A Program to FY 2016 and FY 2017, but funds it at a much lower level than in the previous biennium. This program was created by H.B. 59 of the 130th General Assembly to provide grants for FY 2014 and FY 2015 to school districts, educational service centers (ESCs), community schools, STEM schools, college-preparatory boarding schools, individual school buildings, education consortia, institutions of higher education, and private entities partnering with one or more of those educational entities. The purpose of those grants is to fund projects aiming to achieve significant advancement in one or more of the following goals: (1) student achievement, (2) spending reduction in the five-year fiscal forecast, (3) utilization of a greater share of resources in the classroom, and (4) use of a shared services delivery model.

The bill largely retains the provisions of the Straight A Program, as enacted in H.B. 59 and as subsequently amended in H.B. 342 of the 130th General Assembly. It does, however, change these provisions to (1) permit governmental entities partnering with one or more educational entities to apply for grants, (2) replace the requirement

that the Straight A governing board issue a decision on a grant application within 90 days of receiving the application with a requirement that the board issue a "timely decision," and (3) eliminate the advisory committee that annually reviewed the grant program and provided strategic advice to the governing board and the Director of the Governor's Office of 21st Century Education. H.B. 64 allocates \$15 million each fiscal year for the program, down from the \$144.7 million in funding for FY 2015. The budget also changes the funding source for the program from lottery profits to a transfer from FY 2015 GRF surplus revenues.

### **Competency-Based Education Pilot Program**

The bill establishes the Competency-Based Education Pilot Program to provide grants to school districts, community schools, and STEM schools for designing and implementing competency-based models of education for their students during the 2016-2017, 2017-2018, and 2018-2019 school years. Pilot sites receive up to \$200,000 in each fiscal year to plan and then implement those plans, and are also able to decide the scope of their projects.

### **Provisions Related to Testing**

#### **Test Administration**

The budget prohibits GRF appropriations from being used to purchase an assessment developed by the Partnership for Assessment of Readiness for College and Careers (PARCC) for use as the state elementary and secondary achievement assessments. PARCC supplied the state's elementary and secondary assessments in mathematics and English language arts (ELA) during the 2014-2015 school year.<sup>5</sup> The budget also prohibits federal Race to the Top program funds from being used for any purpose related to the state assessments.

The budget requires that assessments that are administered in the 2015-2016 school year be administered once each year, not over multiple testing windows, and in the second half of the school year, excluding high school end-of-course exams for a course completed in the first semester of the school year. It also requires that the length of those assessments be reduced as compared to the assessments that were administered in the 2014-2015 school year "in order to provide more time for classroom instruction and less disruption in student learning."

---

<sup>5</sup> Consequently, in July 2015, ODE selected American Institutes for Research (AIR) as its provider for the state's mathematics and ELA assessments during the 2015-2016 school year.

The budget extends for one year, through the 2015-2016 school year, provisions in effect for the 2014-2015 school year only that prohibit ODE from requiring districts and schools to administer computer-based assessments and permit districts and schools to administer any combination of computer- and paper-based assessments. However, the budget encourages districts and schools to administer computer-based assessments.

### **High School Graduation Testing Requirements**

The budget provides additional pathways to high school graduation for students who entered ninth grade prior to the 2014-2015 school year. Under current law, such students must attain a passing score on each of the Ohio Graduation Tests (OGT), but beginning with students who enter ninth grade in the 2014-2015 school year or later, high school students must complete one of three graduation pathways to be eligible for a diploma. Those pathways are: (1) score at "remediation-free" levels in English, math, and reading on nationally standardized assessments, (2) attain a cumulative passing score on the end-of-course examinations, or (3) attain a passing score on a nationally recognized job skills assessment and obtain either an industry-recognized credential or a state agency- or board-issued license for practice in a specific vocation.

The budget makes eligible for graduation a person who entered ninth grade prior to the 2014-2015 school year, and who satisfies either of the following conditions: (1) the person completes one of the graduation pathways described above, or (2) the person successfully completes some, but not all, areas of the OGT, but also completes one of the graduation pathways, in accordance with rules established by the State Board of Education. Under the budget, the State Board's rules must be adopted by December 31, 2015, and must prescribe the manner in which such a person may be eligible to graduate from high school under the second option described above.

## **Educator Provisions**

### **Coursework Exemption for High-Performing Teachers**

The bill requires the State Board to adopt rules by July 1, 2016, that exempt consistently high-performing teachers from the requirement to complete any additional coursework for the renewal of an educator license. Under the rules, these teachers must also be exempt from any requirements prescribed by the district's or school's professional development committee in regard to such coursework.

### **Teacher and Principal Evaluations**

The bill revises the alternative teacher evaluation and principal evaluation frameworks. Formerly, student growth and teacher performance measures comprised 50% each of a teacher evaluation. H.B. 362 of the 130th General Assembly provided an alternative framework that lowers the percentage of both components to 42.5% and provides for alternative measures such as student surveys and portfolios to comprise

the remaining 15%. The budget further reduces the student academic growth measure under the alternative framework to 35% and raises the teacher performance measure back to 50%. It also prohibits value-added ratings for use in teacher and principal evaluations prior to FY 2017, unless the district or school collectively agrees with its teachers or principals to use them.

### **School Counseling**

The bill makes several requirements for the Educator Standards Board, the State Board of Education, and school district boards of education concerning school counselors. Specifically, the bill requires the Educator Standards Board to develop standards for school counselors and requires that the State Board of Education develop a standards-based framework for the evaluation of school counselors that aligns with the Educator Standards Board standards, requires annual evaluation of all school counselors except as otherwise appropriate for high-performing counselors, assigns a rating, and satisfies other requirements. The bill requires school district boards to adopt an evaluation policy that conforms to the framework developed by the State Board and annually submit a report to ODE regarding its implementation of its evaluation policy.

### **Bright New Leaders for Ohio Schools Program**

The budget earmarks up to \$2 million per fiscal year for the Bright New Leaders for Ohio Schools Program, which provides an alternative path for individuals to receive training and development in the administration of primary and secondary education and leadership, enables those individuals to earn degrees and obtain licenses in public school administration, and promotes the placement of those individuals in public schools that have a poverty percentage greater than 50%. The budget also requires the State Board of Education to issue an alternative principal license or an alternative administrator license, as applicable, to an individual who successfully completes the Bright New Leaders for Ohio Schools Program and satisfies rules adopted by the State Board. H.B. 59 of the 130th General Assembly established a nonprofit entity to create and implement the Bright New Leaders for Ohio Schools Program. The budget removes the provision requiring the Ohio State University Fisher College of Business to serve as fiscal agent for the corporation.

## **Provisions Related to Community Schools**

### **Community School Law Reforms**

The budget includes a host of permanent law revisions to the Community School Law. Among other provisions, the bill requires ODE to present plans that propose the expansion of the authority of ODE's Office of Ohio School Sponsorship as a direct authorizer of community schools and make recommendations for a ratings rubric for community school sponsor evaluations. The bill also makes stipulations regarding

community school properties, transportation responsibilities between community schools and school districts, the authority of school districts to levy property taxes for community schools, schools for gifted children, preschool program eligibility, and school report card ratings.

### **Community School Facilities**

The budget increases from \$100 to \$150 in FY 2016 and \$200 in FY 2017 the per-pupil amount that brick-and-mortar community schools receive in order to assist with the costs of facilities. The budget also permits e-schools to receive funding of \$25 per-pupil in each fiscal year for this purpose.

### **School Security**

The budget requires the Board of Building Standards to adopt rules for a staff member of a public or private school or institution of higher education to use security devices, including devices that prevent both ingress and egress, for a finite period of time and in an emergency situation. Each public and private school and institution of higher education must train its staff members on the use of the barricade device and maintain a record verifying this training.

### **Vetoed Provisions**

#### **TPP Supplement – Second Year Funding**

The Governor vetoed the FY 2017 appropriation of \$78.3 million and supporting formula calculations that would have provided a second year of funding for the TPP supplement, which, as described above, is provided to school districts who would otherwise experience a decrease in the combined amount of funding from the foundation formula and fixed rate operating direct reimbursements for TPP tax losses compared to FY 2015. The supplement's formula and appropriations for FY 2016 remain in place.

Also vetoed was a related provision requiring the Director of Budget and Management to transfer \$12 million cash each fiscal year from the GRF to the School District TPP Supplement Fund (Fund 5RE0). The Governor retained provisions that authorized the transfer of funds from the Medicaid Reserve Fund (Fund 5Y80) and FY 2015 GRF surplus revenues to Fund 5RE0.

#### **Secondary Per-Pupil Guarantee**

The Governor vetoed a provision in the school funding formula that, after the temporary transitional aid guarantee and gain cap were applied, would have guaranteed school districts received at least 20% of the formula amount per pupil (\$1,180 in FY 2016 and \$1,200 in FY 2017), subject to a phase-in of 15% in FY 2016 and 25% in FY 2017.

### **Exemption from TPP Reimbursement Phase-Out for Certain Districts**

The Governor vetoed a provision that would have exempted a school district from the bill's resumption of the phase-out of property tax replacement payments if a nuclear power plant is located in the district's territory and the most recent year's replacement payments for fixed-rate levies equaled 10% or more of the district's total resources. Under this provision, such a school district would have continued to receive an annual payment equal to the payment it received in FY 2015, provided it continued to levy the tax for which the reimbursement is being paid. This provision would have affected two school districts – Perry Local School District in Lake County and Benton-Carroll-Salem Local School District in Ottawa County.

### **Removal of JVSD Spending Requirements**

The Governor vetoed a provision that would have removed a requirement of current law for a JVSD to spend at least 75% of the state career-technical education funding it receives on costs directly associated with career-technical education programs and not more than 25% on personnel expenditures.

## **ANALYSIS OF ENACTED BUDGET**

### **Introduction**

This section provides an analysis of the funding for each appropriation item in ODE's budget. In this analysis, ODE's line items are grouped into ten major categories. For each category, a table is provided listing the appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are enacted in the budget. If the appropriation is earmarked, the earmarks are listed and described. The ten categories used in this analysis are as follows:

1. Basic Public School Support;
2. Property Tax Reimbursements;
3. Educational Enhancements;
4. Nonpublic School Support;
5. School Operations Support;
6. Academic Achievement;
7. Early Childhood Education;
8. Educator Quality;
9. Curriculum, Assessment, and Accountability; and
10. State Administration.

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Categorization of ODE's Appropriation Line Items for Analysis of Enacted Budget			
Fund	ALI and Name		Category
<b>General Revenue Fund Group</b>			
GRF	200321	Operating Expenses	10: State Administration
GRF	200408	Early Childhood Education	7: Early Childhood Education
GRF	200420	Information Technology Development and Support	10: State Administration
GRF	200421	Alternative Education Programs	6: Academic Achievement
GRF	200422	School Management Assistance	5: School Operations Support
GRF	200424	Policy Analysis	9: Curriculum, Assessment, and Accountability
GRF	200425	Tech Prep Consortia Support	3: Educational Enhancements
GRF	200426	Ohio Educational Computer Network	5: School Operations Support
GRF	200427	Academic Standards	9: Curriculum, Assessment, and Accountability
GRF	200437	Student Assessment	9: Curriculum, Assessment, and Accountability
GRF	200439	Accountability/Report Cards	9: Curriculum, Assessment, and Accountability
GRF	200442	Child Care Licensing	7: Early Childhood Education
GRF	200446	Education Management Information System	9: Curriculum, Assessment, and Accountability
GRF	200447	GED Testing	9: Curriculum, Assessment, and Accountability
GRF	200448	Educator Preparation	8: Educator Quality
GRF	200455	Community Schools and Choice Programs	1: Basic Public School Support
GRF	200457	STEM Initiatives	3: Educational Enhancements
GRF	200465	Education Technology Resources	5: School Operations Support
GRF	200502	Pupil Transportation	1: Basic Public School Support
GRF	200505	School Lunch Match	5: School Operations Support
GRF	200511	Auxiliary Services	4: Nonpublic School Support
GRF	200532	Nonpublic Administrative Cost Reimbursement	4: Nonpublic School Support
GRF	200540	Special Education Enhancements	3: Educational Enhancements
GRF	200545	Career-Technical Education Enhancements	3: Educational Enhancements
GRF	200550	Foundation Funding	1: Basic Public School Support
GRF	200566	Literacy Improvement	6: Academic Achievement
GRF	200572	Adult Diploma	6: Academic Achievement
GRF	200573	EdChoice Expansion	1: Basic Public School Support
GRF	200574	Half-Mill Maintenance Equalization	1: Basic Public School Support
GRF	200576	Adaptive Sports Program	3: Educational Enhancements
GRF	200588	Competency Based Education Pilot	6: Academic Achievement
GRF	200597	Education Program Support	8: Educator Quality

<b>Categorization of ODE's Appropriation Line Items for Analysis of Enacted Budget</b>			
<b>Fund</b>	<b>ALI and Name</b>		<b>Category</b>
<b>Dedicated Purpose Fund Group</b>			
4520	200638	Fees and Refunds	10: State Administration
4540	200610	GED Testing	9: Curriculum, Assessment, and Accountability
4550	200608	Commodity Foods	5: School Operations Support
4L20	200681	Teacher Certification and Licensure	8: Educator Quality
5980	200659	Auxiliary Services Reimbursement	4: Nonpublic School Support
5H30	200687	School District Solvency Assistance	5: School Operations Support
5KX0	200691	Ohio School Sponsorship Program	1: Basic Public School Support
5MM0	200677	Child Nutrition Refunds	5: School Operations Support
5RB0	200644	Straight A Fund	6: Academic Achievement
5RE0	200697	TPP Supplement	1: Basic Public School Support
5U20	200685	National Education Statistics	9: Curriculum, Assessment, and Accountability
6200	200615	Educational Improvement Grants	10: State Administration
<b>Internal Service Activity Fund Group</b>			
1380	200606	Information Technology Development and Support	10: State Administration
4R70	200695	Indirect Operational Support	10: State Administration
4V70	200633	Interagency Program Support	10: State Administration
<b>State Lottery Fund Group</b>			
7017	200612	Foundation Funding	1: Basic Public School Support
7017	200629	Community Connectors	6: Academic Achievement
7017	200684	Community School Facilities	5: School Operations Support
<b>Federal Fund Group</b>			
3090	200601	Neglected and Delinquent Education	3: Educational Enhancements
3670	200607	School Food Services	5: School Operations Support
3700	200624	Education of Exceptional Children	3: Educational Enhancements
3AF0	200603	Schools Medicaid Administrative Claims	3: Educational Enhancements
3AN0	200671	School Improvement Grants	6: Academic Achievement
3C50	200661	Early Childhood Education	7: Early Childhood Education
3CG0	200646	Teacher Incentive	8: Educator Quality
3D10	200664	Drug Free Schools	5: School Operations Support
3D20	200667	Math Science Partnerships	3: Educational Enhancements
3EH0	200620	Migrant Education	3: Educational Enhancements
3EJ0	200622	Homeless Children Education	3: Educational Enhancements
3EK0	200637	Advanced Placement	9: Curriculum, Assessment, and Accountability
3FD0	200665	Race to the Top	6: Academic Achievement
3FN0	200672	Early Learning Challenge Grant – Race to the Top	7: Early Childhood Education

Categorization of ODE's Appropriation Line Items for Analysis of Enacted Budget			
Fund	ALI and Name		Category
3GE0	200674	Summer Food Service Program	5: School Operations Support
3GF0	200675	Miscellaneous Nutrition Grants	5: School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	5: School Operations Support
3GP0	200600	School Climate Transformation	6: Academic Achievement
3GQ0	200679	Project Aware	3: Educational Enhancements
3H90	200605	Head Start Collaboration Project	7: Early Childhood Education
3L60	200617	Federal School Lunch	5: School Operations Support
3L70	200618	Federal School Breakfast	5: School Operations Support
3L80	200619	Child/Adult Food Programs	5: School Operations Support
3L90	200621	Career-Technical Education Basic Grant	1: Basic Public School Support
3M00	200623	ESEA Title 1A	1: Basic Public School Support
3M20	200680	Individuals with Disabilities Education Act	1: Basic Public School Support
3Y20	200688	21st Century Community Learning Centers	6: Academic Achievement
3Y60	200635	Improving Teacher Quality	8: Educator Quality
3Y70	200689	English Language Acquisition	6: Academic Achievement
3Y80	200639	Rural and Low Income Technical Assistance	3: Educational Enhancements
3Z20	200690	State Assessments	9: Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	10: State Administration

## Basic Public School Support

This category of appropriations includes the major sources of state and federal formula-driven support for public schools.

