

Ohio SchoolNet Commission

- Shift in emphasis from infrastructure to instructional and professional development support
- Recommended total appropriations of \$43.3 and \$42.5 million over the biennium

OVERVIEW

The Ohio SchoolNet Commission (NET) is an independent agency charged with administering many of Ohio's educational technology programs. SchoolNet serves under the supervision of an executive director who is appointed by an eleven-member authority and is responsible for administering various programs supporting the efforts of Ohio's public schools in the acquisition and use of educational technology. Programs administered by SchoolNet include SchoolNet and SchoolNet Plus as well as several other initiatives to assist eligible districts in maximizing Ohio SchoolNet technologies. SchoolNet became an independent agency in 1997 and currently has 83 full time equivalents positions, nine of which are vacant or in the process of being filled.

Executive Recommendation – an Overview

The executive recommendation proposes \$43,314,216 in FY 2002 and \$42,509,429 in FY 2003, a decrease of 70.4 percent and 1.9 percent respectively. The major areas of expenditures under the proposed appropriations include technology and professional development, operating expenses, and continued subsidy payments to school districts. This recommended budget does not appropriate any funds for SchoolNet Plus and this causes most of the percentage decrease cited for FY 2002.

An examination of the proposed funding reveals a shift in priorities in SchoolNet's operations from the provision of hardware to one of providing greater technical service and training to the educational technology community. To this end, the executive recommendation proposes an increase in appropriations for personal services of 23.2 percent to \$6,770,127 in FY 2002. However, this is followed by a 2.4 percent decrease in FY 2003 to \$6,608,426. The increase in FY 2002 is largely due to a change in the status of 20 SchoolNet Faculty from contracted to full-time personnel. These positions were previously funded from line-item 228-406 and are now funded from line-item 228-404.

ADDITIONAL FACTS AND FIGURES

SchoolNet Office Staffing Levels					
Division	1998	1999	2000	2001	2002
Administration	10	13	11	11	11
Support	16	16	16	19	19
Technical	3	5	10	14	14
Other	2	1	19	39	39
Totals	31	35	56	83	83

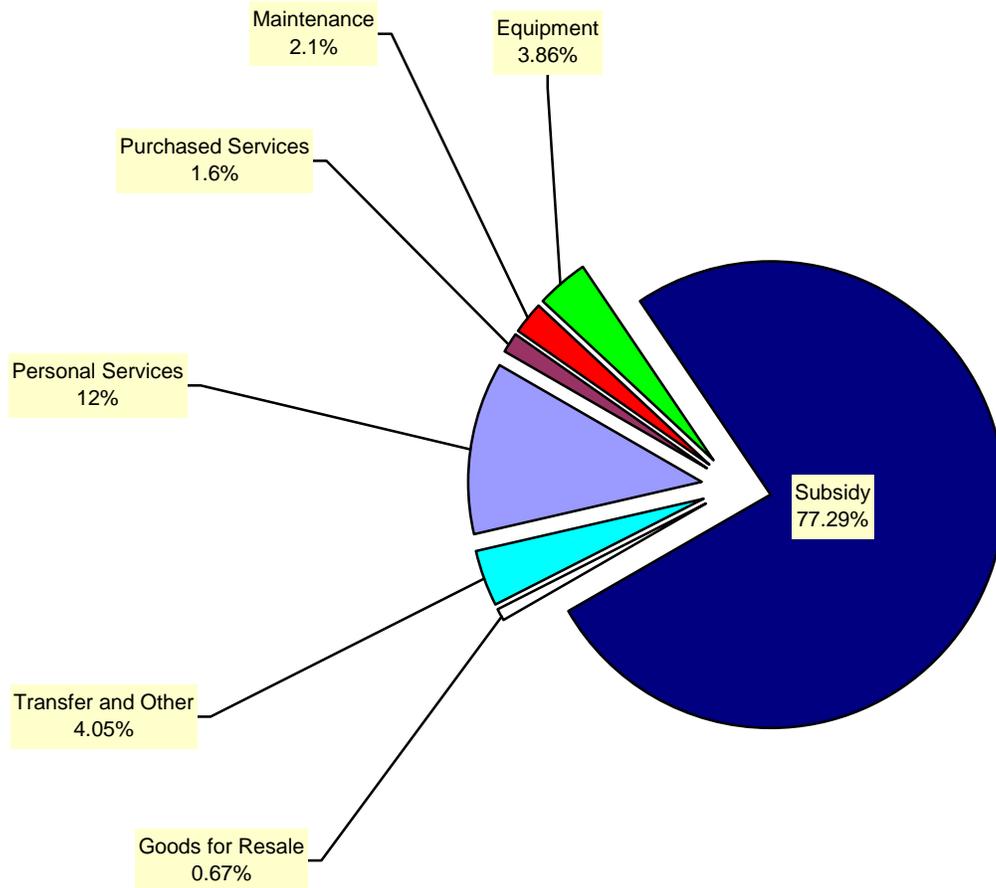
- Since FY 1997 and its move from the Department of Education, SchoolNet has grown rapidly from a staff of 15 to a staff of 83 in FY 2001.
- The other category includes primarily field and project management staff. This area is responsible for the majority of the growth in SchoolNet staff. For the upcoming biennium, the executive recommendation does not allow for any staff growth.

