

# Ohio SchoolNet Commission

**House Primary and Secondary Education Subcommittee**

*Meegan M. Michalek, Economist  
Legislative Service Commission*

*March 11, 2003*

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# LSC Redbook for the Ohio SchoolNet Commission

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<i>Attachment: LSC Budget Spreadsheet By Line Item</i>	

*March 11, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Ohio SchoolNet Commission

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- The SchoolNet Commission will cease to operate as an independent agency in FY 2005
- FY 2004 total funding is 23% lower than FY 2003 levels

## OVERVIEW

**Description of the agency.** The Ohio SchoolNet Commission (NET) became an independent agency in 1997, charged with administering many of Ohio's educational technology programs. Originally charged with wiring every public classroom for Internet access and placing computers in Ohio's classrooms, the role of SchoolNet has evolved to assisting districts in integrating technology into the teaching and learning environment and building the capacity of districts to effectively manage and support technology. SchoolNet serves under the supervision of an executive director who is appointed by an 11-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.

SchoolNet was separated from the Ohio Department of Education in 1997. The executive budget proposes that the agency and its functions should rejoin the Department of Education in FY 2005. The Executive has placed \$23 million from the GRF in the Controlling Board budget to fund the purposes of SchoolNet in FY 2005 (see the Permanent and Temporary Law section for more information).

**Priorities for the upcoming biennium.** The Ohio SchoolNet Commission has adopted the eight priorities established by the Ohio Schools Technology Implementation Task Force. These priorities set the focus for SchoolNet's work as an agency.

1. **Connectivity:** Every classroom in the state is able to connect to a statewide network with consistent access to electronic resources and the Internet.
2. **Classroom Technology:** Students and teachers have access to modern multimedia computers, distance learning, and other educational technologies that facilitate teaching and learning in the classroom.
3. **Technology Support:** Schools have access to current tools and personnel with sufficient expertise to provide ongoing support for technology in schools.
4. **Technical Training:** Schools have training resources for the personnel who are responsible for supporting technology in schools.
5. **Professional Development:** Professional development opportunities are available to teachers statewide so that they are able to expand their technological skills.

- 6. Instructional Technological Resources:** Allows teachers to use electronic products to improve student learning, and students have access to electronic products and resources.
- 7. Administrative Electronic Resources:** Teachers, administrators, and staff have access to electronic products and services that allow them to be more efficient and productive in the workplace.
- 8. Planning and Coordination:** The state of Ohio provides leadership, coordination, and oversight in the acquisition and responsible use of technology in schools to facilitate equitable access and measurable improvement in learning.

**Tobacco budget.** The Ohio SchoolNet Commission received \$16.5 million in both FYs 2003 and 2004 through the Tobacco Budget. These appropriations are not included in H.B. 95, the proposed budget bill. In FY 2003, \$4.3 million was earmarked for various SchoolNet Projects, including: RISE learning Solutions, Ohio ONEnet, INFOhio Network, the JASON Project, and the Stark County School Teacher Technical Training Center.

The remaining \$12.2 million in FY 2003 and the whole amount (\$16.5 million) in FY 2004 will go towards Round 5 (grade six) of the SchoolNet Plus program. The state's goal is one computer for every five students. Grants are given to local school districts based on their quartile of wealth. The first two quartiles of wealth receive \$380 per pupil and students in the third and fourth quartile receive \$188 per student. The fifth round of SchoolNet Plus is expected to cost approximately \$37.6 million.

**Overall budget funding recommendation:** The executive budget eliminates the SchoolNet Commission as an independent agency in FY 2005. The Governor's budget proposes \$30,337,262 in FY 2004 for all funds, an overall decrease of 23% from 2003 levels. The major areas of expenditures under the proposed appropriations include education technology, professional development, and operating expenses. General Revenue Fund funding increases from \$21.9 million in FY 2003 to \$24.1 million in FY 2004, a 10.0% increase. However, the FY 2004 increase will be used to continue to fund many of the earmarked purposes from the tobacco budget in FY 2003 for FY 2005, and the new MathRules! Program. There is a \$23.0 million set aside in the Controlling Board budget in the 911-416, Education Technology, line item to fund the purposes of the agency. This is a 4.7% reduction from the GRF amount available in FY 2004. Funding in FY 2005 will be submitted for approval to the Controlling Board by the Ohio Technology Integration Task Force created in this bill.