Appropriations for Basic Public School Support				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200455	Community Schools and Choice Programs	\$ 3,651,395	\$ 3,731,395
GRF	200502	Pupil Transportation	\$ 567,723,920	\$ 603,486,409
GRF	200550	Foundation Funding	\$ 6,398,844,920	\$ 6,655,755,799
GRF	200573	EdChoice Expansion	\$ 23,500,000	\$ 31,500,000
GRF	200574	Half-Mill Maintenance Equalization	\$ 18,750,000	\$ 19,250,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 7,012,470,235</b>	<b>\$ 7,313,723,603</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
5KX0	200691	Ohio Schools Sponsorship Program	\$ 487,419	\$ 528,600
5RE0	200697	School District TPP Supplement	\$ 50,600,000	\$ -
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 51,087,419</b>	<b>\$ 528,600</b>
<b>State Lottery Fund Group (SLF)</b>				
7017	200612	Foundation Funding	\$ 987,650,000	\$ 1,042,700,000
<b>State Lottery Fund Group Subtotal</b>			<b>\$ 987,650,000</b>	<b>\$ 1,042,700,000</b>
<b>Federal Fund Group (FED)</b>				
3L90	200621	Career-Technical Education Basic Grant	\$ 44,663,900	\$ 44,663,900
3M00	200623	ESEA Title 1A	\$ 590,000,000	\$ 600,000,000
3M20	200680	Individuals with Disabilities Education Act	\$ 444,000,000	\$ 445,000,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 1,078,663,900</b>	<b>\$ 1,089,663,900</b>
<b>Total Funding: Basic Public School Support</b>			<b>\$ 9,129,871,554</b>	<b>\$ 9,446,616,103</b>

### Foundation Funding (200550 and 200612)

These items are the main source of state foundation aid payments to all school districts, community schools, and joint vocational school districts (JVSDs) in the state. The budget provides increases of \$343.3 million (4.9%) in FY 2016 and \$312.0 million (4.2%) in FY 2017 for these two line items combined. As described in the "**Overview**" section of this Greenbook, the budget largely retains the structure of the existing school funding formula to distribute state foundation aid to public schools and districts in FY 2016 and FY 2017, but makes some notable modifications. Appropriation item 200550 also includes earmarks, which are listed in the following table.

<b>200550, Foundation Funding</b>		
<b>Earmarks</b>	<b>FY 2016</b>	<b>FY 2017</b>
Catastrophic Cost Supplement	\$ 40,000,000	\$ 40,000,000
Gifted Education – Educational Service Centers	\$ 3,800,000	\$ 3,800,000
Educational Service Centers	\$ 37,950,000	\$ 41,400,000
School Improvement Initiatives – Educational Service Centers	\$ 3,500,000	\$ 3,500,000
Valuation Adjustments	\$ 20,000,000	\$ 20,000,000
CTPD GED Reimbursement	\$ 1,000,000	\$ 1,000,000
School Choice Programs	\$ 29,900,000	\$ 38,000,000
Cleveland School Choice Deduct	\$ 11,901,887	\$ 11,901,887
College Credit Plus for Home-Instructed Students	\$ 500,000	\$ 500,000
Private Treatment Facility Project	\$ 700,000	\$ 700,000
Bright New Leaders for Ohio Schools Program	\$ 2,000,000	\$ 2,000,000
Accelerate Great Schools	\$ 750,000	\$ -
Bellefaire JCB Social Advocates for Youth Program	\$ 200,000	\$ 200,000
Cleveland Museum of Natural History	\$ 150,000	\$ 150,000
Academic Distress Commissions	\$ 930,000	\$ 2,000,000
Remainder – Foundation Payments	\$ 6,257,464,920	\$ 6,502,505,799
<b>Total Funding: Foundation Funding</b>	<b>\$ 6,398,844,920</b>	<b>\$ 6,655,755,799</b>

### **Catastrophic Cost Supplement**

This funding is provided to support exceptionally high costs associated with individual special education students. Subject to the amount of funding appropriated, the state reimburses a portion of the cost of providing services above \$27,375 for students in categories two through five and above \$32,850 for students in category six.

### **Educational Service Center Gifted Education**

These funds are used to provide gifted education services at educational service centers (ESCs). Prior to FY 2010, gifted education was funded based on units. H.B. 1 of the 128th General Assembly changed gifted funding for school districts in the foundation formula, but continued to provide ESCs gifted unit funding based on the funding they received in FY 2009. The budget specifies that these funds be distributed to ESCs providing gifted services by using the unit-based funding model from FY 2009.

### **Educational Service Centers**

These funds are provided as state support to the 53 ESCs in Ohio. Under the budget, each ESC receives per-pupil funding of \$33 in FY 2016. In FY 2017, "high performing" ESCs that reduce client school district expenditures by coordinating and consolidating services will receive \$35 per pupil, whereas all other centers will continue to receive \$33 per pupil. As in prior budgets, ODE must prorate the amounts paid to ESCs if it is necessary to fit within the amount allocated.

**School Improvement Initiatives – Educational Service Centers**

These funds are used by ESCs to provide direct services to districts in support of their continuous improvement plans. All schools and districts benefit from this support; however, focus is placed on those identified with the highest level of need.

**Valuation Adjustments**

These funds are used for payments to school districts resulting from property tax refunds and certain recomputations of state foundation aid due to changes in property tax valuation. The budget requires ODE to prorate these payments, if needed, to remain within the earmarked amount.

**CTPD GED Reimbursement**

These funds are used to reimburse students taking the online General Educational Development (GED) test for the first time for application and test fees in excess of \$40. In January 2014, a revamped, online-only GED assessment debuted. Without state assistance, the new online assessment costs \$120 for the entire test. Under this program, a voucher is issued to individuals to reduce the cost of the test to no more than \$40 for the entire test, the amount charged for the former paper-based test. Any remaining funds in each fiscal year must be reimbursed to the Department of Youth Services and the Department of Rehabilitation and Correction for individuals in their facilities who have taken the GED for the first time.

**School Choice Programs**

This funding supports the Cleveland Scholarship and Tutoring Program in addition to the funds deducted from Cleveland's state aid allocation (see below). This earmark also may be used, along with appropriation item 200455, Community Schools and School Choice Programs, for ODE's costs in administering the state's other school choice programs.

**Cleveland School Choice Deduction**

This funding supports the Cleveland Scholarship and Tutoring Program, also known as the Pilot Project Scholarship Program, through a deduction from foundation funding calculated for the Cleveland Municipal School District (CMSD). This program provides scholarships to students who are residents of CMSD to be used to attend a participating nonpublic school. The budget eliminates the limitation on the number of scholarships awarded to students who were already enrolled in a nonpublic school when the student applied for the scholarship. The former limit was 50% of all Cleveland Pilot Program scholarships awarded. The budget also specifies that, in order for a private secondary school to participate in the program, the private school must be located in a school district that is located within five miles of the pilot project (Cleveland) school district's border, rather than adjacent to the pilot project school district.

For FY 2016, there are 39 chartered nonpublic schools registered to participate in the program. The program serves students in grades K-12, giving priority to students from low-income families. Scholarships are based on a school's tuition cost, with a maximum scholarship of \$4,250 for students in grades K-8 and \$5,700 for students in grades 9-12. In FY 2014, 6,337 students participated in the program with an estimated average scholarship of \$4,552. Scholarship students are not counted in Cleveland's ADM for funding purposes. In addition to scholarships, the program funds tutoring services for students who remain in CMSD. The budget sets aside \$1.0 million in each fiscal year from this earmark for CMSD to provide tutorial assistance. The budget maintains the total deduction at its FY 2015 level.

#### **College Credit Plus for Home-Instructed Students**

This funding is used to make payments on behalf of students instructed at home and enrolled in the College Credit Plus Program in FY 2016 and FY 2017.

#### **Private Treatment Facility Project**

These funds pay for educational services for youth who have been assigned by a court to a facility participating in the Private Treatment Facility Project. The facilities are to follow certain performance standards, ensure that the students participate in required assessments, and ensure that special education students have an individualized education program (IEP) and receive appropriate services.

#### **Bright New Leaders for Ohio Schools Program**

This funding is used to provide an alternative path for individuals to receive training and development in the administration of primary and secondary education and leadership, enable those individuals to earn degrees and obtain licenses in public school administration, and promote the placement of those individuals in public schools that have a poverty percentage greater than 50%. H.B. 59 of the 130th General Assembly established a nonprofit entity to create and implement the Bright New Leaders for Ohio Schools Program. Under the budget, the State Board of Education is required to issue alternative principal or administrator licenses, as applicable, to an individual who successfully completes the Bright New Leaders for Ohio Schools Program and satisfies rules adopted by the State Board. The budget also removes the requirement that the Ohio State University Fisher College of Business serve as fiscal agent for the nonprofit.

#### **Accelerate Great Schools**

These funds provide matching dollars in FY 2016 to support the Accelerate Great Schools public-private partnership. Specifically, the funding is provided to increase the number of high-performing schools in Cincinnati, attract and develop excellent school

leaders and teachers, and engage families and communities in fostering educational improvement.

#### **Bellefaire JCB Social Advocates for Youth Program**

This funding is used to support Bellefaire JCB's Social Advocates for Youth Program, a prevention and early intervention program developed for students in middle and high school.

#### **Cleveland Museum of Natural History**

This funding is used to support programming at the Cleveland Museum of Natural History.

#### **Academic Distress Commissions**

This funding is to be used by ODE for duties and activities related to the establishment of academic distress commissions. A portion of the funds may be used as matching funds for contributions made by a school district for which an academic distress commission is established or by the district's local community to support innovative education programs or a high-quality school accelerator.

#### **College-Preparatory Boarding Schools**

The budget earmarks an unspecified amount of money from this line item to support state payments to any college-preparatory boarding school for the per-pupil boarding amount. In general, the per-pupil boarding amount is \$25,000.

#### **Community and STEM School Performance Bonuses**

This budget also earmarks an unspecified amount of funding to support performance bonus payments based on graduation rates to community and STEM schools and a performance bonus payment related to third-grade reading proficiency to community schools (STEM schools only serve grades 6-12 and are thus ineligible to receive the third-grade reading bonus). The payments are calculated in generally the same manner as that described for traditional school districts in the "**Overview**" section except that the state share index is not applied.

#### **Remainder – Foundation Payments**

The remaining funding is provided to support the general operating expenses of traditional school districts, JVSDs, community schools, and STEM schools. These funds are combined with lottery funding from item 200612.

#### ***Educational Choice Scholarship Pilot Program***

Foundation payments also support the Educational Choice Scholarship Pilot Program that awards scholarships that can be used to attend participating nonpublic schools. All traditional scholarship students are counted in their resident district's ADM for the purposes of calculating funding through the school funding formula. The budget

increases the maximum scholarship amount from \$4,250 to \$4,650 for students in grades K-8 and from \$5,000 to \$5,900 in FY 2016 and to \$6,000 in FY 2017 for students in grades 9-12. In FY 2014, 16,987 scholarships were awarded.

Under continuing law, students are eligible for EdChoice if the public school they would normally be assigned to is "low performing." The budget makes some adjustments to the eligibility criteria for the traditional scholarship program. EdChoice scholarships are also provided to certain low-income students, regardless of the performance of their public school. The budget funds these scholarships directly from GRF line item 200574, EdChoice Expansion, not through a deduction of school district foundation funding (see GRF line item 200574, EdChoice Expansion, below).

#### ***Autism Scholarship Program***

Foundation payments also support the Autism Scholarship Program. Scholarship students are counted in their district's ADM for the purposes of the state funding formula. The budget increases the maximum amount of a scholarship from \$20,000 to \$27,000. The amount of the scholarship, the lesser of the total fees charged by the alternative provider or \$27,000, is deducted from the resident district's state aid and paid to the alternative provider. Currently, 253 providers are registered to participate in the program. In FY 2014, 2,623 students received scholarships.

#### ***Jon Peterson Special Needs Scholarship Program***

The Jon Peterson Special Needs Scholarship Program is similar to the Autism Scholarship Program except that it is available to all disabled students with an IEP established by their resident school districts. Funding for the program is provided in the same way as that of the Autism Scholarship Program, through a transfer of state aid from the resident district to the alternate provider. Scholarship students are also counted in their district's ADM for the purposes of the state funding formula. The budget increases the maximum amount of a scholarship from \$20,000 to \$27,000. The amount of the scholarship is the lesser of the tuition charged by the alternate provider and the sum of the formula amount and the applicable special education amount for the student's disability category, but may not exceed the maximum (\$27,000). Currently, 287 providers are registered to participate. In FY 2014, 2,103 students received scholarships.

#### ***College Credit Plus***

The College Credit Plus (CCP) Program, which replaces the Post-Secondary Enrollment Options Program beginning in FY 2016, allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. Under the CCP Program, participating students are counted in their resident district's ADM and a deduction is made and transferred to the college or university attended by the students. If a student attends another district under open enrollment, a community

school, or a JVSD, state funding follows the student. Ultimately, the educating district or school pays the tuition cost. In general, CCP payments made by ODE will be based on the number of credit hours in which a student is enrolled during the previous term and certain default per credit hour amounts unless an agreement specifying an alternative payment structure is entered into by the high school and the college.

### **Pupil Transportation (200502)**

This line item supports the operating costs of transporting students to and from school. The budget increases funding for this line item by \$68.4 million (13.7%) in FY 2016 compared to FY 2015 spending of \$499.3 million, and by \$35.8 million (6.3%) in FY 2017 compared with the FY 2016 level. This item includes the following earmarks.

<b>200502, Pupil Transportation</b>		
<b>Earmarks</b>	<b>FY 2016</b>	<b>FY 2017</b>
Bus Driver Training	\$ 838,930	\$ 838,930
Special Education Transportation	\$ 60,469,220	\$ 60,469,220
Payment in lieu of Transportation	\$ 2,500,000	\$ 2,500,000
Remainder – Pupil Transportation and Transportation Supplement	\$ 503,915,770	\$ 539,678,259
<b>Total Funding: Pupil Transportation</b>	<b>\$ 567,723,920</b>	<b>\$ 603,486,409</b>

#### **Bus Driver Training**

These funds are used by ODE to contract with seven ESCs and one JVSD to administer and complete the Ohio Preservice Driver Training Program.

#### **Special Education Transportation**

This funding is provided to school districts and county boards of developmental disabilities to assist them in providing required transportation services to students with disabilities. In FY 2014, about 30,000 special education students were transported at a total cost of nearly \$195 million. The state reimbursed about 31% of this cost.

#### **Payments In Lieu of Transportation**

These funds are used to partially reimburse school districts that provide payments to parents in lieu of providing transportation services in cases where it is impractical for school districts to transport students to school. The bill continues a current law requirement that school districts must pay a minimum of \$250 per student but not more than the amount ODE determines as the average cost of pupil transportation for the previous school year.

#### **Remainder – Pupil Transportation and Transportation Supplement**

These funds are used to support school district costs for transporting students other than special education students. The state requires that districts provide transportation to the district's students as well as to certain community school students and nonpublic students who reside in the district. State transportation requirements

only apply to students in grades K-8 who live more than two miles from the school. However, the state funds transportation service for high school students and for students who live between one and two miles from the school in addition to the transportation services required by the state.

The budget modifies the pupil transportation formula by decreasing the minimum state share applied to a district's calculated transportation cost to 50% from the former level of 60% and provides full funding for the formula's calculated amounts. This is in contrast to the H.B. 59 formula, which required ODE to prorate the calculated amount for each district to fit within the appropriation. As a result, the budget eliminates proration of the payments as well as the H.B. 59 transportation supplement for low-wealth and low-density districts, which was calculated as the difference between the base unrestricted amount and the prorated amount.

The budget replaces the H.B. 59 transportation supplement with a new supplement that is targeted to districts with low density to aid these districts with transportation operating costs. In general, districts below certain specified density thresholds receive funding based on a varying percentage of the district's calculated mile base under the pupil transportation formula. The supplement is described further in the "**Overview**" section.