SchoolNet Office Spending/Appropriations By Object (rounded to thousand)				
	<i>Actual</i>	<i>Estimated</i>	<i>Recommended</i>	
Object of Expense	2000	2001	2002	2003
Personal Services	\$2,446,000	\$5,443,000	\$4,992,000	\$5,264,000
Purchased Services	\$1,914,000	\$1,435,000	\$912,000	\$473,000
Maintenance	\$1,199,000	\$2,109,000	\$1,653,000	\$1,661,000
Equipment	\$6,689,000	\$11,136,000	\$244,000	\$241,000
Subsidy	\$65,644,000	\$119,051,000	\$33,482,000	\$32,850,000
Goods for Resale	\$0	\$279,000	\$285,000	\$290,000
Transfer & Other	\$2,119,000	\$6,657,000	\$1,746,000	\$1,730,000
Totals	\$80,011,000	\$146,110,000	\$43,314,000	\$42,509,000

- Traditionally, the vast majority of SchoolNet expenditures have been in the form of subsidy payments. Specifically, during the FY 2002-2003 biennium approximately \$66.3 million or 77.3 percent of the total executive recommendation for the SchoolNet budget would go to subsidy payments. Over the past few fiscal years while still comprising the clear majority of funding, this percentage has continued to decline from over 91 percent in the FY 1998-1999 biennium. This shift continues to correlate with the shift away from hardware and infrastructure installation to maintenance, professional development, and instruction and the subsequent increase in administrative and technical staff required to execute these tasks.
- In terms of the share of the total agency budget, the estimated percentage of SchoolNet funding during the current biennium appropriated in the form of subsidy payments is approximately 82 percent of the total SchoolNet budget.

- A large chunk of subsidy moneys in the past and currently go to support the acquisition of equipment and the improvement of infrastructure. That emphasis is now shifting to professional development, effective integration of technology, and support. By the end of the current biennium, SchoolNet Plus will provide over 28,000 new computers for fifth grade students statewide.

Appropriations by Object of Expenditure FY 2002-2003



ANALYSIS OF EXECUTIVE PROPOSAL

SchoolNet

Purpose SchoolNet is charged with administering several educational technology programs designed to assist public schools in acquiring and applying educational technology.

The following table shows the line items that are used to fund the programs of the Ohio SchoolNet Commission, as well as the Governor's recommended funding levels. About 54 percent of the budget is comprised of GRF sources.

Fund	ALI	Title	FY 2002	FY 2003
GRF	228-404	Operating Expenses	\$6,770,127	\$6,608,426
GRF	228-406	Tech. & Instruct. Professional Development	\$10,475,898	\$10,172,630
GRF	228-539	Education Technology	\$6,161,096	\$5,910,596
3S3	228-655	Technology Literacy Challenge	\$15,918,780	\$15,918,780
4W9	228-630	Ohio SchoolNet Telecommunity	\$547,615	\$447,615
4X1	228-634	Distance Learning	\$2,930,000	\$2,930,000
5D4	228-640	Conference/Special Purpose Expenses	\$510,700	\$521,382
Total funding: SchoolNet			\$43,314,216	\$42,509,429

Specific line items within SchoolNet that this analysis will focus on include:

- **Operating Expenses**
- **Technical and Instructional Professional Development**
- **Education Technology**
- **Interactive Parenting**
- **Technology Literacy Challenge**
- **SchoolNet Plus**

Operating Expenses 228-404

The executive recommendation proposes \$6,770,127 in FY 2002 and \$6,608,426 in FY 2003, an increase of 23.2 percent and a decrease of 2.4 percent respectively. This does not include funds from the Technical and Instructional Professional Development line item (228-406) for teachers and administrators, also including a small amount of operating expenses.