## 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. The executive budget that the SchoolNet Commission be eliminated as an independent agency in FY 2005, and be reabsorbed into the Department of Education. About 54% of the budget is comprised of GRF sources.

Fund	ALI	Title	FY 2004	FY 2005*
GRF	228-404	Operating Expenses	\$5,961,208	\$0
GRF	228-406	Tech. & Instruct. Professional Development	\$7,691,831	\$0
GRF	228-539	Education Technology	\$10,489,315	\$0
3X8	228-604	Individuals With Disabilities Education Act	\$1,500,000	\$0
5T3	228-605	Gates Foundation Grants	\$1,194,908	\$0
4W9	228-630	Ohio SchoolNet Telecommunity	\$400,000	\$0
4X1	228-634	Distance Learning	\$1,750,000	\$0
5D4	228-640	Conference/Special Purpose Expenses	\$1,350,000	\$0
<b>Total funding: SchoolNet</b>			<b>\$30,337,262</b>	<b>\$0</b>
*Note: The Controlling Board contains a GRF appropriation in line item 911-416, Education Technology, for \$23 million appropriated for SchoolNet purposes in FY 2005.				

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

- **Operating Expenses**
- **Technical and Instructional Professional Development**
- **Education Technology**

#### Operating Expenses 228-404

The executive recommendation proposes \$5,961,208 in FY 2004 a decrease of 4.6% over 2003 funding levels. 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. In FY 2005, SchoolNet will become a part of the Department of Education; therefore, there are no earmarked funds for that year.

The proposed appropriation for FY 2004 would be used to support the administration and operations including the delivery of 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. Given the executive budget for FY 2004, three staff positions will be eliminated in FY 2004.

**Staffing Support**

A closer examination of the numbers recommended by the Executive reveals that the largest single object of expenditures associated with the Operating Expenses line item is Personal Services, receiving about 82.59% of the appropriation in FY 2004. This compares with the next largest object of expenditure, maintenance, which makes up approximately 14.05% of the line item in FY 2004. See the table below for the additional breakdown.

Uses for 228-404 Operating Expenses						
Object	FY 2003	Percent of Total	FY 2004	Percent of Total	FY 2005	Percent of Total
Personal Services	\$5,293,466	82.6	\$4,923,327	82.59	\$0	0
Purchased Services	\$100,000	1.6	\$50,000	0.84	\$0	0
Maintenance	\$850,000	13.3	\$837,380	14.05	\$0	0
Equipment	\$62,500	0.9	\$125,000	2.11	\$0	0
Subsidy	\$100,000	1.7	\$25,000	0.42	\$0	0
Transfer/Other	\$1	.00	\$1	0.00	\$0	0
<b>Total 228-404</b>	<b>\$6,405,967</b>		<b>\$5,961,208</b>		<b>\$0</b>	

**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 \$7,691,831 in FY 2004 to support the development and implementation of education technology as well as for technical and professional development assistance. This amount is 22.6% less than the \$9,937,107 provided in FY 2003. Purchased Services in this line item account for less than 1% of moneys spent.

Of the total appropriation, the executive recommendation would earmark \$1,260,000 in FY 2004 (10.0% less than in FY 2003) for the Ohio Educational Telecommunications Commission (OET) to make grants to provide interactive instructional programming services targeted to the poorest 200 school districts statewide. 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.

Additionally, \$818,322 is appropriated in FY 2004 for the INFOhio Network to support electronic resources to all public schools, with a preference given to elementary schools. The INFOhio Network is a program that provides online resources, such as the encyclopedia to schools. In FY 2003, \$909,247 was earmarked for this project in the tobacco budget (S.B. 242 in the 124th General Assembly). Fiscal year 2004 funding is 10% lower than funding in FY 2003.