### **Community Schools and Choice Programs (200455)**

This line item is used by ODE to provide oversight and evaluation of community school sponsors and, along with funding provided in an earmark of appropriation item 200550, Foundation Funding, administration of other school choice programs. A portion of the line item may be used by ODE for developing and conducting training sessions for community schools and sponsors, prospective sponsors of community schools, and other schools participating in school choice programs.

### **Community School Law Reforms**

The budget includes a host of permanent law revisions to the Community School Law. Specifically, the bill requires schools districts offering school facilities or properties for sale or lease to offer them first to high-performing community schools, as specified in the bill. The bill clarifies transportation responsibilities between community schools and school districts, and also establishes a Transportation Joint Task Force to study transportation issues between school districts, nonpublic schools, and community schools. It also expands the authority of school districts to levy property taxes for community schools to include any school district containing a community school sponsored by a sponsor rated "exemplary" and makes other adjustments regarding revenue from tax levies for qualifying community schools. Additionally, the bill requires ODE to complete both a feasibility analysis of the establishment of 16 regional community schools for gifted children and a plan proposing the expansion of the

Department's authority to directly authorize community schools, as well as make recommendations for a ratings rubric for sponsor evaluations. Under the bill, community schools that received qualifying report card grades or that are sponsored by an entity rated "exemplary" by ODE are permitted to be licensed to operate a preschool program. Lastly, the budget authorizes community schools, in addition to school districts and STEM schools under current law, to submit a request for a waiver from administering assessments for the purpose of report card ratings during the 2015-2016 school year. For additional details, please see the LSC Bill Analysis.

### **School District TPP Supplement (200697)**

This new line item provides supplemental funding in FY 2016 to traditional school districts to guarantee that the combined amount of foundation funding and fixed-rate operating direct reimbursements for TPP tax losses, the phase-out of which is resumed under the budget, does not fall below the FY 2015 level in FY 2016. The payments are supported by transfers from the Medicaid Reserve Fund (Fund 5Y80) and FY 2015 GRF surplus revenues.

### **EdChoice Expansion (200573)**

This new line item supports the EdChoice scholarships provided to students whose family income is less than 200% of the federal poverty guidelines (FPG), regardless of the academic rating of the school they would otherwise attend. Formerly, the scholarships were funded through an appropriation of state lottery profits in Fund 7017, appropriation item 200666. The budget moves the funding for income-based scholarships to the GRF.

The budget continues to phase in additional grades under continuing law by increasing the funding to account for eligible students in the second and third grades in FY 2016 and FY 2017, respectively. The number of scholarships awarded under the expansion will be limited to the appropriation so that in FY 2016, 5,053 scholarships will be available (\$23.5 million/\$4,650 per scholarship) and in FY 2017, 6,774 scholarships will be available (\$31.5 million/\$4,560 per scholarship). In FY 2014, the first year of the program, 992 kindergarten students were awarded income-based scholarships.

### **Half-Mill Maintenance Equalization (200574)**

School districts participating in the Ohio School Facilities Commission's (SFC) School Building Assistance Program are required to levy one-half mill to help pay for the maintenance costs of their new or renovated buildings. This new GRF line item will be used to provide payments to districts for which the per-pupil tax revenues from this half-mill levy are less than the state average. The payments are equal to the difference between the district's yield per pupil and the state average yield per pupil at the time the district enters into the project agreement with SFC. The Half-Mill Equalization Program began in FY 2007.

Formerly, this program was funded through the transfer of excess funds from the School District Property Tax Replacement Fund (Fund 7053) that were not needed to make reimbursement payments to school districts for tax losses incurred as a result of the deregulation of electric and gas utilities. The excess funds were transferred to Fund 5BJ0 where they were used to make half-mill maintenance equalization payments from line item 200626. If the funds were not needed for the Half-Mill Equalization Program, they were used for the School Building Assistance Program.

The budget phases out the reimbursements in a manner that allows the deposit of a portion of kilowatt-hour tax receipts into Fund 7053, the funding source for the deregulation reimbursements, to end. Instead, all kilowatt-hour tax receipts will be deposited into the GRF. This necessitates the use of GRF funds for the Half-Mill Equalization Program going forward.

### **Ohio School Sponsorship Program (200691)**

The Ohio School Sponsorship Program, established by H.B. 153 of the 129th General Assembly, allows ODE to act as a sponsor to a limited number of community schools. For the first five years of the program, which began in FY 2012, ODE is limited to approving applications for the program to 15 existing and five new community schools each year. In FY 2015, ODE sponsored 21 community schools under the program. The Ohio School Sponsorship Fund (Fund 5KX0) was established by the Controlling Board on November 14, 2011, to support the administrative duties associated with ODE's sponsorship of these schools. The fund is supported by sponsorship fees of up to 3% of each community school's operating revenue.

### **Career-Technical Education Basic Grant (200621)**

These federal funds support the development of academic, career, and technical skills of secondary and post-secondary students who enroll in career and technical programs. A majority of these funds flow as entitlement grants to JVSDs and school districts based on census population, particularly the percentage of the population in poverty. ODE may use up to 10% of the state's grant allocation for state leadership activities in career-technical education and up to 5% for administration of the federally required state plan for career-technical education. A portion of the funds in appropriation item 200321, Operating Expenses, provides the dollar-for-dollar required state match for the administrative portion of the federal grant.

### **Individuals with Disabilities Education Act (200680)**

This line item supports the provision of special education and related services to students with disabilities. The federal Individuals with Disabilities Education Act (IDEA) requires that school districts provide a free and appropriate education to all children with disabilities from the age of three to the age of 21. These federal funds are provided to school districts, county developmental disabilities boards, the Ohio State

School for the Blind, the Ohio School for the Deaf, the Department of Youth Services, community schools, and chartered nonpublic schools to assist in the provision of this mandated education. A portion of these funds may be used by ODE for administration and other state-level activities.

### **ESEA Title 1A (200623)**

This appropriation item is used to distribute federal funding to school districts to provide educational services to disadvantaged students. School districts are allocated funding based on a federal formula. Nearly all districts receive basic grants, which are based on the state per-pupil education expenditure and the number of school-age children from low-income families. Three other types of grants are targeted to districts with high concentrations of poor students. Up to 1% of the grant award may be used by ODE to administer the program.

Ohio continues to operate under federal Elementary and Secondary Education Act (ESEA) flexibility waivers granted by the U.S. Department of Education, which release the state from a number of federal No Child Left Behind Act requirements in exchange for a rigorous and comprehensive state plan designed to improve educational outcomes, close achievement gaps, increase equity, and improve the quality of instruction. Under the waivers, since extended through the 2015-2016 school year, a school district having one or more schools identified as struggling the most in achievement or gap closing must set aside 20% of its Title I funds for required intervention and supports in those schools and, depending on the support status of the school, approved optional programs designed to improve achievement. Previously, schools in improvement status had 20% of their Title I funds set aside for public school choice transportation and tutoring services.

## Property Tax Reimbursements

This category of appropriations includes reimbursements to school districts for property tax losses due to state tax policy. The budget shifts the line items used to make the payments from ODE's budget section to the RDF budget section.

Appropriations for Property Tax Reimbursements				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200903	Property Tax Reimbursement – Education	\$ 1,181,760,000	\$ 1,201,340,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 1,181,760,000</b>	<b>\$ 1,201,340,000</b>
<b>Revenue Distribution Fund Group (RDF)</b>				
7047	200902	Property Tax Replacement Phase Out – Education	\$ 361,773,101	\$ 251,560,497
<b>Revenue Distribution Fund Group Subtotal</b>			<b>\$ 361,773,101</b>	<b>\$ 251,560,497</b>
<b>Total Funding: Property Tax Reimbursements</b>			<b>\$ 1,543,533,101</b>	<b>\$ 1,452,900,497</b>

### State Revenue Distributions

The State Revenue Distributions (RDF) section of the budget bill contains appropriations for line items used by several agencies to distribute money to designated recipients under various programs. Each of the funds in the RDF section of the budget is administered by a state agency, but the funds are not included as part of the budget of the administering agency. The budget moves line items related to property tax reimbursements out of ODE's budget section and into the RDF section.

Previously, property tax reimbursements were appropriated under ODE's budget, as GRF line item 200901, Property Tax Allocation – Education, and as RDF line items 200900, School District Property Tax Replacement – Utility, and 200909, School District Property Tax Replacement – Business. These line items have been replaced with the two discussed below.

### Property Tax Reimbursement – Education (200903)

The state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners, thus decreasing property taxes paid by individual property taxpayers in Ohio. These provisions are often referred to as property tax "rollbacks." This line item funds the rollback reimbursements for school districts and JVSs. H.B. 59 of the 130th General Assembly eliminated the rollbacks on new property taxes levied after TY 2014. This line item also funds the portion of the Homestead Exemption Program for the elderly and disabled payable to school districts. The Homestead Exemption Program includes all homeowners who are 65 years of age or older or who are disabled, and have an Ohio adjusted gross income of less than \$30,000. Prior to 2007, the homestead exemption was also means-tested. Persons who became eligible for the exemption from 2007 through 2013 were not subject to any income qualifications. H.B. 59 of the 130th General

Assembly reinstated means-testing for persons who had not received the exemption for TY 2013 and who became eligible for the exemption thereafter. Each homeowner receives an exemption equal to \$8,750 of taxable value (\$25,000 true value).

### **Property Tax Replacement Phase Out – Education (200902)**

The budget discontinues appropriation line items 200909, School District Property Tax Replacement – Business, and 200900, School District Property Tax Replacement – Utility, and instead uses this new line item to make the payments replacing the loss in school district tax revenues due to both the phase out of general business tangible personal property (TPP) tax and changes in the taxation of utilities. The budget phases down general business TPP and utility deregulation reimbursement payments and redirects the portion of kilowatt-hour tax revenues previously deposited into Fund 7053 for utility deregulation reimbursement payments to the GRF. The budget also reduces from 35% to 20% the share of the revenues from the commercial activity tax (CAT) credited to the School District Tangible Property Tax Replacement Fund (Fund 7047). Revenues from the CAT deposited into Fund 7047 support both TPP and utility deregulation payments. A brief history of both the TPP and utility deregulation reimbursements is presented below, followed by a summary of the plan to phase out the reimbursements.

### **General Business Tangible Personal Property Tax Reimbursements**

H.B. 66 of the 126th General Assembly started to phase out the tax on general business TPP. This phase-out began in TY 2006 and the tax was completely phased out by TY 2011. The lost property tax revenue for each district was determined by the Department of Taxation. Starting in FY 2011, the tax loss is \$1.1 billion for one year. Districts were compensated for this loss partially through an increase in state aid (the state education aid offset). H.B. 66 also created the CAT. Prior to the budget, 35% of the revenues from the CAT were deposited into RDF Fund 7047, which is used to provide direct reimbursements to districts for the value of the loss above the increase in state aid. Under H.B. 66, the direct reimbursements were scheduled to begin to be phased out beginning in TY 2014. In FY 2012 and FY 2013, H.B. 153 of the 129th General Assembly accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement in FY 2011. Reimbursements were phased out in FY 2012 and FY 2013 so that each district's reliance on the reimbursements fell by up to 2% per year. Under H.B. 153, the direct reimbursements were frozen at their FY 2013 level for FY 2014 and future years.

### **Property Tax on Utilities Reimbursements**

S.B. 3 and S.B. 287 of the 123rd General Assembly deregulated electric and natural gas utilities in Ohio, reduced the property tax assessment rates on utility property, and created new taxes on utility output. A portion of the revenues from these new taxes was

deposited into RDF Fund 7053. The decrease in assessment rates decreased the property valuation and property tax receipts of school districts containing utility property. The lost property tax revenue for each district was determined by the Department of Taxation. In total, the tax loss was \$198 million for one year. Districts are compensated for this loss partially through an increase in state aid (the state education aid offset).

The state provides direct reimbursements to districts for the value of the loss above the increase in state aid. All school districts were completely reimbursed for these losses for five years, from FY 2002 to FY 2006. Starting in FY 2007, however, only districts whose tax loss, inflated to current dollars, was greater than their increase in state aid from FY 2002 continued to receive direct reimbursement payments. Also, all JVSDs continued to receive direct reimbursements. In FY 2012 and FY 2013, H.B. 153 of the 129th General Assembly accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement in FY 2011. Reimbursements were phased out in FY 2012 and FY 2013 so that each district's reliance on the reimbursements fell by up to 2% per year. Under H.B. 153, the direct reimbursements were frozen at their FY 2013 level for FY 2014 and future years.

### **Property Tax Reimbursement Phase-out**

The budget resumes the phase-out of reimbursements for the loss of property tax revenue from tax on business TPP and for the reduction in taxes on some public utility TPP. The phase-out of TPP reimbursements will resume in FY 2016 on the basis of a district's combined business and utility property tax replacement payments in FY 2015. Payments based on the current expense class of tax levies are reduced by a certain percentage of total resources each year, starting between 1% and 2% in FY 2016, according to the district's property wealth and personal income. As a result, payments to districts with lower per-pupil property wealth and personal income are phased out more gradually. As the percentages increase incrementally each year, the amount of a district's payment decreases until the payments eventually end. Reimbursements based on emergency levies are phased out over five years, while payments for permanent improvement levies end after FY 2016.

## Educational Enhancements

This category of appropriations includes funding for educational enhancements for special education, career-technical education, and the education of students at risk.

Appropriations for Educational Enhancements				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200425	Tech Prep Consortia Support	\$ 260,542	\$ 260,542
GRF	200457	STEM Initiatives	\$ 150,000	\$ -
GRF	200540	Special Education Enhancements	\$ 162,871,292	\$ 162,871,292
GRF	200545	Career-Tech Educational Enhancements	\$ 11,922,418	\$ 11,947,418
GRF	200576	Adaptive Sports Program	\$ 50,000	\$ 50,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 175,254,252</b>	<b>\$ 175,129,252</b>
<b>Federal Fund Group (FED)</b>				
3090	200601	Neglected and Delinquent Education	\$ 1,600,000	\$ 1,600,000
3700	200624	Education of Exceptional Children	\$ 1,702,040	\$ 1,274,040
3AF0	200603	Schools Medicaid Administrative Claims	\$ 750,000	\$ 750,000
3D20	200667	Math Science Partnerships	\$ 7,500,000	\$ 7,500,000
3EH0	200620	Migrant Education	\$ 2,900,000	\$ 2,900,000
3EJ0	200622	Homeless Children Education	\$ 2,600,000	\$ 2,600,000
3GQ0	200679	Project Aware	\$ 1,907,423	\$ 1,907,423
3Y80	200639	Rural and Low Income Technical Assistance	\$ 3,300,000	\$ 3,300,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 22,259,463</b>	<b>\$ 21,831,463</b>
<b>Total Funding: Educational Enhancements</b>			<b>\$ 197,513,715</b>	<b>\$ 196,960,715</b>

### Special Education Enhancements (200540)

This item includes the earmarks listed in the following table.

200540, Special Education Enhancements		
Earmarks	FY 2016	FY 2017
Special Education for DD Boards and Institutions	\$ 50,000,000	\$ 50,000,000
Parent Mentoring Programs	\$ 1,333,468	\$ 1,333,468
School Psychology Interns	\$ 2,537,824	\$ 2,537,824
Vocational Rehabilitation Services	\$ 2,500,000	\$ 2,500,000
Secondary Transition Services	\$ 2,500,000	\$ 2,500,000
Remainder – Preschool Special Education	\$ 104,000,000	\$ 104,000,000
<b>Total Funding: Special Education Enhancements</b>	<b>\$ 162,871,292</b>	<b>\$ 162,871,292</b>

### Special Education for DD Boards and Institutions

This funding is provided to county boards of developmental disabilities (DD) and state institutions operated by the Department of Health, the Department of Rehabilitation and Correction, and the Department of Youth Services to fund special education and related services provided by these entities. Prior to FY 2010, funding was distributed based on the base cost formula amount and the same weights used for

special education students educated in school districts and community schools. For FY 2010 and FY 2011, the per-pupil amount received by each board and institution in the previous year was increased by 0.75% and that amount was provided for each student served by the board or institution in each of those years. In FY 2012 and FY 2013, each board and institution receive the same per-pupil amount as they received in FY 2011.