The proposed appropriations for FY 2002 and 2003 would be used to support the administration and support for operations including the delivery of its technology programs and services. Specifically, these moneys would fund both personnel costs as well as the maintenance, repair, and upgrade of existing office and computer equipment. The increase also reflects a need to focus energies and resources on the major ways SchoolNet delivers programs and services: face-to-face consultation, training, technical assistance, and other events.

Staffing Support

A closer examination of the numbers recommended by the executive reveal that the largest single object of expenditures associated with the Operating Expenses line item is Personal Services, receiving about 67 percent and 73 percent of the appropriation in FY 2002 and 2003 respectively. This compares with the next largest object of expenditure, maintenance, which makes up approximately 16 percent of the line item for both years. See table below for the additional breakdown.

Uses for 228-404 Operating Expenses						
Object	FY 2001	Percent of Total	FY 2002	Percent of Total	FY 2003	Percent of Total
Personal Services	\$3,366,935	61.3	\$4,567,032	67.5	\$4,833,549	73.1
Purchased Services	\$788,515	14.4	\$675,500	10	\$240,940	3.7
Maintenance	\$1,031,332	18.8	\$1,121,330	16.6	\$1,102,307	16.7
Equipment	\$88,578	1.6	\$193,000	2.9	\$189,726	2.9
Subsidy	\$220,000	4	\$212,300	3.1	\$240,940	3.7
Transfer/Other	\$1,000	<.1	\$965	<.1	\$964	<.1
Total 228-404	\$5,496,360		\$6,770,127		\$6,608,426	

Technical and Instructional Professional Development 228-406

This line item is comprised largely of subsidy payments provided to the education technology community. Specifically, the executive recommendation proposes \$10,475,898 in FY 2002 and \$10,172,630 in FY 2003 to support the development and implementation of education technology as well as for technical and professional development assistance. Of the total appropriation, the executive recommendation would earmark \$1,400,000 in each year of the biennium for the Ohio Educational Telecommunications Commission (OET) to make grants to provide interactive instructional programming services targeted to the poorest 200 school districts statewide. Additionally, \$2,900,000 in each year of the biennium would be set aside for distribution in the form of grants to low-wealth school districts, including the Ohio School for the Blind (OSB) and the Ohio School for the Deaf (OSD) for the purposes of supporting educational technology. The remainder of the recommendation (\$7,708,453 in FY 2002 and \$8,006,256 in FY 2003) would be used to support the improvement of technology integration as well as to provide additional professional development activities for educators.

Transfer to Educational Telecommunications Network Commission

The executive recommendation earmarks \$1,400,000 in each year of the biennium for transfer to OET to support grants that would be made with the advice of SchoolNet. The OET grants would fund research, development, and production of interactive programming series' and teleconferences in support of SchoolNet technology. These grants are targeted at the programming needs of the 200 poorest school districts as determined by adjusted valuation per pupil. Up to \$55,000 of the total earmark may be used by OET for the purpose of administering the grants.

Technology Equity Grants

The executive recommendation also earmarks \$2,900,000 in each year of the biennium to support Technology Equity grants that would be awarded to low-wealth school districts or consortia including low wealth school districts as well as to OSB and OSD. These grants are used to subsidize district efforts to acquire support for technology. While the type of technology support a district acquires with the grant may be in the form of professional development, past acquisitions have also included electrical infrastructure, air conditioning, and other items necessary to adequately support the operation and application of educational technology.

Professional Development

In addition to the relatively large grant programs described above, the remainder of the 228-406 line item would be used within SchoolNet to support the use of technology and the quality of technology-related professional development. These initiatives include regional demonstration centers or hubs, software review, and a clearinghouse for lesson plans and other resources to assist Ohio's educators in the application of technology in the classroom.

Education Technology 228-539

The executive recommendation for Education Technology proposes \$6,161,096 in FY 2002 and \$5,910,596 in FY 2003, a decrease of 8.5 and 4.1 percent respectively. This line item provides funding to support payments to the suppliers of information services to school districts. These services are in the form of hardware, software, and staff development. The two main objectives of this line item are to ensure the access of all Ohio schools to educational television programming and to provide them with a variety of instructional media. Educational television programming and instructional media are provided through Educational Technology Corporations (ETC's) and Area Media Centers (AMC's).