The proposed budget also earmarks \$300,000 for the JASON Project, to provide statewide access and a 75% subsidy for statewide licensing of JASON content. The JASON Project is a professional development project for teachers. In FY 2003, \$298,750 was earmarked for this project in the tobacco budget bill (S.B. 242 in the 124th General Assembly).

The remainder of the recommendation (\$5,313,509 in FY 2004) would be used to support the improvement of technology integration as well as to provide additional professional development activities for educators. The rest 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 \$10,489,315 in FY 2004, an increase of 97.18%. This subsidy 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 (ETCs) and Area Media Centers (AMCs).

#### **Ohio ONenet**

In FY 2004, \$1,946,000 will be used for the Ohio ONenet project. The ONenet project aims to connect every K-12 classroom with the Internet and with other classrooms. In FY 2003, \$1,917,293 was earmarked for this project in the tobacco budget bill (S.B. 242 in the 124th General Assembly). Fiscal year 2004 funding is 1% higher than funding in FY 2003.

#### **MathRules!**

In FY 2004, \$2.5 million will be used to support the MathRules! Program. The new initiative provides online courses, tutorials, and resources for teachers, students, and parents aligned with Ohio's math content standards.

#### **RISE Learning Solutions**

In FY 2004, \$1.0 million is earmarked for RISE Learning Solutions. As under prior grants, the SchoolNet Commission is required to work with RISE to develop a program to educate preschool staff members and providers on developmentally appropriate teaching methods, behavior guidance, and literacy using the latest technology available. Subsidy payments are made to RISE Learning Solutions quarterly, and they are required to provide a report at the end of each fiscal year. In FY 2003, \$1.0 million was earmarked for this project in the tobacco budget bill (S.B. 242 in the 124th General Assembly).

#### **Educational Television Programming**

Up to \$4,403,778 in FY 2004 would support the provision of educational television programming provided through contract agreements with eight ETCs located within an educational television station's broadcast area. Additional services provided by the ETCs 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.

**Area Media Centers**

Up to \$639,537 in FY 2004 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 23 AMCs regionally located and operating as lending library services. Area Media Centers 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 23 AMCs. A majority of the funding for Area Media Centers comes from the SchoolNet Commission. The remainder of funds for AMCs comes from fees charged to schools districts and private funds. Below is a breakdown of the subsidies for AMCs granted in FY 2003. There are eight regional centers that act as the main fiscal agents for the area media centers in their regions.

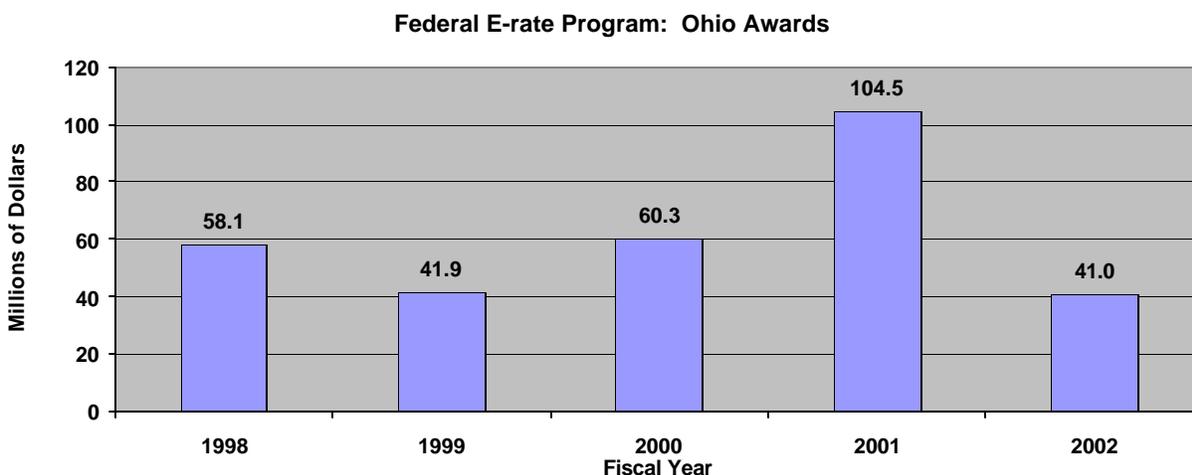
<b>Media Region</b>	<b>FY 2003 Allocation Based on H.B. 94 (124th G.A.)</b>
Central Ohio (Franklin Co.)	\$80,827
Cuyahoga (Cuyahoga Co.)	\$80,827
East Central (Tuscarawas Co.)	\$80,827
North Central (Lorain Co.)	\$80,827
North East (Trumbull Co.)	\$80,827
North West** (Nowet)	\$144,808
Washington (Washington Co.)	\$80,827
South West (Warren Co.)	\$80,827
<b>Total</b>	<b>\$710,596</b>