Beginning in FY 2014, a new formula is in use. For each child, a county board receives the full formula amount plus the applicable special education amount for that child's disability category, the latter of which is adjusted by the state share index of the child's resident district. Each state institution receives funding based on the applicable special education amount specified for each child receiving services for a disability.

#### **Parent Mentoring**

This funding supports parent mentors who offer support and information to other parents of children with disabilities and help them to become more involved in their children's education.

#### **School Psychology Interns**

This funding supports school psychology interns who spend one year in the schools serving students with disabilities and receiving supervised on-the-job training prior to obtaining licensure as school psychologists.

#### **Vocational Rehabilitation Services**

This allocation provides state matching funds for the Opportunities for Ohioans with Disabilities Agency (OOD) in order to receive federal funding for vocational rehabilitation services. The budget requires that the funds be transferred to OOD via an intrastate transfer voucher and be used to hire vocational rehabilitation counselors to provide services for students with disabilities. Counselors must work with school districts in offering services, which can include career planning, general work experience, and job placement and retention for eligible students.

#### **Secondary Transition Services**

This funding supports regional training, support, and program delivery of secondary transition services for students with disabilities beginning at 14 years of age. Types of services include job exploration counseling, work-based learning experiences, counseling for post-secondary opportunities, and specific life skills training. Enhancements must support any student with a disability, regardless of partnering agency eligibility requirements. They must also support the expansion of training opportunities for special education intervention specialists to develop specific competencies in order to meet the secondary transition needs of students with disabilities aged 14 years and older.

### **Preschool Special Education**

The State Preschool Special Education Program serves children with disabilities, ages three through five. Districts are mandated under federal law to provide a free and appropriate public education to these students. Formerly, state funding for preschool special education and related services provided by school districts, educational service centers, and county boards of developmental disabilities was distributed through units, which are based on the minimum number of students per class, teacher degree, and teacher experience. H.B. 59 replaced unit funding for these services with a per-pupil based approach beginning in FY 2014. Specifically, each school district and state institution receives \$4,000 for each preschool student with disabilities plus additional special education aid based on the applicable special education amount for each student and the resident district's state share percentage. Special education aid is then multiplied by 0.5 to reflect the half-day nature of those programs. Educational service centers and county boards receive this funding through transfers from the amounts allocated to the school districts with which those entities have service agreements.

### **Tech Prep Consortia Support (200425)**

These funds are distributed equally among the six Ohio College Tech Prep Regional Centers (representing 23 community and technical colleges, 14 universities, and 91 career-technical education planning districts) to support state-level activities designed to support, promote, and expand Tech Prep programs. Tech Prep programs allow students to enroll in a seamless career-technical program that begins in high school and continues through an associate's degree in college and beyond.

### **STEM Initiatives (200457)**

This line item is used to distribute \$150,000 in FY 2016 to the Lake County Educational Service Center for a pilot project supporting innovative STEM initiatives for students in Geauga and Lake counties affiliated with the Alliance for Working Together. The bill requires the Lake County ESC to submit a report describing the progress of the pilot project to applicable committees of the House of Representatives and Senate by July 31, 2016.

The line item also provides up to \$600,000 in matching funds for STEM schools for industry workforce development initiatives from the unexpended, unencumbered balance of the GRF appropriations for ODE at the end of FY 2015 and, if necessary, outstanding GRF encumbrances for FY 2015 that are no longer necessary to support the obligations of the Department.

### **Career-Technical Education Enhancements (200545)**

This item is used to fund career-technical education at institutions as well as other programs and initiatives related to career-technical education. The item's earmarks are listed in the following table.

200545, Career-Technical Education Enhancements		
Earmarks	FY 2016	FY 2017
Career Counseling	\$ 1,008,000	\$ 1,008,000
Institution Career-Technical	\$ 2,563,568	\$ 2,563,568
Tech Prep Expansion Grants	\$ 2,837,800	\$ 2,837,800
High Schools That Work	\$ 3,100,850	\$ 3,100,850
Agriculture 5th Quarter Project	\$ 600,000	\$ 600,000
VoAg Programs	\$ 162,200	\$ 162,200
OhioMeansJobs Website	\$ 525,000	\$ 550,000
Industry-Recognized Credential Reimbursements	\$ 1,000,000	\$ 1,000,000
Ohio ProStart School Restaurant Program	\$ 125,000	\$ 125,000
<b>Total Funding: Career-Technical Education Enhancements</b>	<b>\$ 11,922,418</b>	<b>\$ 11,947,418</b>

### Career Counseling

These funds support the Ohio Career Counseling Pilot Program that connects students with local business and civic mentors, and provides students with experiential learning opportunities, career pathways, and career-focused counseling. Participating institutions are required to establish participation and outcome goals and report results to ODE each fiscal year. The budget also requires ODE to compile results and provide a report to the Governor and General Assembly each fiscal year. The table below lists the participating institutions and annual award amounts specified by the bill.

Career Counseling Pilot Program Participating Institutions and Annual Funding		
County	Institution	Amount
Butler	Butler Tech JVSD	\$393,000
Henry	Four County JVSD	\$164,000
Richland	Pioneer Career and Technology Center (JVSD)	\$141,000
Franklin	South-Western CSD	\$110,000
Gallia	Gallia-Jackson-Vinton JVSD	\$85,000
Medina	Four Cities Educational Compact	\$65,000
Richland	Madison LSD	\$50,000
<b>Total</b>		<b>\$1,008,000</b>

### Institution Career-Technical

These funds support career-based intervention programs at institutions, the Ohio School for the Deaf (OSD), and the Ohio State School for the Blind (OSB). Students are provided instructional programming in work and family literacy, career-based intervention, and workforce development. Previously, support was provided only to the 23 secondary job training programs and 42 correlated academic classes within eight institutions operated by either the Department of Youth Services or the Department of Rehabilitation and Correction. The budget also includes OSD and OSB as recipients, both of which provide career-technical programs for students. The funding will

continue to be distributed using a grant-based methodology pursuant to a provision in temporary law.

### **Tech Prep Expansion Grants**

These funds are used to provide grants that support Tech Prep enrollment expansion and new Tech Prep programming. Eligible grantees include school districts, post-secondary entities, and other eligible recipients. Funds are initially distributed by formula to each of the six Ohio College Tech Prep Regional Centers. The Ohio Department of Higher Education (formerly known as the Ohio Board of Regents) and ODE co-administer the program.

### **High Schools That Work**

High Schools That Work (HSTW) and Making Middle Grades Work (MMGW) are school improvement initiatives designed to accelerate learning and raise standards through rigorous course work, counseling, parental and community involvement, and teacher collaboration. The funds are used for professional development; a network for collaboration among superintendents, principals, and teachers; resources, including onsite speakers, print and electronic materials, and a website for the various site regions that assists in the implementation of key practices and conditions; and a regional office that assists sites with collaboration and technical support. The funds are also used to provide grants to implement individual sites and to assist the various regions with a number of activities through onsite coaching.

### **Agricultural 5th Quarter Project**

The Agricultural 5th Quarter Project provides students in an agricultural education program with a supervised agricultural experience during the summer months. School districts apply to receive either \$2,000 or \$4,000 per instructor per year, depending on how many additional school days the program includes.

### **VoAg Programs**

These funds are distributed to the Cleveland Municipal School District and the Cincinnati City School District for a VoAg Program in one at-risk nonvocational school in each district. Each year, the Cleveland Municipal School District receives an amount equal to \$78,600 minus the amount of career-technical education formula funds allocated to the district for students participating in the VoAg Program. The distribution to the Cincinnati City School District is similar, though the starting amount is \$83,600 each year. The budget allocates formula funding of \$4,992 in FY 2016 and \$5,192 in FY 2017 for each full-time equivalent (FTE) student enrolled in career-technical education programs in agricultural and environmental systems.

**OhioMeansJobs Website**

This new earmark provides funding to support career planning and reporting through the K-12 Student Portal of the OhioMeansJobs website. Created pursuant to H.B. 393 of the 130th General Assembly, the K-12 Student Portal allows students to take a career interest survey, browse detailed job descriptions, obtain wage and salary data, receive guidance on which courses to take for certain career tracks, research college financial aid and scholarship opportunities, and access practice tests for the SAT, ACT, Advanced Placement exams, and computer skills training, all free of charge. The OhioMeansJobs website is administered by the Ohio Department of Job and Family Services (ODJFS) in partnership with the jobseeker site Monster.com. The Superintendent of Public Instruction and the Governor's Office of Workforce Transformation consult with ODJFS in the development and maintenance of the portal. The K-12 Student Portal replaces the Ohio Career Information System (OCIS), which was supported through user fees.

**Industry-Recognized Credential Reimbursements**

This new earmark provides funding for reimbursements to school districts, community schools, STEM schools, and JVSDs for the cost of an industry-recognized credential or journeyman certification earned by economically disadvantaged students. In conjunction with the Department of Higher Education and the Governor's Office of Workforce Transformation, ODE must develop a schedule for the distribution of reimbursements that lists reimbursable credentials, the time needed to earn such a credential, and the cost to obtain it. If the total amount requiring reimbursement is greater than the appropriation, ODE must prorate the payments to each school or district. H.B. 59 provided funding for a similar program for students earning a journeyman certification through an earmark of GRF line item 200550, Foundation Funding.

**Ohio ProStart School Restaurant Program**

This funding is used to prepare students for careers in culinary arts and restaurant management under the Ohio ProStart school restaurant program. Ohio ProStart is a two-year program for students in the 11th and 12th grades with curriculum developed by the National Restaurant Association Educational Foundation that provides students with restaurant management and culinary arts training through teaching, testing, and relevant work-based experiences. Students meeting high standards in the program are awarded industry-recognized certificates.

**Adaptive Sports Program (200576)**

This new line item is used by ODE, in collaboration with the Adaptive Sports Program of Ohio, to fund the creation of an adaptive sports pilot program in one school district in FY 2016 and in an additional school district in FY 2017.

**Neglected and Delinquent Education (200601)**

This federal grant provides financial assistance to state or local institutions that serve neglected and delinquent children to help meet their needs. The funds are used for supplementary education services that provide educational continuity for children and youths in state-operated institutions, in community day programs, and in adult correctional institutions so that they can make successful transitions to school or employment once they are released.

**Education of Exceptional Children (200624)**

This funding is from federal State Personnel Development Grants (SPDG), which are used to support the Ohio Improvement Process (OIP) through the development of district, building, and teacher leadership teams focused on the district-wide improvement of instructional practice and student performance for students with disabilities. This program directly involves 48 school districts through the regional delivery system. Ohio was awarded SPDG funding through 2017, which will be used to continue development of the OIP and enhance the development and expansion of teacher-based leadership teams, the newest and thus least-developed component of the OIP.

**School Medicaid Administrative Claims (200603)**

This federal program provides districts with reimbursement for administrative services associated with providing services to Medicaid-eligible students.

**Math Science Partnerships (200667)**

This grant provides funding to increase student achievement in mathematics and science by improving the skills and knowledge of teachers through partnerships between institutions of higher education; science, technology, engineering, and mathematics faculty; and high-need school districts.

**Migrant Education (200620)**

This federal grant supports educational opportunities for migrant children to help reduce the educational disruptions and other problems that result from repeated moves.

**Homeless Children Education (200622)**

This federal grant ensures access to a free and appropriate education for homeless school-age children and youth. The funds support subgrants to local education agencies to assist in the education of this population through enriched supplemental instruction, transportation, health care referral services, and professional development for teachers. Grant funds also may be used by ODE for state-level planning activities.

**Project Aware (200679)**

This new federal award supports student, teacher, and community engagement with mental health awareness and advocacy in order to create safe and healthy schools. The initiative's focus population is students and families in 30 high-need school districts served by the ESCs in Cuyahoga, Warren, and Wood counties. Grant funds will be used by the three ESCs to develop, enhance, or expand systems of support for, and technical assistance to, schools in implementing evidence-based models of behavioral supports to improve student behavioral outcomes and learning conditions for all students. The grant program made its first awards in 2014. This line item was initially created by the Controlling Board in December 2014.

**Rural and Low Income Technical Assistance (200639)**

These federal grants are provided to rural and low-income school districts to help them attract qualified teachers and to provide professional development appropriate for teaching low-income students.

## Nonpublic School Support

This category of appropriations includes funding to support chartered nonpublic schools. There are approximately 725 chartered nonpublic schools in Ohio.

Appropriations for Nonpublic School Support				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200511	Auxiliary Services	\$ 144,254,342	\$ 149,909,112
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 65,165,374	\$ 67,719,856
<b>General Revenue Fund Subtotal</b>			<b>\$ 209,419,716</b>	<b>\$ 217,628,968</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
5980	200659	Auxiliary Services Reimbursement	\$ 1,328,910	\$ 1,328,910
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 1,328,910</b>	<b>\$ 1,328,910</b>
<b>Total Funding: Nonpublic School Support</b>			<b>\$ 210,748,626</b>	<b>\$ 218,957,878</b>

### Auxiliary Services (200511)

This line item funds services for chartered nonpublic schools and includes an earmark, which is shown in the following table.

200511, Auxiliary Services		
Earmarks	FY 2016	FY 2017
College Credit Plus Program	\$ 2,600,000	\$ 2,600,000
Remainder – Auxiliary Services	\$ 141,654,342	\$ 147,309,112
<b>Total Funding: Auxiliary Services</b>	<b>\$ 144,254,342</b>	<b>\$ 149,909,112</b>

### College Credit Plus Program

The budget earmarks funds for the College Credit Plus Program, which allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. The program replaces the Post-Secondary Enrollment Options Program beginning in the 2015-2016 school year. These funds are used to pay the costs of the program for participants from nonpublic schools.

### Remainder – Auxiliary Services

This funding, which is distributed on a per-pupil basis, supports secular services provided to chartered nonpublic schools. Services include health, counseling, special education, standardized testing, and test scoring. Funds may also be used to purchase secular textbooks, materials, media content, and equipment. In FY 2015, the average per-pupil amount of these auxiliary funds was \$787.

The budget modifies the permitted uses of Auxiliary Services funds by: (1) specifying that "instructional materials" may include media content that a student accesses through a computer or other electronic device, (2) permitting the purchase of any mobile application for less than \$20 (instead of \$10 as under former law), and

(3) adding to the definition of "computer hardware and related equipment," that may be purchased or leased, to include any equipment designed to make accessible the environment of a classroom to a student who is physically unable to attend classroom activities by allowing real-time interaction with other students both one-on-one and in group discussion.

#### **Nonpublic Administrative Cost Reimbursement (200532)**

Chartered nonpublic schools are required by the state to perform some administrative and clerical activities. These funds reimburse the schools for the costs of these mandated activities. The reimbursement is based on the actual costs from the prior year with a maximum reimbursement rate of \$360 per pupil. The budget permits ODE to make reimbursement payments to a nonpublic school that total up to \$420 per student for each school year, notwithstanding the \$360 per student limitation. In FY 2015, the average per-pupil amount of these reimbursements was about \$359.

#### **Auxiliary Services Reimbursement (200659)**

These funds are used to replace and repair mobile units that are used to provide auxiliary services, and can also be used to fund early retirement or severance pay for employees paid from line item 200511. The revenue for these expenses comes from transfers of cash from the Auxiliary Services Personnel Unemployment Compensation Fund that is estimated to be in excess of the amount needed to pay unemployment claims.

## School Operations Support

This category of appropriations includes funding to support expenses related to management, computer networks, school buses, and food service.