Educational Television Programming

Of the proposed appropriations in each year of the biennium, up to \$5,200,000 (approximately 12 percent of SchoolNet funding in each fiscal year respectively) would support the provision of educational television programming provided through contract agreements with eight ETC's located within an educational television station's broadcast area. Additional services provided by the ETC's include furnishing participating districts with technology training assistance and professional development workshops focusing on technology application. Furthermore, SchoolNet contracts with the OET and eight Ohio educational television stations for services related to the downlink and distribution of educational television programming. Approximately 600 school districts have memberships and receive services from the eight ETC's.

Area Media Centers

Up to \$850,000 in FY 2002 and \$840,000 in FY 2003 would be used to provide all chartered Ohio schools with access to a variety of educational instructional media including videotape, CD-ROM, laser disc, and computer software. Provision of these services would be accomplished regionally through Area Media Centers (AMC). Currently, there are twenty-three AMC's regionally located and operating as lending library services. AMC's are and would remain responsible for previewing, approving, purchasing, and distributing relevant educational resources and materials as determined by local need. Statewide, a vast majority of school districts have memberships and receive materials from the twenty-three AMC's.

Ohio SchoolNet Telecommunity 228-630

Originally a supplement to the Distance Learning and Ameritech grants, the goals of Ohio SchoolNet Telecommunity are to assist schools through grants to develop interactive video and distance learning technologies and the professional development to effectively integrate those technologies into curricula. The end goal is to affect learning and enhance the educational experience of students. While the budget recommendation is \$547,615 and \$447,615 for each year of the biennium (FY 2002 representing a large percentage increase from \$52,813 in FY 2001), total appropriations for the FY 2002-2003 biennium would be about 66 percent of the total from the current biennium. The increase is the result of additional funding received from Cincinnati Bell and a decision to appropriate carryover and interest income to support additional subsidy.

Technology Literacy Challenge 228-655

This line item is funded from federal sources and supports a competitive grant program for schools to create learning models that effectively integrate classroom technology in high schools and also for “Raising the Bar” grants for middle schools. Approximately 60 grants were awarded to high schools in November 2000 and almost 150 middle school grants have been awarded since 1997. The grant applicants must meet specific selection criteria including an action, a detailed budget, video and initiative resources, and a data survey. Pre-established benchmarks are used to gauge progress and accomplishments as well. The expected appropriation is \$15,918,780 for each fiscal year of the biennium. This represents a 4.4 percent decrease for the first year of the biennium when compared to the current FY 2001 appropriation with 95 percent of the funds flowing through as a subsidy to participating schools. This line item under the executive recommendation comprises 36.8 and 37.4 percent of the total agency budget in FY 2002 and FY 2003 respectively.

SchoolNet Plus 228-698

No additional funds are appropriated for this line item as part of the recommended budget. SchoolNet Plus has, in the past three rounds, provided targeted school districts \$700 per pupil in kindergarten through the fourth grade, while non-targeted school districts received \$350 per pupil. The state has appropriated more than \$500,000,000 for SchoolNet Plus since FY 1995. Funds have come from year-end GRF surpluses. In the previous biennium, the recommendations of the Ohio Schools Technology Implementation Task Force called for the expansion of SchoolNet Plus by one grade level each fiscal year, with the short-term goal of providing service to grades five through eight. Round 4 of the SchoolNet Plus program is being implemented in the current biennium and will provide over \$53,000,000 to purchase over 28,000 new computers for the fifth grade statewide.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Temporary Law Provisions

Interactive Video Distance Learning Program

Temporary language has been added that will ensure that unencumbered and unallotted balances as of June 30, 2001 in ALI 228-690, SchoolNet Electrical Infrastructure, are reappropriated to the Interactive Video Distance Learning line item in FY 2002.

SchoolNet Plus

Temporary language related to the expenditure of SchoolNet Plus funds has been eliminated. All appropriations that are unencumbered and unallotted in ALI 228-698, SchoolNet Plus, as of June 30, 2001 are reappropriated for the same purpose in FY 2002. This is estimated to amount to \$3,000,000.

Technical and Instructional Professional Development

Temporary earmarking language has been updated to reflect lower amounts to be set aside for supporting instructional programming through OET and for funds distribution to low-wealth districts for technical and instructional development.

Interactive Parenting Program

Temporary language regarding the Interactive Parenting Program has been eliminated. Funding is provided under the Department of Education budget in 200-426, Ohio Educational Computer Network.