Appropriations for School Operations Support				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200422	School Management Assistance	\$ 3,000,000	\$ 3,000,000
GRF	200426	Ohio Educational Computer Network	\$ 16,200,000	\$ 16,200,000
GRF	200465	Education Technology Resources	\$ 3,170,976	\$ 3,170,976
GRF	200505	School Lunch Match	\$ 9,100,000	\$ 9,100,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 31,470,976</b>	<b>\$ 31,470,976</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
4550	200608	Commodity Foods	\$ 24,000,000	\$ 24,000,000
5MM0	200677	Child Nutrition Refunds	\$ 550,000	\$ 550,000
5H30	200687	School District Solvency Assistance	\$ 10,000,000	\$ 10,000,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 34,550,000</b>	<b>\$ 34,550,000</b>
<b>State Lottery Fund Group (SLF)</b>				
7017	200684	Community School Facilities	\$ 14,900,000	\$ 20,700,000
<b>State Lottery Fund Group Subtotal</b>			<b>\$ 14,900,000</b>	<b>\$ 20,700,000</b>
<b>Federal Fund Group (FED)</b>				
3670	200607	School Food Services	\$ 9,240,111	\$ 9,794,517
3D10	200664	Drug Free Schools	\$ 521,000	\$ 282,000
3GE0	200674	Summer Food Service Program	\$ 14,423,915	\$ 14,856,635
3GF0	200675	Miscellaneous Nutrition Grants	\$ 3,000,000	\$ 3,000,000
3GG0	200676	Fresh Fruit and Vegetable Program	\$ 5,026,545	\$ 5,177,340
3L60	200617	Federal School Lunch	\$ 371,960,060	\$ 383,118,860
3L70	200618	Federal School Breakfast	\$ 117,332,605	\$ 122,025,909
3L80	200619	Child/Adult Food Programs	\$ 113,508,500	\$ 116,913,755
<b>Federal Fund Group Subtotal</b>			<b>\$ 635,012,736</b>	<b>\$ 655,169,016</b>
<b>Total Funding: School Operations Support</b>			<b>\$ 715,933,712</b>	<b>\$ 741,889,992</b>

### School Management Assistance (200422)

This item includes the earmark listed in the following table.

200422, School Management Assistance		
Earmarks	FY 2016	FY 2017
State Auditor	\$ 1,000,000	\$ 1,000,000
Remainder – School Management Assistance	\$ 2,000,000	\$ 2,000,000
<b>Total Funding: School Management Assistance</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>

### State Auditor

These funds are earmarked to be used by the Auditor of State to conduct performance audits of school districts in fiscal caution, fiscal watch, or fiscal emergency, though an amount less than the earmark may be used if agreed upon by the Auditor

and ODE. Although appropriated to ODE, these funds are passed directly to the Auditor for expenses associated with performing these audits.

#### **Remainder – School Management Assistance**

This funding allows ODE to provide technical assistance and in-service education for school management personnel to assist in managing their fiscal resources. It also funds ODE's administrative expenses related to districts in fiscal caution, fiscal watch, or fiscal emergency.

#### **Ohio Educational Computer Network (200426)**

This item includes the earmarks listed in the following table.

<b>200426, Ohio Educational Computer Network</b>		
<b>Earmarks</b>	<b>FY 2016</b>	<b>FY 2017</b>
Building Connectivity	\$ 10,000,000	\$ 10,000,000
Information Technology Centers	\$ 5,000,000	\$ 5,000,000
Remainder – Ohio Educational Computer Network	\$ 1,200,000	\$ 1,200,000
<b>Total Funding: Ohio Educational Computer Network</b>	<b>\$ 16,200,000</b>	<b>\$ 16,200,000</b>

#### **Building Connectivity**

This funding is used to support the connection of public school buildings and participating chartered nonpublic schools to the state education network. Schools receive a per-building subsidy for this purpose. Costs of connectivity may include operating and upgrading network connections, Internet service provider charges, Internet 2, which is a private network connecting schools and universities across the country, and the backup site for the state network.

#### **Information Technology Centers (ITC)**

This funding supports the 22 ITCs that provide computer support, software products, and information services to their member districts, including all but three school districts (Akron, Cleveland, and Columbus), community schools, JVSDs, and educational service centers. Funds also support the administration and collection of data for school districts and for providing front-line customer support related to data reporting. Distribution of funds to ITCs is provided through a per-pupil formula based on the enrollments of ITC member districts and software usage.

#### **Remainder – Ohio Educational Computer Network**

This funding supports the development and maintenance of administrative software that school districts use for accounting, payroll, scheduling, grade reporting, and inventory. In the FY 2016-FY 2017 biennium, funds will be used to update administrative software to meet new state and federal reporting requirements as well as to improve and maintain a customer service system related to reporting requirements.

## Education Technology Resources (200465)

This line item includes the earmarks listed in the following table.

200465, Education Technology Resources		
Earmark	FY 2016	FY 2017
INFOhio and Union Catalog	\$ 1,443,572	\$ 1,443,572
Education Technology Centers	\$ 1,027,176	\$ 1,027,176
Remainder – Education Technology Resources	\$ 700,228	\$ 700,228
<b>Total Funding: Education Technology Resources</b>	<b>\$ 3,170,976</b>	<b>\$ 3,170,976</b>

### INFOhio and Union Catalog

This earmark supports the INFOhio Network and the Union Catalog, which were previously funded under line item 200426, Ohio Educational Computer Network. INFOhio works with Ohio's other state-funded library networks, OPLIN (public libraries) and OhioLINK (universities), to provide resources and information access to Ohio's K-12 students. It includes electronic resources specifically geared toward the primary and secondary school student, such as *Encyclopedia Britannica*, and resources supporting the teaching of state academic content standards. Students also receive access to licensed databases through Library Connects Ohio (LCO), a digital content buying consortium of libraries statewide. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources.

### Education Technology Centers

This funding supports educational television stations and education technology centers that provide school districts with instructional resources and services, with priority given to services aligned with the state academic content standards. Resources may include, but are not limited to, pre-recorded video material, computer software for student use, live student courses, automated media systems, and instructional and professional development materials for teachers.

### Remainder – Education Technology Resources

This funding supports oversight for several technology-related initiatives, including administration of the federal E-Rate Program. Specifically, the bill permits these funds to support training, technical support, and guidance to school districts and public libraries in applying for federal E-Rate funds. Additionally, funding may be used for the following: (1) oversight and guidance of school district technology plans, (2) support to district technology personnel, (3) support for the eTranscript system, a student records exchange initiative jointly sponsored by ODE and the Department of Higher Education that was previously supported by federal funding, and (4) Internet safety training for students, teachers, and administrators.

**Commodity Foods (200608)**

This funding supports school food programs by contracting with commercial food processors to convert bulk or raw United States Department of Agriculture (USDA) commodities into more convenient ready-to-use end products at a reduced cost for school districts participating in the school lunch and school breakfast programs. In this program, ODE obtains the donated food from the USDA and charges school districts for the processing and handling.

**Child Nutrition Refunds (200677)**

This appropriation item is used to repay the USDA for child nutrition grant funds returned by program sponsors after the federal fiscal year ends. This item is also used to make repayments to the USDA of funds received due to audit findings.

**School District Solvency Assistance (200687)**

This funding is paid from two accounts: (1) the shared resource account, which is used to make interest-free advances to districts to enable them to remain solvent and to pay unforeseen expenses of a temporary or emergency nature and (2) the catastrophic expenditures account, which is used to make grants to districts for unforeseen catastrophic events. Advances made to districts from the shared resource account must generally be repaid no later than the end of the second year following the fiscal year in which the advance was made. In some cases, ODE and the Office of Budget and Management may approve alternate repayment schedules lasting no longer than ten years. Grants from the catastrophic expenditures account do not need to be repaid, unless reimbursed by a third party. The program was first appropriated \$30.0 million in FY 1998 by H.B. 650 of the 122nd General Assembly. It is now funded through repayments of advances from the shared resource account.

The budget provides funding of \$10.0 million in each fiscal year and specifies that \$5.0 million is for the shared resources account and \$5.0 million for the catastrophic expenditures account. The budget continues to permit the Controlling Board to authorize a transfer of lottery profits from the Lottery Profits Reserve Fund (Fund 7018) to the School District Solvency Assistance Fund (Fund 5H30), if the cash in Fund 5H30 is insufficient to provide the needed assistance. The transferred cash is appropriated to appropriation item 200670, School District Solvency Assistance – Lottery. The budget also continues to permit the transfer of cash from the GRF or any other fund used by ODE to Fund 5H30, if necessary.

### Community School Facilities (200684)

This item includes the earmark listed in the following table.

200684, Community School Facilities		
Earmark	FY 2016	FY 2017
State Charter School Facilities Incentive Grant	\$ 550,000	\$ 1,100,000
Remainder – Community School Facilities	\$ 14,350,000	\$ 19,600,000
<b>Total Funding: Community School Facilities</b>	<b>\$ 14,900,000</b>	<b>\$ 20,700,000</b>

#### State Charter School Facilities Incentive Grant

This funding may be used as matching funds to support Ohio's State Charter School Facilities Incentive Grant application. This federal program, administered by the U.S. Department of Education, provides five-year competitive matching grants to help states establish and enhance or administer facilities funding for charter schools. Under this grant, the maximum federal share of funding decreases each year, from 90% in the first year to 20% in the fifth year. ODE plans to apply for this grant in the upcoming biennium. If the funds are not required, the budget permits the earmark to be distributed with the remainder of the appropriation.

#### Remainder – Community School Facilities

This funding supports the facilities of community and STEM schools. The budget provides \$150 in FY 2016 and \$200 in FY 2017 per pupil to each STEM school and each brick and mortar community school plus \$25 per pupil in each fiscal year for Internet- or computer-based community schools. It further specifies that the per-pupil amounts are to be prorated if the appropriation is not sufficient to cover the full amount of the payments.

#### School Food Services (200607)

This federal funding is used by ODE for administrative support and monitoring of federally funded school food programs. States are required to meet a minimum level of state investment to receive federal funds.

#### Drug Free Schools (200664)

This federal funding is used by ODE, in conjunction with the Ohio Department of Public Safety, to provide emergency management services to school districts. Specifically, ODE provides training, resources, tools, and information to support school safety and security, including emergency management planning.

#### Summer Food Service Program (200674)

This appropriation item is used to distribute federal funding under the USDA's Summer Food Service Program, which reimburses eligible service institutions (referred to as sponsors) that serve free meals to children up to the age of 18 during the summer

when schools are closed, during the extended school vacation periods, if the school is closed because of an emergency situation, and if a school is operating a year-round program. Participating sites must be located in areas where at least 50% of the children meet the income eligibility criteria for free and reduced price meals.

#### **Miscellaneous Nutrition Grants (200675)**

This appropriation item is used to distribute federal funding under various USDA nutrition grant programs. In particular, this item supports team nutrition grants, which encourage nutritious school meals and nutrition education for children.

#### **Fresh Fruit and Vegetable Program (200676)**

This appropriation item is used to distribute federal funding under the USDA's Fresh Fruit and Vegetable Program, which reimburses school districts for costs incurred in providing children in participating elementary schools with free, fresh produce outside of National School Lunch Program and School Breakfast Program food service times. The program is offered to elementary schools in low-income areas on a competitive basis.

#### **School Lunches (200505 and 200617)**

These items support the federal National School Lunch Program, which provides over one million meals per day at over 4,000 sites including public and nonprofit private schools, camps, and institutions. State funds from line item 200505 serve as the required match for receiving the federal funds in line item 200617. If appropriation remains after the match is met, these funds may also be used to partially reimburse schools that are required by the state to have a school breakfast program.

#### **Federal School Breakfast (200618)**

This federal funding allows more than 40 million breakfasts to be served for low-income students at more than 2,000 sites including public and nonprofit private schools, camps, and institutions. Under state law, districts must participate in the school breakfast program if 20% of their students are eligible for free or reduced price lunches unless they opt out for financial reasons.

#### **Child/Adult Food Programs (200619)**

This federal funding provides reimbursements for nutritious snacks, as well as breakfast, lunch, and dinner, to children or adults enrolled in participating day care centers, after-school programs, or adult day care centers.

## Academic Achievement

This category of appropriations includes funding to support a variety of programs and initiatives designed to improve the academic achievement of Ohio's students.

Appropriations for Academic Achievement				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200421	Alternative Education Programs	\$ 10,753,998	\$ 10,753,998
GRF	200566	Literacy Improvement	\$ 750,000	\$ 750,000
GRF	200572	Adult Diploma	\$ 3,750,000	\$ 5,000,000
GRF	200588	Competency Based Education Pilot	\$ 1,000,000	\$ 1,000,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 16,253,998</b>	<b>\$ 17,503,998</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
5RBO	200644	Straight A Fund	\$ 27,250,000	\$ 15,000,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 27,250,000</b>	<b>\$ 15,000,000</b>
<b>State Lottery Fund Group (SLF)</b>				
7017	200629	Community Connectors	\$ 10,000,000	\$ 10,000,000
<b>State Lottery Fund Group Subtotal</b>			<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>
<b>Federal Fund Group (FED)</b>				
3AN0	200671	School Improvement Grants	\$ 32,400,000	\$ 32,400,000
3FDO	200665	Race to the Top	\$ 12,000,000	\$ -
3GPO	200600	School Climate Transformation	\$ 252,420	\$ 252,420
3Y20	200688	21st Century Community Learning Centers	\$ 50,000,000	\$ 50,000,000
3Y70	200689	English Language Acquisition	\$ 10,101,411	\$ 10,101,411
<b>Federal Fund Group Subtotal</b>			<b>\$ 104,753,831</b>	<b>\$ 92,753,831</b>
<b>Total Funding: Academic Achievement</b>			<b>\$ 158,257,829</b>	<b>\$ 120,257,829</b>

### Alternative Education Programs (200421)

This item includes the earmarks listed in the following table.

200421, Alternative Education Programs		
Earmarks	FY 2016	FY 2017
Diplomas for Individuals 22 and Older	\$ 2,500,000	\$ 2,500,000
Jobs for Ohio's Graduates	\$ 500,000	\$ 500,000
Information Clearinghouse	\$ 350,000	\$ 350,000
Remainder – Alternative Education Programs	\$ 7,403,998	\$ 7,403,998
<b>Total Funding: Alternative Education Programs</b>	<b>\$ 10,753,998</b>	<b>\$ 10,753,998</b>

### Diplomas for Individuals 22 and Older

This funding supports payments to school districts, schools, community colleges, university branches, technical colleges, or state community colleges for students ages 22 and above who enroll to earn a high school diploma. These education entities may receive up to \$5,000 per full-time equivalent enrollment based on ODE's determination of an enrolled student's completion of graduation requirements.

### Jobs for Ohio's Graduates

These funds support Jobs for Ohio's Graduates, a nonprofit organization designed to help at-risk students graduate high school. The organization also aims to prepare these students for college and careers.

### Information Clearinghouse

This funding supports a clearinghouse of information regarding the identification of and intervention for at-risk students. This information includes the following: (1) indicators of at-risk status that have been proven accurate or effective by research, (2) identification and intervention programs used in this state, categorized by type of district using ODE's most recent district typology categories, and (3) national identification and intervention programs.

### Remainder – Alternative Education Programs

This funding is used to provide grants for 107 alternative education programs in Ohio's 21 urban school districts and 87 local education agencies to implement successful innovative practices in alternative education for students with behavioral problems including truancy. Alternative education grants require at least a 40% local funding match. In addition to the grants, this funding is used to provide professional development and technical assistance to the schools that receive alternative education grants. Services include monitoring, engaging in oversight, conducting regional summits, and creating links with other state initiatives and other state agencies.

### Literacy Improvement (200566)

This item includes the earmark listed in the following table.

200566, Literacy Improvement		
Earmarks	FY 2016	FY 2017
Read Baby Read	\$ 250,000	\$ 250,000
Remainder – Regional Literacy Professional Development Teams	\$ 500,000	\$ 500,000
<b>Total Funding: Literacy Improvement</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>

### Read Baby Read

This funding is used for the Read Baby Read Program, a research-based book club program aligned with state and national English language arts standards. The program operates in conjunction with school districts, public libraries, and arts and cultural institutions across Ohio.

### Remainder – Regional Literacy Professional Development Teams

This funding is used by ODE to contract with an ESC or a consortium of ESCs to establish regional professional development teams in literacy. The teams will be linked to Ohio's state support system, which includes State Support Teams (SSTs) that use

various tools to improve instructional practice and student performance on a continuing basis. ODE must have the necessary agreements in place to administer the program by December 31, 2015.

### **Adult Diploma (200572)**

This item consists of the following earmarks.

<b>200572, Adult Diploma</b>		
<b>Earmarks</b>	<b>FY 2016</b>	<b>FY 2017</b>
Adult Diploma Pilot Program	\$ 2,500,000	\$ 5,000,000
Adult Diploma Pilot Program – Planning Grants	\$ 1,250,000	\$ -
<b>Total Funding: Adult Diploma</b>	<b>\$ 3,750,000</b>	<b>\$ 5,000,000</b>

#### **Adult Diploma Pilot Program**

This funding supports a pilot program to offer the state's 1.1 million adults who have dropped out of high school a pathway to obtain a high school diploma. Upon completion of the program, graduates will earn both a high school diploma and an industry-recognized credential in an in-demand field such as manufacturing or medical technology.

#### **Adult Diploma Pilot Program – Planning Grants**

This funding supports planning grants for the Adult Diploma Pilot Program. The budget permits ODE to award planning grants of up to \$250,000 to no more than five eligible institutions geographically dispersed throughout the state for the purpose of building capacity to implement the program beginning in FY 2017.

According to ODE, these schools will determine how to contact potential students, assess their current knowledge, and address potential challenges such as illiteracy during the development phase. They will also determine the most in-demand jobs in their regions and identify the types of certifications graduates need to qualify for those positions.

#### **Competency Based Education Pilot (200588)**

This new line item supports grants for up to five districts, schools, or consortia of districts and schools led by ESCs to implement a competency-based pilot system that allows students to progress through classes at their own pace. Pilot sites will receive up to \$200,000 in each fiscal year to plan and then implement those plans, and will also be able to decide the scope of their projects. Planning grants used during FY 2016 and FY 2017 must be used to implement a competency-based education system in FY 2017, FY 2018, or FY 2019. The budget permits ODE to use a portion of the appropriation for administration of the program.

### Community Connectors (200629)

This line item supports career advising and mentoring grants for students in low-performing, high-poverty schools. These funds are to be used by ODE to award competitive matching grants to eligible school districts in order to provide funding for local networks of volunteers and organizations to sponsor advising and mentoring activities. Under the budget, the state match for grant awards is \$3 for every \$1 in local funding. These districts must partner with members of the business community, civic organizations, or the faith-based community to provide sustainable career services to students in grades 5-12.

### Straight A Fund (200644)

This line item primary funds the Straight A Program, which was created in H.B. 59 of the 130th General Assembly to provide competitive grants to various educational entities in an effort to improve academic achievement and promote the efficient use of resources. The program is described in more detail below. Formerly, the Straight A Program was funded by lottery profits. The budget funds the program through a transfer of FY 2015 GRF surplus revenues. This item also includes the following earmarks.

200644, Straight A Fund		
Earmarks	FY 2016	FY 2017
Graduate Coursework for High School Teachers	\$ 5,000,000	\$ -
College Credit Plus Credentialing Course Competitive Grants	\$ 5,000,000	\$ -
Cave Lake Center for Community Leadership	\$ 2,000,000	\$ -
We Can Code IT	\$ 250,000	\$ -
Remainder – Straight A Fund	\$ 15,000,000	\$ 15,000,000
<b>Total Funding: Straight A Fund</b>	<b>\$ 27,250,000</b>	<b>\$ 15,000,000</b>

#### Graduate Coursework for High School Teachers

This new earmark is to be used by ODE, in conjunction with the Department of Higher Education, to support graduate coursework for high school teachers for them to receive credentialing to teach College Credit Plus courses. Priority will be given to educational consortia that include economically disadvantaged high schools and economically disadvantaged high schools in which there are limited or no teachers credentialed to teach College Credit Plus courses.

#### College Credit Plus Credentialing Course Competitive Grants

This new earmark will be used to award competitive grants to universities to provide free or reduced-cost courses for teachers to become credentialed for the College Credit Plus Program. Proposals that enable teachers to become credentialed in the 2015-2016 school year will be given priority for this funding.

**Cave Lake Center for Community Leadership**

This earmark provides funding in FY 2016 for the Ohio-West Virginia Youth Leadership Association to develop the Cave Lake Center for Community Leadership.

**We Can Code IT**

This earmark provides funding in FY 2016 to support programming by the We Can Code IT organization in Cleveland.

**Remainder – Straight A Fund**

This funding provides grants to school buildings and districts, JVSs, ESCs, community schools, STEM schools, college-preparatory boarding schools, institutions of higher education, and private or governmental entities that aim to achieve significant advancement in one or more of the following goals: (1) increased student achievement, (2) spending reductions or positive performance on other fiscal measures, (3) utilization of a greater share of resources in the classroom, and (4) use of a shared services delivery model. The grants are awarded by an appointed nine-member board. The board is also required to issue an annual report related to the types of grants awarded, the grant recipients, and the effectiveness of the program.

**School Improvement Grants (200671)**

This federal funding is used to help struggling schools improve academic performance. ODE awards competitive grants of \$50,000 to \$2.0 million paid over a five-year period. In line with federal requirements, ODE identified the lowest performing 5% of local education agencies (LEAs) in two categories (tier 1 and tier 2). A third category of LEAs (tier 3) was also eligible to apply for the grants although priority was given to LEAs in tier 1 and tier 2. LEAs in tiers 1 and 2 must implement one of five intervention models designated by the U.S. Department of Education.

**Race to the Top (200665)**

Ohio was one of 12 states awarded a federal Race to the Top (RttT) competitive grant. Ohio's award totaled \$400 million over four years, though the state received a one-year extension through FY 2015 to disburse grant funds. A little over half of the grant flowed directly to 438 RttT participating schools and districts. These schools used these funds for specific school improvement activities that were outlined in their applications. The remaining funds were used at the state level. State-level programs and projects focused on ensuring that participating schools and districts have the capacity to sustain reforms, standards and assessments, data systems, great teachers and leaders, turning around low-achieving schools, and STEM initiatives. The budget provides \$12.0 million in FY 2016 in order to spend down any remaining funds.

**School Climate Transformation (200600)**

This federal funding is used by ODE to build and expand the statewide resources and local implementation of a multi-tiered behavioral framework to improve school climate. The recently formed and ODE-sponsored Ohio Positive Behavioral Interventions and Supports (PBIS) Network increases the training, coaching, and resources available to school districts to support PBIS implementation and evaluation. The Ohio PBIS Network is composed of PBIS specialists from each of Ohio's 16 regional SSTs. The PBIS Network specialists are integrated into the SSTs and are able to provide multi-tiered behavioral supports in a manner that is coordinated and aligned with other Ohio-specific change and improvement initiatives.

**21st Century Community Learning Centers (200688)**

This federal grant provides opportunities for communities to establish or expand activities in community learning centers that provide for academic enrichment. The program increases time-on-task outside the regular school day for students attending low-performing or high-poverty schools and engages them in additional academic tasks to increase mathematics and reading skills. Under the ESEA waivers granted in May 2012, the state may permit community learning centers to use these funds to support expanded learning time during the school day in addition to nonschool hours. Funds are distributed competitively to selected grantees for a five-year period, with a maximum of \$200,000 per year.

**English Language Acquisition (200689)**

These federal funds provide assistance to school districts in meeting the special language needs of national origin minority and limited English proficiency students. In particular, the funds help ensure such students have equal educational opportunities and build school district capacity to close the academic achievement gap between these students and their peers.

### Early Childhood Education

This category of appropriations includes funding to support early childhood education programs.

Appropriations for Early Childhood Education				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200408	Early Childhood Education	\$ 60,268,341	\$ 70,268,341
GRF	200442	Child Care Licensing	\$ 1,822,500	\$ 1,822,500
<b>General Revenue Fund Subtotal</b>			<b>\$ 62,090,841</b>	<b>\$ 72,090,841</b>
<b>Federal Fund Group (FED)</b>				
3C50	200661	Early Childhood Education	\$ 14,554,749	\$ 14,554,749
3FN0	200672	Early Learning Challenge – Race to the Top	\$ 8,000,000	\$ 3,400,000
3H90	200605	Head Start Collaboration Project	\$ 225,000	\$ 225,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 22,779,749</b>	<b>\$ 18,179,749</b>
<b>Total Funding: Early Childhood Education</b>			<b>\$ 84,870,590</b>	<b>\$ 90,270,590</b>

#### Early Childhood Education (200408)

This line item funds the early childhood education program in school districts, JVSs, educational service centers, community schools sponsored by an exemplary sponsor or satisfying certain report card performance standards, chartered nonpublic schools, and specific child care providers licensed by the Ohio Department of Job and Family Services (ODJFS).

200408, Early Childhood Education			
Earmarks		FY 2016	FY 2017
Early Childhood Support and Technical Assistance		\$ 1,205,367	\$ 1,405,367
Remainder – Early Childhood Education Grants		\$ 59,062,974	\$ 68,862,974
<b>Total Funding: Early Childhood Education</b>		<b>\$ 60,268,341</b>	<b>\$ 70,268,341</b>

#### Early Childhood Support and Technical Assistance

This funding is used by ODE to administer the early childhood education program and provide technical support to districts receiving funding under the program. The budget specifies that no more than 2.0% of the total appropriation in any fiscal year may be used by ODE for these purposes. The budget requires ODE to conduct an annual survey of each provider to obtain information on any tuition or fees charged by the provider for the program and to provide an annual report regarding early childhood education programs and the early learning program standards.

### **Early Childhood Education Grants**

This funding supports early childhood education programs that provide educational services for children from families with incomes below 200% of the federal poverty level. Currently, the program serves three- and four-year-old children, but beginning in FY 2017, the budget limits funding to four-year-old children. Under the budget, approximately 3,675 additional children will be served in FY 2016 and 6,125 in FY 2017 at a cost of \$4,000 per child in FY 2016, the same as in FY 2015. A district may self-operate or may contract with a Head Start agency, a chartered nonpublic school, or a licensed child care provider to provide early childhood education services. These programs must align their curricula to the early learning program standards developed by ODE, administer diagnostic assessments prescribed by ODE, require all teachers to attend at least 20 hours of professional development every two years, report child progress in meeting the program standards, and participate in Ohio's Step Up to Quality Program.

The budget also requires ODE to develop a joint process with ODJFS synchronizing early childhood education program eligibility, application, tracking, and payments. This includes aligning the copay system based on the federal poverty level.

### **Child Care Licensing (200442)**

These funds are used by ODE to license and inspect preschool and school-age child care programs operated by school districts, chartered nonpublic schools, Head Start agencies, and county boards of developmental disabilities.

### **Early Childhood Education (200661)**

These federal funds are distributed to districts to support special education and related services to children with disabilities between the ages of three and five. Districts are mandated under federal law to provide a free and appropriate public education to these children and are required to develop IEPs for them. These federal grant funds are provided as supplemental funding in addition to the preschool special education funding provided by state funds. Funds are distributed based on 1997 service levels with adjustments for total population and poverty.

### **Early Learning Challenge Grant – Race to the Top (200672)**

These federal funds are designed to focus on improving early learning and development programs for young children (from birth through kindergarten) by (1) increasing the number and percentage of low-income and disadvantaged children who are enrolled in high-quality early learning programs, (2) implementing a common tiered quality rating and improvement system for all types of early childhood programs, and (3) implementing a comprehensive assessment system, including pre-kindergarten to kindergarten formative assessments and a kindergarten readiness assessment. The total grant award is for approximately \$70 million and covers a

four-year period from January 2012 through December 2015. In addition to ODE, the Ohio departments of Job and Family Services, Health, and Mental Health use portions of the total grant award to implement critical components of the program.

**Head Start Collaboration Project (200605)**

This federal grant provides funding for the coordination of federal, state, and local policies to support a coordinated early childhood education and child care system. Funds are used to support federal Head Start and child care providers in increasing services to families. Activities funded include the dissemination of information, the support of partnerships between Head Start and child care providers, and leadership services.

## Educator Quality

This category of appropriations includes funding to support programs that aim to improve the quality of educators in Ohio.

Appropriations for Educator Quality				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200448	Educator Preparation	\$ 1,689,237	\$ 1,689,237
GRF	200597	Education Program Support	\$ 2,250,000	\$ 2,000,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 3,939,237</b>	<b>\$ 3,689,237</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
4L20	200681	Teacher Certification and Licensure	\$ 14,150,000	\$ 14,250,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 14,150,000</b>	<b>\$ 14,250,000</b>
<b>Federal Fund Group (FED)</b>				
3CG0	200646	Teacher Incentive	\$ 12,500,000	\$ 200,000
3Y60	200635	Improving Teacher Quality	\$ 90,000,000	\$ 90,000,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 102,500,000</b>	<b>\$ 90,200,000</b>
<b>Total Funding: Educator Quality</b>			<b>\$ 120,589,237</b>	<b>\$ 108,139,237</b>

### Educator Preparation (200448)

These funds are used primarily by ODE to implement teacher and principal evaluation systems, including the use of student growth and teacher value-added reports. The line item includes the following earmarks.

200448, Educator Preparation		
Earmarks	FY 2016	FY 2017
State System of Support Assistance	\$ 500,000	\$ 500,000
Educator Standards Board	\$ 100,000	\$ 100,000
Ohio Appalachian Teaching Fellowship	\$ 125,000	\$ 125,000
Remainder – Teacher and Principal Evaluation Systems	\$ 964,237	\$ 964,237
<b>Total Funding: Educator Preparation</b>	<b>\$ 1,689,237</b>	<b>\$ 1,689,237</b>

### State System of Support Assistance

The budget authorizes ODE to use up to \$500,000 in each fiscal year from this item to monitor and support Ohio's State System of Support in accordance with the "No Child Left Behind Act of 2011" as administered pursuant to ESEA flexibility waivers approved for Ohio by the U.S. Department of Education. Specifically, the funds will be used to support additional contractors that serve as facilitators and direct service providers to additional school districts, community schools, and local education agencies implementing the Ohio Improvement Process, which is an integrated, research-based planning approach for districts to use as they develop and implement a focused improvement plan. These funds are used in conjunction with the \$3.5 million

set-aside for school improvement in GRF line item 200550, Foundation Funding, to ensure the state meets the requirements of the ESEA flexibility waiver.

**Educator Standards Board**

The budget authorizes ODE to use up to \$100,000 in each fiscal year from this item to support the Educator Standards Board, which is responsible for the development and implementation of statewide standards for Ohio's teachers and principals.

**Ohio Appalachian Teaching Fellowship**

These funds support the Ohio Appalachian Teaching Fellowship, which provides financial assistance to exceptional students who want to teach in the Appalachian region of Ohio after college graduation. The budget requires the Superintendent of Public Instruction to select a nonprofit education organization to manage the fellowship and provide enrichment activities to supplement the fellows' educational experience.

**Remainder – Teacher and Principal Evaluation Systems**

This funding supports the implementation of the teacher and principal evaluation systems, including incorporation of student growth as a metric in those systems, and teacher value-added reports. Formerly, student growth and teacher performance measures comprised 50% each of the teacher evaluation. H.B. 362 of the 130th General Assembly provided an alternative framework that lowers the percentage of both components to 42.5% and provides for alternative measures such as student surveys and portfolios to comprise the remaining 15%. The budget further reduces the student academic growth measure under the alternative framework to 35% and raises the teacher performance measure back to 50%. It also prohibits value-added ratings for use in teacher and principal evaluations prior to FY 2017, unless the district or school collectively agrees with its teachers or principals to use them.

**Education Program Support (200597)**

This item includes the following earmarks.

200597, Education Program Support			
Earmarks		FY 2016	FY 2017
Teach For America	\$	2,000,000	\$ 2,000,000
ArtsinStark	\$	250,000	\$ -
<b>Total Funding: Education Program Support</b>	<b>\$</b>	<b>2,250,000</b>	<b>\$ 2,000,000</b>

**Teach For America**

These funds support Teach For America's corps member recruitment, teacher training and development, and alumni support and networking in Ohio.

**ArtsinStark**

These earmarked funds support the ArtsinStark organization, particularly the SmArts Program and Genius Project.

**Teacher Certification and Licensure (200681)**

This program provides funds for the processing of licensure applications, technical assistance related to licensure, and the administration of the teacher disciplinary process. Funding for this item is provided by licensure fees that are deposited into DPF Fund 4L20. Fees are \$40 per year on an annualized basis. Approximately 120,000 licenses are issued annually. According to ODE, about 950 cases of educator misconduct are investigated annually, with an average of 430 cases resulting in disciplinary action. In addition to conducting these investigations and hearings, ODE also provides products and services that improve stakeholder awareness, understanding, and practice of professional conduct. The program also administers the retained applicant fingerprint database program for Ohio educators.