REQUESTS NOT FUNDED

Operating Expenses						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 228-404	\$8,899,932	\$6,770,127	(\$2,129,805)	\$9,146,279	\$6,608,426	(\$2,537,853)

Requested items that would be not funded under the recommended budget:

- Eleven new staff positions would not be filled, consisting of 7 technical, 2 administrative and 2 support positions.
- The SchoolNet Commission may require a staff reduction, including a hiring freeze and early retirement offers.
- Service levels for a number of programs would be very difficult, if not impossible to maintain, including collaborative projects such as: Ohio School Funding website, iCIP, Technology Professional Development, Ohio Principal’s Leadership Academy.
- Impact for maintenance and equipment should be minimal, even though funded below CBL.

Technical & Instructional Prof. Dev.						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 228-406	\$11,765,000	\$10,475,898	(\$1,289,102)	\$11,757,000	\$10,172,630	(\$1,584,370)

Requested items that would be not funded under the recommended budget:

- A review of existing programs would be required for FY 2003. This could result in the elimination and/or reduction of funding to school districts and educational agencies.

Education Technology						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 228-539	\$6,733,475	\$6,161,096	(\$572,379)	\$6,733,475	\$5,910,596	(\$822,879)

Requested items that would be not funded under the recommended budget:

- Significant impact on this line item since the recommended amount is below the CBL.

Conference/Special Purpose Exp						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GSF 228-640	\$511,680	\$510,700	(\$980)	\$524,887	\$521,382	(\$3,505)

Requested items that would be not funded under the recommended budget:

- This minimal difference will have no significant impact.

Video Distance Learning						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
GRF 228-650	\$7,300,000	\$0	(\$7,300,000)	\$7,300,000	\$0	(\$7,300,000)

Requested items that would be not funded under the recommended budget:

- This program would be eliminated.

SchoolNet Plus						
Fund Line Item	FY 2002 Requested	FY 2002 Recommended	Difference	FY 2003 Requested	FY 2003 Recommended	Difference
SSR 228-698	\$70,611,591	\$0	(\$70,611,591)	\$67,313,311	\$0	(\$67,313,311)

Requested items that would be not funded under the recommended budget:

- The progress of the SchoolNet Plus program would not be able to continue beyond the current anticipated completion of 28,000 computers being provided to fifth grade statewide. Grades 6 through 9 are now in the most need of improved access to technological and computer improvements.
- Funds in the past have been provided from GRF budget surpluses.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund ALI ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
NET SchoolNet Commission							
GRF 228-404 Operating Expenses	\$5,496,360	\$ 6,770,127	\$ 7,255,189	32.0%	\$ 6,608,426	\$ 7,117,741	-1.9%
GRF 228-406 Tech. & Instruc. Prof. Dev.	\$13,002,056	\$ 10,475,898	\$ 10,475,898	-19.4%	\$ 10,172,630	\$ 10,172,630	-2.9%
GRF 228-539 Education Technology	\$6,733,475	\$ 6,161,096	\$ 6,161,096	-8.5%	\$ 5,910,596	\$ 5,910,596	-4.1%
GRF 228-559 RISE - Interactive Parenting	\$1,200,000	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
General Revenue Fund Total	\$ 26,431,891	\$ 23,407,121	\$ 23,892,183	-9.6%	\$ 22,691,652	\$ 23,200,967	-2.9%
5D4 228-640 Conference/Special Purpose Exp	\$500,000	\$ 510,700	\$ 510,700	2.1%	\$ 521,382	\$ 521,382	2.1%
5G0 228-650 Video Distance Learning	\$14,615,225	\$ 0	\$ 4,086,000	-72.0%	\$ 0	\$ 0	-100.0%
5L3 228-601 E-Rate Program	\$31,080	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
General Services Fund Group Total	\$ 15,146,305	\$ 510,700	\$ 4,596,700	-69.7%	\$ 521,382	\$ 521,382	-88.7%
3S3 228-655 Technology Literacy Challenge	\$16,650,418	\$ 15,918,780	\$ 15,918,780	-4.4%	\$ 15,918,780	\$ 15,918,780	0.0%
Federal Special Revenue Fund Group Total	\$ 16,650,418	\$ 15,918,780	\$ 15,918,780	-4.4%	\$ 15,918,780	\$ 15,918,780	0.0%
4W9 228-630 Ohio SchoolNet Telecommunity	\$52,813	\$ 547,615	\$ 547,615	936.9%	\$ 447,615	\$ 447,615	-18.3%
4X1 228-634 Distance Learning	\$3,271,413	\$ 2,930,000	\$ 2,930,000	-10.4%	\$ 2,930,000	\$ 2,930,000	0.0%
4Y4 228-698 SchoolNet Plus	\$74,109,334	\$ 0	\$ 2,707,605	-96.3%	\$ 0	\$ 2,826,540	4.4%
State Special Revenue Fund Group Total	\$ 77,433,560	\$ 3,477,615	\$ 6,185,220	-92.0%	\$ 3,377,615	\$ 6,204,155	0.3%
017 228-690 SchoolNet Electrical Infrastr	\$10,448,294	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
Lottery Profits/Education Fund Group Total	\$ 10,448,294	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
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Total All Budget Fund Groups	\$ 146,110,468	\$ 43,314,216	\$ 50,592,883	-65.4%	\$ 42,509,429	\$ 45,845,284	-9.4%
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General Revenue Fund