**Teacher Incentive (200646)**

These federal funds are used to develop and implement performance-based teacher and principal compensation systems, based primarily on increases in student achievement in high-needs schools. ODE, working in conjunction with Battelle for Kids, as well as 24 school district partners, is working to design, implement, and learn from best practices around performance-based compensation.

**Improving Teacher Quality (200635)**

Most of this federal grant (95%) is passed through directly to school districts based on a federal formula that considers enrollment and poverty in each district. Districts must use the funds for professional development and educator quality purposes. The remainder of the grant is used by ODE for administration (1%) and to support partnerships between districts and institutions of higher education in developing educator training activities (4%).

## Curriculum, Assessment, and Accountability

This category of appropriations includes funding to support the state model curriculum, state assessments, and the state school accountability system.

Appropriations for Curriculum, Assessment, and Accountability				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200424	Policy Analysis	\$ 428,558	\$ 428,558
GRF	200427	Academic Standards	\$ 3,800,000	\$ 3,800,000
GRF	200437	Student Assessment	\$ 60,241,438	\$ 59,830,050
GRF	200439	Accountability/Report Cards	\$ 4,897,310	\$ 4,897,310
GRF	200446	Education Management Information System	\$ 6,833,070	\$ 6,833,070
GRF	200447	GED Testing	\$ 324,000	\$ 324,000
<b>General Revenue Fund Subtotal</b>			<b>\$ 76,524,376</b>	<b>\$ 76,112,988</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
4540	200610	GED Testing	\$ 250,000	\$ 250,000
5U20	200685	National Education Statistics	\$ 300,000	\$ 300,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 550,000</b>	<b>\$ 550,000</b>
<b>Federal Fund Group (FED)</b>				
3EK0	200637	Advanced Placement	\$ 432,444	\$ 498,484
3Z20	200690	State Assessments	\$ 10,263,000	\$ 10,263,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 10,695,444</b>	<b>\$ 10,761,484</b>
<b>Total Funding: Curriculum, Assessment, and Accountability</b>			<b>\$ 87,769,820</b>	<b>\$ 87,424,472</b>

### Policy Analysis (200424)

This line item supports research and data collection related to education policy analysis. ODE staff members supported by this item are responsible for developing reports, analyses, and briefings to inform education policymakers of current trends in educational practices, efficient and effective use of resources, and evaluations of programs to improve educational results.

### Academic Content Standards (200427)

This funding supports the development and dissemination of the state academic content standards and model curricula. Academic content standards describe what the state expects all students to know and be able to do at each grade level. Model curricula are resources that schools can use to develop courses of study that are aligned to the academic content standards. The standards and model curricula can be accessed from ODE's website (<http://education.ohio.gov>) by clicking on the "Ohio's Learning Standards" link under the "Topics" section of the home page.

### Student Assessment (200437 and 200690)

This funding supports the development, printing, distribution, collection, scoring, and reporting of state assessments. Both federal and state funding supports this programming. Federal funding for assessments is appropriated in line item 200690, State Assessments. The GRF item includes one earmark for diagnostic assessments, which is listed in the following table.

200437, Student Assessment		
Earmarks	FY 2014	FY 2015
Diagnostic Assessments	\$ 1,206,000	\$ 2,760,000
Remainder – Student Assessments	\$ 59,035,438	\$ 57,070,050
<b>Total Funding: Student Assessment</b>	<b>\$ 60,241,438</b>	<b>\$ 59,830,050</b>

#### Diagnostic Assessments

This funding supports diagnostic assessments for kindergarten through third grade students, including the kindergarten readiness assessment. The diagnostic assessments measure student comprehension of academic content and mastery of related skills in reading, writing, and mathematics. Results of the diagnostic assessments are used to determine students who are not performing at grade level and are in need of intervention. Diagnostic assessments are made available to public schools and districts at no cost.

The budget requires reading diagnostic assessments to be completed by September 30 of each school year for grades 1-3 and by November 1 for kindergarten students. It also allows such assessments to be administered electronically using live audio and video connections whereby the teacher administering the assessment may be in a separate location from the student.

#### Remainder – Student Assessment

These funds support all other state assessments that are administered to students enrolled in public schools. The aggregate student scores on those assessments are used in computing annual state report card ratings for school districts and other public schools. ODE administered a new generation of computer-based assessments during the 2014-2015 school year, including assessments in English language arts and mathematics aligned to the Common Core State Standards, state-developed assessments in science and social studies, and the College and Work Ready Assessment System (comprised of seven end-of-course exams and a nationally standardized college readiness assessment) that replaced the Ohio Graduation Tests (OGT).

The budget makes several changes to the state assessment system. Notably, it prohibits GRF appropriations from being used to purchase assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC). In the

2014-2015 school year, PARCC supplied the state's elementary and secondary assessments in mathematics and ELA. Consequently, in July 2015, ODE selected American Institutes for Research (AIR) as its provider for the state's mathematics and ELA assessments during the 2015-2016 school year under the state's existing contract with that vendor. The budget also prohibits federal Race to the Top program funds from being used for any purpose related to the state assessments. Finally, among other changes, the budget requires that (1) assessments that are administered in the 2015-2016 school year be administered once each year, not over multiple testing windows, and in the second half of the school year, and (2) the length of those assessments be reduced as compared to the assessments that were administered in the 2014-2015 school year, "in order to provide more time for classroom instruction and less disruption in student learning." For additional details, please see the LSC Bill Analysis.

The budget also makes changes to a program allowing STEM schools and up to ten school districts to apply to the Superintendent for a waiver for up to five school years from the state-required elementary and secondary achievement assessments in favor of an alternative assessment system. Among the changes, the bill eliminates the provision that makes eligible all STEM schools to be granted a waiver and eliminates a provision that requires school districts to be members of the Ohio Innovation Lab Network in order to submit a request for a waiver. The bill also adds community schools to the list of entities that may submit a request for and be granted a waiver, and in doing so, limits to ten the number of school districts, community schools, and STEM schools that may be granted a waiver under the program. The bill limits requests for a waiver to be submitted during the 2015-2016 school year only. The bill also makes changes to alternative assessment requirements and the timing of decisions made by the Superintendent with respect to the waivers.

#### **Accountability/Report Cards (200439)**

These funds are used to produce local report cards for 610 school districts and almost 4,000 public school buildings, including community schools. H.B. 555 of the 129th General Assembly established an academic performance rating and report card system under which ODE assigns school districts and individual schools "A," "B," "C," "D," or "F" letter grades using performance measures, mostly based on student scores on the academic achievement assessments. According to ODE, increased funding for this line item will enable the continuation of teacher value-added reports and teacher-student linkage roster verification. These activities were previously supported by Race to the Top funding.

The budget, among other changes, postpones the school year by which overall letter grades on the state report card must be first issued from the 2015-2016 school year to the 2017-2018 school year. It also extends for two years, through the 2016-2017 school year, various "safe harbor" provisions related to report cards that were in effect for only

the 2014-2015 school year, including a provision that authorizes ODE, at the discretion of the State Board, to not assign an individual grade to each report card component. For additional details, please see the LSC Bill Analysis.

### **Education Management Information System (200446)**

These funds support the Education Management Information System (EMIS). EMIS is ODE's primary system for collecting student, staff, course, program, and financial data from Ohio's public schools. The data collected via EMIS are used to determine both state and federal performance accountability designations, to produce the local report cards, to calculate and administer state funding to school districts, to determine federal funding allocations, and to meet federal reporting requirements. This line item includes the earmark listed in the following table.

<b>200446, Education Management Information System</b>		
<b>Earmarks</b>	<b>FY 2014</b>	<b>FY 2015</b>
Information Technology Center Subsidy	\$ 725,000	\$ 725,000
Remainder – Education Management Information System	\$ 6,108,070	\$ 6,108,070
<b>Total Funding: Education Management Information System</b>	<b>\$ 6,833,070</b>	<b>\$ 6,833,070</b>

#### **Information Technology Center Subsidy**

These funds are earmarked for distribution to the 22 information technology centers (ITCs) for costs related to processing, storing, and transferring data for the effective operation of EMIS. The costs include: personnel, hardware purchases, software development, communications connectivity, professional development, support services, and the provision of services related to the State Education Technology Plan. Among other things, these centers help all school districts (except Akron, Cleveland, and Columbus), community schools, JVSDs, and educational service centers electronically transmit required EMIS data. Funds are distributed to the 22 ITCs using a per-pupil formula based on the enrollment of member districts.

#### **Remainder – Education Management Information System**

This funding supports the development and implementation of data standards and a data exchange system, EMIS-R. These activities include developing and maintaining the data dictionary, data warehouse, and the data system itself.

#### **GED Testing (200447 and 200610)**

The GED program provides a national test for Ohio adults without a high school diploma. Upon passing the GED, nongraduates receive an Ohio High School Equivalence Diploma. GRF funding, through line item 200447, supports the administrative costs of ODE's GED office. According to ODE, the number of staff and workload for the GED office has decreased following the transfer of GED test administration and transcript processing to Pearson VUE's GED Testing Service in 2014.

Staff now serve as a state presence, answer questions, oversee the testing sites, and process the GED reimbursements funded through GRF line item 200550, Foundation Funding.

Formerly, GRF funding was supplemented with application fee revenues that were deposited into DPF Fund 4540. Following the shift in administration of and credentialing for the GED, application fees are no longer collected by the state. The national testing service now collects the fees, reimburses the testing centers, and operates an electronic transcript system. Though this fund no longer receives fee revenue, the budget provides funding of \$250,000 in each fiscal year for line item 200610 in case a need for the funding arises.

The budget makes several changes to the GED application process. Notably, it requires, with some exceptions, ODE to approve an application only if the person has both (1) been continuously enrolled in a diploma granting program for at least one semester and attained an attendance rate of 75% or higher during that semester and (2) shown good cause, as defined by ODE. Additionally, the budget specifies that a person who takes the GED tests but fails to attain the required scores to earn a high school equivalence diploma must (1) retake only the specific test on which the person did not attain a passing score, and (2) pay only for the cost of the specific test that must be retaken. For more details, please see the LSC Bill Analysis.

#### **Advanced Placement (200637)**

These federal funds are used to reimburse low-income students for all or part of the costs associated with the Advanced Placement tests and the International Baccalaureate exam.

#### **National Education Statistics (200685)**

This federal funding is deposited into DPF Fund 5U20 to support the collection of education statistics at the state and local level to be reported to the National Center for Education Statistics (NCES) and to support the position of the National Assessment of Education Progress (NAEP) state coordinator. The No Child Left Behind Act of 2001 requires states to participate in NAEP, which is a nationally representative student assessment.

## State Administration

This category of appropriations includes funding for the administrative costs of ODE.

Appropriations for State Administration				
Fund	ALI	Title	FY 2016	FY 2017
<b>General Revenue Fund (GRF)</b>				
GRF	200321	Operating Expenses	\$ 13,967,708	\$ 14,267,708
GRF	200420	Information Technology Development and Support	\$ 3,841,296	\$ 3,841,296
<b>General Revenue Fund Subtotal</b>			<b>\$ 17,809,004</b>	<b>\$ 18,109,004</b>
<b>Dedicated Purpose Fund Group (DPF)</b>				
4520	200638	Fees and Refunds	\$ 1,000,000	\$ 1,000,000
6200	200615	Educational Improvement Grants	\$ 175,000	\$ 175,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$ 1,175,000</b>	<b>\$ 1,175,000</b>
<b>Internal Service Activity Fund Group (ISA)</b>				
1380	200606	Information Technology Development and Support	\$ 6,850,090	\$ 6,850,090
4R70	200695	Indirect Operational Support	\$ 7,600,000	\$ 7,600,000
4V70	200633	Interagency Program Support	\$ 500,000	\$ 500,000
<b>Internal Service Activity Fund Group Subtotal</b>			<b>\$ 14,950,090</b>	<b>\$ 14,950,090</b>
<b>Federal Fund Group (FED)</b>				
3Z30	200645	Consolidated Federal Grant Administration	\$ 10,000,000	\$ 10,000,000
<b>Federal Fund Group Subtotal</b>			<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>
<b>Total Funding: State Administration</b>			<b>\$ 43,934,094</b>	<b>\$ 44,234,094</b>

### Operating Expenses (200321)

This line item primarily funds administrative functions not funded through line items dedicated to specific programs as well as the administrative expenses necessary to meet certain federal matching or maintenance of effort (MOE) requirements. These functions are described in more detail below.

#### Administrative Support

This portion of the line item funds expenses associated with administrative functions not directly related to one program, such as the Superintendent's office, communications, legal counsel, legislative services and budgetary planning, board relations, policy analysis and research, and internal audit. Administrative expenses related to specific programs are funded in the line items that fund those programs.

#### Career-Technical Education State Match

The line item also provides for the administration of career-technical programs, the spending for which constitutes the state match for the administrative portion of federal career-technical education funds expended through line item 200621, Career-Technical Education Basic Grant.

**State Administrative Expenses for Child Nutrition MOE**

This portion of the line item funds the administrative expenses needed to comply with federal MOE requirements associated with the State Administrative Expenses for Child Nutrition grant. The federal funds from this grant are expended through line item 200607, School Food Services.

**Information Technology Development and Support (200420 and 200606)**

GRF funding in line item 200420 is used to develop and implement information technologies that meet the needs of the various business centers in ODE. These technologies include Internet and Intranet enhancements. ODE has several online applications, such as the interactive local report card and interactive continuous improvement planning, that are supported with this funding.

Non-GRF funding in line item 200606 also supports information technology services and support for various ODE programs. This support includes development and maintenance of the network infrastructure and software, purchase of all computer hardware, project management, and programming services. The various programs pay fees via a payroll charge for these services, which are deposited into Fund 1380.

**Fees and Refunds (200638)**

This funding is provided through fees for products or services provided by ODE, such as publications or conferences sponsored by ODE, as well as through donations made to ODE. These funds are used to support the specific purpose for which the fee was charged or for the purposes specified by donors.

This line item is also used to redistribute assets of permanently closed community schools to the students' resident school districts. Fund 4520 receives any funds remaining from the assets of permanently closed community schools after the retirement funds, employees of the school, and private creditors receive the compensation owed them. The remaining funds are sent to ODE to distribute to the students' resident school districts in proportion to each district's share of the total enrollment of the community school.

**Educational Improvement Grants (200615)**

This line item receives revenues from various grants from private donors for special projects. Expenditures are dependent on the number and amount of grants received.

**Indirect Operational Support (200695)**

These funds are used to pay for a variety of administrative purposes not directly tied to a specific funding source, including accounting, human resources, federal grants management, and internal auditing functions. Funding for these costs is recouped from the federal government and other various funds used by ODE containing payroll

expenses by applying an indirect cost rate that is approved annually by the U.S. Department of Education. Revenue from the indirect charges is then deposited into Fund 4R70 via an intrastate transfer voucher (ISTV).

**Interagency Program Support (200633)**

This line item is supported by funding from other state agencies for specific programs that require assistance from ODE.

**Consolidated Federal Grant Administration (200645)**

This federal funding represents a pool of state administrative funds from various federal grants. The funding is used to administer the grants, to provide technical assistance to grant recipients, and to engage in state-level activities related to the grants.

EDU.docx/dp

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>Report For Main Operating Appropriations Bill</b>								
					<b>Version: As Enacted</b>			
<b>EDU Department of Education</b>								
GRF	200321	Operating Expenses	\$ 13,289,084	\$ 12,117,736	\$ 13,967,708	15.27%	\$ 14,267,708	2.15%
GRF	200408	Early Childhood Education	\$ 27,786,614	\$ 40,541,558	\$ 60,268,341	48.66%	\$ 70,268,341	16.59%
GRF	200420	Information Technology Development and Support	\$ 3,842,442	\$ 4,020,045	\$ 3,841,296	-4.45%	\$ 3,841,296	0.00%
GRF	200421	Alternative Education Programs	\$ 6,933,012	\$ 7,479,716	\$ 10,753,998	43.78%	\$ 10,753,998	0.00%
GRF	200422	School Management Assistance	\$ 2,846,556	\$ 2,868,788	\$ 3,000,000	4.57%	\$ 3,000,000	0.00%
GRF	200424	Policy Analysis	\$ 307,927	\$ 261,664	\$ 428,558	63.78%	\$ 428,558	0.00%
GRF	200425	Tech Prep Consortia Support	\$ 147,626	\$ 351,841	\$ 260,542	-25.95%	\$ 260,542	0.00%
GRF	200426	Ohio Educational Computer Network	\$ 19,731,471	\$ 26,754,080	\$ 16,200,000	-39.45%	\$ 16,200,000	0.00%
GRF	200427	Academic Standards	\$ 3,365,362	\$ 3,435,972	\$ 3,800,000	10.59%	\$ 3,800,000	0.00%
GRF	200437	Student Assessment	\$ 48,185,438	\$ 79,848,368	\$ 60,241,438	-24.56%	\$ 59,830,050	-0.68%
GRF	200439	Accountability/Report Cards	\$ 3,086,176	\$ 2,105,713	\$ 4,897,310	132.57%	\$ 4,897,310	0.00%
GRF	200442	Child Care Licensing	\$ 733,078	\$ 663,943	\$ 1,822,500	174.50%	\$ 1,822,500	0.00%
GRF	200446	Education Management Information System	\$ 6,702,464	\$ 6,438,048	\$ 6,833,070	6.14%	\$ 6,833,070	0.00%
GRF	200447	GED Testing	\$ 918,920	\$ 453,729	\$ 324,000	-28.59%	\$ 324,000	0.00%
GRF	200448	Educator Preparation	\$ 983,783	\$ 1,050,650	\$ 1,689,237	60.78%	\$ 1,689,237	0.00%
GRF	200455	Community Schools and Choice Programs	\$ 2,492,996	\$ 2,298,988	\$ 3,651,395	58.83%	\$ 3,731,395	2.19%
GRF	200457	STEM Initiatives	\$ 0	\$ 200,000	\$ 150,000	-25.00%	\$ 0	-100.00%
GRF	200464	General Technology Operations	\$ 192,048	\$ 168,978	\$ 0	-100.00%	\$ 0	N/A
GRF	200465	Education Technology Resources	\$ 1,778,879	\$ 1,778,879	\$ 3,170,976	78.26%	\$ 3,170,976	0.00%
GRF	200502	Pupil Transportation	\$ 485,297,611	\$ 499,297,447	\$ 567,723,920	13.70%	\$ 603,486,409	6.30%
GRF	200505	School Lunch Match	\$ 9,099,993	\$ 9,098,699	\$ 9,100,000	0.01%	\$ 9,100,000	0.00%
GRF	200511	Auxiliary Services	\$ 129,204,629	\$ 137,640,371	\$ 144,254,342	4.81%	\$ 149,909,112	3.92%
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 58,925,664	\$ 62,106,705	\$ 65,165,374	4.92%	\$ 67,719,856	3.92%
GRF	200540	Special Education Enhancements	\$ 141,906,869	\$ 151,423,607	\$ 162,871,292	7.56%	\$ 162,871,292	0.00%
GRF	200545	Career-Technical Education Enhancements	\$ 9,178,998	\$ 8,487,793	\$ 11,922,418	40.47%	\$ 11,947,418	0.21%

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>EDU Department of Education</b>								
GRF	200550	Foundation Funding	\$ 5,785,592,097	\$ 6,185,473,385	\$ 6,398,844,920	3.45%	\$ 6,655,755,799	4.01%
GRF	200566	Literacy Improvement	\$ 150,000	\$ 150,000	\$ 750,000	400.00%	\$ 750,000	0.00%
GRF	200572	Adult Diploma	\$ 0	\$ 0	\$ 3,750,000	N/A	\$ 5,000,000	33.33%
GRF	200573	EdChoice Expansion	\$ 0	\$ 0	\$ 23,500,000	N/A	\$ 31,500,000	34.04%
GRF	200574	Half-Mill Maintenance Equalization	\$ 0	\$ 0	\$ 18,750,000	N/A	\$ 19,250,000	2.67%
GRF	200576	Adaptive Sports Program	\$ 0	\$ 0	\$ 50,000	N/A	\$ 50,000	0.00%
GRF	200588	Competency Based Education Pilot	\$ 0	\$ 0	\$ 1,000,000	N/A	\$ 1,000,000	0.00%
GRF	200597	Education Program Support	\$ 0	\$ 0	\$ 2,250,000	N/A	\$ 2,000,000	-11.11%
GRF	200901	Property Tax Allocation - Education	\$ 1,142,318,445	\$ 1,156,206,504	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 7,904,998,180</b>	<b>\$ 8,402,723,205</b>	<b>\$ 7,605,232,635</b>	<b>-9.49%</b>	<b>\$ 7,925,458,867</b>	<b>4.21%</b>
4520	200638	Fees and Refunds	\$ 193,488	\$ 1,133,332	\$ 1,000,000	-11.76%	\$ 1,000,000	0.00%
4540	200610	GED Testing	\$ 1,048,112	\$ 0	\$ 250,000	N/A	\$ 250,000	0.00%
4550	200608	Commodity Foods	\$ 13,189,058	\$ 10,165,417	\$ 24,000,000	136.09%	\$ 24,000,000	0.00%
4L20	200681	Teacher Certification and Licensure	\$ 7,873,847	\$ 13,085,957	\$ 14,150,000	8.13%	\$ 14,250,000	0.71%
5960	200656	Ohio Career Information System	\$ 322,035	\$ 567,408	\$ 0	-100.00%	\$ 0	N/A
5980	200659	Auxiliary Services Reimbursement	\$ 619,753	\$ 665,080	\$ 1,328,910	99.81%	\$ 1,328,910	0.00%
5BJ0	200626	Half-Mill Maintenance Equalization	\$ 17,839,478	\$ 17,879,322	\$ 0	-100.00%	\$ 0	N/A
5H30	200687	School District Solvency Assistance	\$ 4,974,000	\$ 978,000	\$ 10,000,000	922.49%	\$ 10,000,000	0.00%
5JC0	200654	Adult Career Opportunity Pilot Program	\$ 0	\$ 749,958	\$ 0	-100.00%	\$ 0	N/A
5KX0	200691	Ohio School Sponsorship Program	\$ 278,035	\$ 447,944	\$ 487,419	8.81%	\$ 528,600	8.45%
5KY0	200693	Community Schools Temporary Sponsorship	\$ 19,797	\$ 0	\$ 0	N/A	\$ 0	N/A
5MM0	200677	Child Nutrition Refunds	\$ 4,693	\$ 12	\$ 550,000	4,757,685.47%	\$ 550,000	0.00%
5RB0	200644	Straight A Fund	\$ 0	\$ 0	\$ 27,250,000	N/A	\$ 15,000,000	-44.95%
5RE0	200697	School District TPP Supplement	\$ 0	\$ 0	\$ 50,600,000	N/A	\$ 0	-100.00%
5T30	200668	Gates Foundation Grants	\$ 46,000	\$ 0	\$ 0	N/A	\$ 0	N/A
5U20	200685	National Education Statistics	\$ 138,555	\$ 144,671	\$ 300,000	107.37%	\$ 300,000	0.00%

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>EDU Department of Education</b>								
6200	200615	Educational Improvement Grants	\$ 46,797	\$ 10,932	\$ 175,000	1,500.86%	\$ 175,000	0.00%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 46,593,648</b>	<b>\$ 45,828,033</b>	<b>\$ 130,091,329</b>	<b>183.87%</b>	<b>\$ 67,382,510</b>	<b>-48.20%</b>
1380	200606	Information Technology Development and Support	\$ 5,157,656	\$ 5,781,129	\$ 6,850,090	18.49%	\$ 6,850,090	0.00%
4R70	200695	Indirect Operational Support	\$ 6,205,549	\$ 6,078,165	\$ 7,600,000	25.04%	\$ 7,600,000	0.00%
4V70	200633	Interagency Program Support	\$ 47,806	\$ 138,793	\$ 500,000	260.25%	\$ 500,000	0.00%
<b>Internal Service Activity Fund Group Total</b>			<b>\$ 11,411,011</b>	<b>\$ 11,998,087</b>	<b>\$ 14,950,090</b>	<b>24.60%</b>	<b>\$ 14,950,090</b>	<b>0.00%</b>
7017	200612	Foundation Funding	\$ 775,500,000	\$ 857,699,997	\$ 987,650,000	15.15%	\$ 1,042,700,000	5.57%
7017	200629	Community Connectors	\$ 0	\$ 0	\$ 10,000,000	N/A	\$ 10,000,000	0.00%
7017	200648	Straight A Fund	\$ 43,027,597	\$ 147,353,456	\$ 0	-100.00%	\$ 0	N/A
7017	200666	EdChoice Expansion	\$ 3,772,221	\$ 13,090,881	\$ 0	-100.00%	\$ 0	N/A
7017	200684	Community School Facilities	\$ 7,500,000	\$ 7,497,499	\$ 14,900,000	98.73%	\$ 20,700,000	38.93%
7018	200686	Early Learning Programs	\$ 10,333,429	\$ 1,641,252	\$ 0	N/A	\$ 0	N/A
<b>State Lottery Fund Group Total</b>			<b>\$ 840,133,247</b>	<b>\$ 1,027,283,084</b>	<b>\$ 1,012,550,000</b>	<b>-1.43%</b>	<b>\$ 1,073,400,000</b>	<b>6.01%</b>
7047	200909	School District Property Tax Replacement-Business	\$ 481,703,493	\$ 481,530,044	\$ 0	-100.00%	\$ 0	N/A
7053	200900	School District Property Tax Replacement-Utility	\$ 27,950,753	\$ 27,937,902	\$ 0	-100.00%	\$ 0	N/A
<b>Revenue Distribution Fund Group Total</b>			<b>\$ 509,654,246</b>	<b>\$ 509,467,946</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
3090	200601	Neglected and Delinquent Education	\$ 1,344,133	\$ 1,903,767	\$ 1,600,000	-15.96%	\$ 1,600,000	0.00%
3670	200607	School Food Services	\$ 7,182,055	\$ 7,608,880	\$ 9,240,111	21.44%	\$ 9,794,517	6.00%
3700	200624	Education of Exceptional Children	\$ 1,800,413	\$ 2,185,650	\$ 1,702,040	-22.13%	\$ 1,274,040	-25.15%
3AF0	200603	Schools Medicaid Administrative Claims	\$ 227,295	\$ 116,070	\$ 750,000	546.16%	\$ 750,000	0.00%
3AN0	200671	School Improvement Grants	\$ 25,453,443	\$ 14,062,747	\$ 32,400,000	130.40%	\$ 32,400,000	0.00%
3AX0	200698	Improving Health and Educational Outcomes of Young People	\$ 35,424	\$ 0	\$ 0	N/A	\$ 0	N/A
3BK0	200628	Longitudinal Data Systems	\$ 875,462	\$ 405,825	\$ 0	-100.00%	\$ 0	N/A
3C50	200661	Early Childhood Education	\$ 11,651,075	\$ 9,989,037	\$ 14,554,749	45.71%	\$ 14,554,749	0.00%
3CG0	200646	Teacher Incentive	\$ 7,305,559	\$ 12,949,824	\$ 12,500,000	-3.47%	\$ 200,000	-98.40%

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>EDU Department of Education</b>								
3D10	200664	Drug Free Schools	\$0	\$ 31,315	\$ 521,000	1,563.74%	\$ 282,000	-45.87%
3D20	200667	Math Science Partnerships	\$ 3,814,974	\$ 5,492,400	\$ 7,500,000	36.55%	\$ 7,500,000	0.00%
3DP0	200652	Title I School Improvement - Federal Stimulus	\$ 7,028,162	\$ 570	\$ 0	-100.00%	\$ 0	N/A
3EC0	200653	Teacher Incentive - Federal Stimulus	\$ 2,110,582	\$0	\$0	N/A	\$0	N/A
3EH0	200620	Migrant Education	\$ 2,678,076	\$ 2,193,187	\$ 2,900,000	32.23%	\$ 2,900,000	0.00%
3EJ0	200622	Homeless Children Education	\$ 2,542,530	\$ 2,457,979	\$ 2,600,000	5.78%	\$ 2,600,000	0.00%
3EK0	200637	Advanced Placement	\$ 360,567	\$ 391,892	\$ 432,444	10.35%	\$ 498,484	15.27%
3EN0	200655	State Data Systems - Federal Stimulus	\$ 539,135	\$ 1,096,773	\$ 0	-100.00%	\$ 0	N/A
3FD0	200665	Race to the Top	\$ 119,936,684	\$ 59,735,920	\$ 12,000,000	-79.91%	\$ 0	-100.00%
3FN0	200672	Early Learning Challenge - Race to the Top	\$ 7,066,797	\$ 6,335,596	\$ 8,000,000	26.27%	\$ 3,400,000	-57.50%
3GE0	200674	Summer Food Service Program	\$ 11,415,575	\$ 11,268,387	\$ 14,423,915	28.00%	\$ 14,856,635	3.00%
3GF0	200675	Miscellaneous Nutrition Grants	\$ 171,120	\$ 87,255	\$ 3,000,000	3,338.22%	\$ 3,000,000	0.00%
3GG0	200676	Fresh Fruit and Vegetable Program	\$ 3,775,953	\$ 3,706,172	\$ 5,026,545	35.63%	\$ 5,177,340	3.00%
3GP0	200600	School Climate Transformation	\$0	\$ 128,901	\$ 252,420	95.83%	\$ 252,420	0.00%
3GQ0	200679	Project Aware	\$0	\$ 526,221	\$ 1,907,423	262.48%	\$ 1,907,423	0.00%
3H90	200605	Head Start Collaboration Project	\$ 236,649	\$ 233,091	\$ 225,000	-3.47%	\$ 225,000	0.00%
3L60	200617	Federal School Lunch	\$ 333,159,200	\$ 356,866,658	\$ 371,960,060	4.23%	\$ 383,118,860	3.00%
3L70	200618	Federal School Breakfast	\$ 102,694,920	\$ 112,814,978	\$ 117,332,605	4.00%	\$ 122,025,909	4.00%
3L80	200619	Child/Adult Food Programs	\$ 90,103,317	\$ 91,028,756	\$ 113,508,500	24.70%	\$ 116,913,755	3.00%
3L90	200621	Career-Technical Education Basic Grant	\$ 42,839,370	\$ 41,847,593	\$ 44,663,900	6.73%	\$ 44,663,900	0.00%
3M00	200623	ESEA Title 1A	\$ 567,416,547	\$ 549,474,896	\$ 590,000,000	7.38%	\$ 600,000,000	1.69%
3M20	200680	Individuals with Disabilities Education Act	\$ 405,622,192	\$ 421,901,282	\$ 444,000,000	5.24%	\$ 445,000,000	0.23%
3T40	200613	Public Charter Schools	\$ 413,566	\$0	\$0	N/A	\$0	N/A
3Y20	200688	21st Century Community Learning Centers	\$ 42,474,190	\$ 42,461,812	\$ 50,000,000	17.75%	\$ 50,000,000	0.00%
3Y60	200635	Improving Teacher Quality	\$ 81,327,248	\$ 81,279,191	\$ 90,000,000	10.73%	\$ 90,000,000	0.00%
3Y70	200689	English Language Acquisition	\$ 9,218,354	\$ 8,907,637	\$ 10,101,411	13.40%	\$ 10,101,411	0.00%

# FY 2016 - FY 2017 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
<b>EDU Department of Education</b>								
3Y80	200639	Rural and Low Income Technical Assistance	\$ 3,057,857	\$ 2,975,324	\$ 3,300,000	10.91%	\$ 3,300,000	0.00%
3Z20	200690	State Assessments	\$ 10,666,361	\$ 10,440,810	\$ 10,263,000	-1.70%	\$ 10,263,000	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$ 5,893,401	\$ 7,581,392	\$ 10,000,000	31.90%	\$ 10,000,000	0.00%
<b>Federal Fund Group Total</b>			<b>\$ 1,912,438,184</b>	<b>\$ 1,870,487,786</b>	<b>\$ 1,986,665,123</b>	<b>6.21%</b>	<b>\$ 1,988,559,443</b>	<b>0.10%</b>
<b>Department of Education Total</b>			<b>\$ 11,225,228,516</b>	<b>\$ 11,867,788,141</b>	<b>\$ 10,749,489,177</b>	<b>-9.42%</b>	<b>\$ 11,069,750,910</b>	<b>2.98%</b>