GRF 228-404 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$17,306,961	\$17,183,727	\$5,185,265	\$5,496,360	\$6,770,127	\$6,608,426
	-0.7%	-69.8%	6.0%	23.2%	-2.4%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Office of Information, Learning and Technology Services by the Controlling Board on March 3, 1997

Purpose: These funds are used to support the operations of the Office of Information, Learning and Technology Services in administering and supporting the various educational technology programs. This line item provides for payroll and fringe benefits for employees of the Office as well as support for personal service contracts, maintenance, and equipment needs.

GRF 228-406 Tech. & Instruc. Prof. Dev.

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$11,652,778	\$13,002,056	\$10,475,898	\$10,172,630
	N/A	N/A	11.6%	-19.4%	-2.9%

Source: GRF

Legal Basis: Created in Am. Sub. H.B. 282 of the 123rd G.A.

Purpose: Funds distributed under this line item provide educators with the technical and professional development skills to maximize the use of technology in classrooms. Moneys are used primarily to provide payments to the Ohio Educational Telecommunications Network Commission (OEB) and low wealth school districts (including the Ohio School for the Deaf and the Ohio School for the Blind); as well as to support numerous initiatives of the Office related to assisting Ohio's educators in the application of educational technology.

GRF 228-539 Education Technology

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$6,550,073	\$6,550,072	\$6,707,421	\$6,733,475	\$6,161,096	\$5,910,596
	0.0%	2.4%	0.4%	-8.5%	-4.1%

Source: GRF

Legal Basis: ORC 3301.07; transferred from the Department of Education to the Office of Information, Learning and Technology Services by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: These funds are used to provide funding to suppliers of information services to school districts for the provision of hardware, software, and staff development in support of educational uses of technology in the classroom as prescribed by the State Plan for Technology in section 3301.07 of the Revised Code.

GRF 228-559 RISE - Interactive Parenting

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,650,000	\$1,200,000	\$1,200,000	\$1,200,000	\$0	\$0
	-27.3%	0.0%	0.0%	-100.0%	N/A

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Office of Information, Learning and Technology Services by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item is used by the office to fund a grant to a non-profit organization to implement an interactive and technologically delivered instructional program. This program is used to enhance the professional development, training, and performance of preschool staff members; the education and care giving skills of the parents of preschool children; and the preparation of preschool aged children for learning.

General Services Fund Group

5D4 228-640 Conference/Special Purpose Exp

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,731	\$15,064	\$697	\$500,000	\$510,700	\$521,382
	218.4%	-95.4%	71636.0%	2.1%	2.1%

Source: GSF: fees and gifts

Legal Basis: Originally established by the Controlling Board on March 3, 1997

Purpose: This line item receives the registration fees paid by those persons participating in conferences sponsored by the office as well as gifts and bequests for specific purposes. Moneys are used for materials and facilities for conferences and for the purposes specified by gifts and bequests.

5G0 228-650 Video Distance Learning

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$4,094,643	\$5,090,232	\$14,615,225	\$0	\$0
	N/A	24.3%	187.1%	-100.0%	N/A

Source: GSF: funds transferred from the GRF ending balance

Legal Basis: Originally established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item is used to help fund interactive video distance learning projects in school districts and joint vocational schools. Funding priority will be given to consortia of schools that are geographically dispersed around the state. The Office of Information, Learning and Technology Services will calculate a maximum grant amount for each approved school district or consortium. The percentage of the maximum grant amount awarded to school districts or consortia should be greater for low property wealth districts or consortia and less for high property wealth districts or consortia. School districts or consortia of districts whose per pupil valuation for the average of the preceding two years exceed 60 percent of the statewide median valuation per pupil would be eligible for funds only if they commit to provide programming without charge or at minimal cost to districts whose valuation per pupil is below the statewide median valuation per pupil.

5L3 228-601 E-Rate Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$31,080	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: GSF: GSF

Legal Basis: Unfunded agency request

Purpose: This line item provides for a discounted rate for Internet access for schools.

Federal Special Revenue Fund Group

3S3 228-655 Technology Literacy Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$9,422,915	\$16,736,049	\$14,700,072	\$16,650,418	\$15,918,780	\$15,918,780
	77.6%	-12.2%	13.3%	-4.4%	0.0%

Source: FED: CFDA 84.317, Technological Literacy Challenge

Legal Basis: Created by the Controlling Board June 22,1998

Purpose: These moneys are part of a five-year federal grant program to assist in encouraging state, local, and private sector investment in technology for improving education. Specifically, the funds provided by federal grant moneys support the Raising the Bar initiative to create new models of learning and educational technology in Ohio's middle schools. This line item was previously administered by the Department of Education.

State Special Revenue Fund Group

4W9 228-630 Ohio Schoolnet Telecommunity

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,650,407	\$2,051,413	\$1,444,081	\$52,813	\$547,615	\$447,615
	-22.6%	-29.6%	-96.3%	936.9%	-18.3%

Source: SSR: excess contributions by eight large, local exchange telephone companies

Legal Basis: Originally established by the Controlling Board on October 28, 1996 within the Department of Education; transferred to the Office of Information, Learning and Technology Services by the Controlling Board on March 3, 1997

Purpose: This line item is used to finance technology grants to state chartered elementary and secondary schools within the telephone service territories of the specific companies in an agreement between the Public Utilities Commission and the Ohio Department of Education signed on August 15, 1996.

4X1 228-632 Distance Learning/Admin

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$122,254	\$38,037	\$0	\$0	\$0	\$0
	-68.9%	-100.0%	N/A	N/A	N/A

Source: SSR: funds transferred from the ALI 228-634, Distance Learning

Legal Basis: Originally established by the Controlling Board on October 7, 1996; transferred to the Office of Information, Learning and Technology Services by the Controlling Board on March 3, 1997

Purpose: These funds are used to pay for administrative expenses of the Office of Information, Learning and Technology Services for administering line item 228-634, Distance Learning.

4X1 228-634 Distance Learning

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,507,448	\$3,550,867	\$5,101,593	\$3,271,413	\$2,930,000	\$2,930,000
	135.6%	43.7%	-35.9%	-10.4%	0.0%

Source: SSR: Ameritech

Legal Basis: Originally established by the Controlling Board on April 24, 1995 within the Department of Education; transferred to the Office of Information, Learning and Technology Services by the Controlling Board on March 3, 1997

Purpose: These funds are to be distributed by the Office of Information, Learning and Technology Services on a grant basis to eligible public schools and chartered nonpublic schools to establish distance learning. Only schools within an Ameritech service area are eligible for funds, as per an agreement with Ameritech.

4Y4 228-698 Schoolnet Plus

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$75,112,876	\$72,209,307	\$20,635,786	\$74,109,334	\$0	\$0
	-3.9%	-71.4%	259.1%	-100.0%	N/A

Source: SSR: SSR: funds transferred from the FY 1999 ending balance

Legal Basis: Originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Office of Information, Learning and Technology Services by the Controlling Board on March 3, 1997

Purpose: These funds are used to extend the SchoolNet Plus program. Under the program, school districts would receive state subsidies to purchase hardware, software, and telecommunications services for the use of technology in the classroom. These funds may also be used to fund an independent review of Ohio's educational technology agencies and to develop and implement a statewide technology strategic planning process.

Lottery Profits/Education Fund Group

017 228-690 Schoolnet Electrical Infrastr

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,000,000	\$6,929,621	\$6,564,125	\$10,448,294	\$0	\$0
	131.0%	-5.3%	59.2%	-100.0%	N/A

Source: LPE: Lottery Profits Education Fund

Legal Basis: Originally established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: These funds will be used by the Office of Information, Learning and Technology to make grants to school districts to renovate existing buildings with sufficient electrical service to safely operate educational technology consistent with their SchoolNet and SchoolNet Plus technology plans. In reviewing grant proposals the office will consider the ability and commitment of school districts to contribute local public and private resources to upgrade electrical service and will give consideration to consortia of districts which have formed to optimize resources to upgrade their electrical service. In no case will grant awards exceed \$1,000,000 for a single school district.

As Introduced

As Passed by the House

Permanent Law Changes

Subject: SchoolNet Commission Chairperson

section: 3301.80

Requires that the Superintendent of Public Instruction be the chairperson of the SchoolNet Commission. This provision has no fiscal effect.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Interactive Video Distance Learning Program

Section: 11

ALI: 228-650

(1) Reappropriates unencumbered and unallotted balances as of June 30, 2001 in appropriation item 228-690, SchoolNet Electrical Infrastructure, to fund projects related to interactive video distance learning.

(2) Requires funds be spent in accordance with the statewide educational technology strategic plan. The commission shall give preference to lower wealth districts that do not have existing video teleconferencing technology.

(3) No provision.

Section: 101

(1) Same as Executive, but the unencumbered and unallotted balances in appropriation item 228-650, Interactive Distance Learning are reappropriated each fiscal year.

(2) No change.

(3) Requires the Director of Budget and Management to transfer \$4,086,000 from the General Revenue Fund to Fund 5G0, Interactive Distance Learning.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: SchoolNet Plus Program

Section: 11

ALI: 228-698

(1) Reappropriates all unencumbered and unallotted balances in appropriation item 228-698, SchoolNet Plus, as of June 30, 2001 to the same purpose in FY 2002. These balances are estimated to be about \$3,000,000.

(2) No provision.

(3) No provision.

(4) No provision.

Section: 101

(1) No change.

(2) Requires the Director of Budget and Management to transfer from the Human Resources Services Fund (Fund 125) in the Department of Administrative Services to Fund 4Y4, SchoolNet Plus, \$2,707,605 in FY 2002 and \$2,826,540 in FY 2003.

(3) Earmarks \$1,841,655 in FY 2002 and \$1,917,293 in FY 2003 to fund the ONEnet Ohio Project to link public K-12 classrooms with each other and the Internet.

(4) Earmarks \$865,950 in FY 2002 and \$909,247 in FY 2003 to be provided to the INFOhio Network of library resources to provide electronic resources to all public schools.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Technical and Instructional Professional Development**Section: 11****Section: 101****ALI: 228-406**

Requires that GRF appropriation item 228-406, Technical and Instructional Professional Development, be spent on grants to schools for the provision of hardware, software, telecommunications services, and staff development to support educational uses of technology in the classroom. Consideration shall be made for the professional development needs associated with the OhioReads Program.

No change.

Earmarks up to \$1,400,000 in each year for grants made by the Ohio Telecommunications Network Commission with the advice of the Ohio SchoolNet Commission for research development and production of interactive instructional programming series and teleconferences to support SchoolNet. Up to \$55,000 of this amount shall be used each year for administering these activities. The programming shall be targeted to the poorest 200 school districts.

Earmarks \$2,900,000 in each year to be distributed specifically to low wealth districts or the State School for the Blind or the Ohio School for the Deaf.

Requires the remaining appropriation be used for grants supporting the professional development of teachers and administrators for the use of educational technology.

As Introduced**As Passed by the House****Temporary Law Changes**

Grants shall be made on a contractual basis to regional training centers, county offices of education, data collection sites, instructional technology centers, institutions of higher education, public television stations, special education resource centers, area media centers or other nonprofit educational organizations.

Permits the use of subcontractors by grant recipients.

Requires that grants be consistent with SchoolNet's efforts to support technology in schools and with a school district's technology plan.

Subject: Education Technology**Section: 11****ALI: 228-539**

Earmarks up to \$5,200,000 in each year to contract with instructional television.

Earmarks up to \$850,000 in FY 2002 and \$840,000 in FY 2003 to contract with educational media centers to provide Ohio schools with instructional resources and services.

Requires that these resources and services be made available for purchase by chartered nonpublic schools.

Section: 101

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Distance Learning

Section: 11

ALI: 228-634

Requires that appropriation item 228-634, Distance Learning, be distributed on a grant basis to school districts to establish distance learning in the district.

Requires the Director of Budget and Management to transfer to fund 4X1 any investment earnings from moneys paid to the office or Commission by any telephone company as part of a settlement agreement between the company and the PUC in FY 1995.

Section: 101

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Electrical Infrastructure

Section: 11

ALI: 228-690

Reappropriates unencumbered and unallotted balances as of June 30, 2001 in appropriation item 228-690, Electrical Infrastructure, to fund projects related to Electrical Infrastructure.

Requires that these funds be distributed to school districts to renovate existing buildings with sufficient electrical service to safely operate educational technology consistent with their SchoolNet and SchoolNet Plus technology plans.

Limits the amount of the grant awards to \$1,000,000 for a single school district.

Section: 101

No change.