*\*\*Additional funds in the amount of \$63,981 were granted to the NOWET. \$39,968 was granted to NOWET in order to provide services formerly provided by the West Central Ohio Media Center, and \$24,013 was provided for assistance in creating a statewide AMC distribution system correlated to the Department of Education's competency based curriculum models.*

## ADDITIONAL FACTS AND FIGURES

SchoolNet Staff Levels								
Division	1998	1999	2000	2001	Estimated		Recommended	
					2002	2003	2004	2005
Administration	10	13	11	11	8	6	6	0
Support	16	16	16	11	11	12.5	12.5	0
Technical	3	5	10	10	10	10	10	0
Other	2	1	19	35	42	45	42	0
<b>Totals</b>	<b>31</b>	<b>35</b>	<b>56</b>	<b>67</b>	<b>71</b>	<b>73.5</b>	<b>70.5</b>	<b>0</b>

- Since FY 1997 and its move from the Department of Education, SchoolNet has grown rapidly from a staff of 15 to a staff of 73.5 in FY 2003.
- 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. The SchoolNet Commission expects that three staff positions will be eliminated in FY 2004.
- It is unknown how many staff members will be transferred to the Department of Education in FY 2005 under the executive budget proposal.



- The Federal Communications Commission (FCC) established the E-Rate program in 1997 when they adopted a Universal Service Order implementing the Telecommunications Act of 1996. The order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services.
- The role of Ohio SchoolNet in the E-rate program is simply to provide support and information on participation in the program. Recipients of the awards do not receive grant money. Rather, they

receive a discount on their bills. Money flows directly from the federal government to vendors doing business with award recipients.

- Schools and libraries can apply annually for discounts of from 20% to 90% on telecommunications services, Internet access, and internal connections. In 1998, 87% of Ohio public schools applied for grants, and 98% of those applying were approved, at a commitment of \$31.73 per student, or \$98,510 per district. Approval rates and formulas are somewhat different in subsequent years.

<b>Student Access To Technology</b>		
<b>Rank</b>	<b>State</b>	<b>Number of Students per Computer</b>
1	South Dakota	4.9: 1
2	Kansas	5.6: 1
<b>3</b>	<b>Ohio</b>	<b>5.8: 1</b>
3	Delaware	5.8: 1
3	Wyoming	5.8: 1
4	New Jersey	6.0: 1
5	Montana	6.7: 1
5	Wisconsin	6.7: 1
5	Iowa	6.7: 1
5	Missouri	6.7: 1
	<b>U.S.</b>	<b>7.9:1</b>

- Ohio is ranked third nationwide for student access to technology according to a 2000 Market Data Retrieval Survey. In 1996, Ohio was ranked 46th in the country.
- In the FY 2002-2003 biennium, SchoolNet implemented SchoolNet Plus Round 5, which targeted grade 6. The program aims to provide one computer for every five students.
- Currently all districts in the first two quartiles of wealth receive \$380 per pupil to purchase computers. Meanwhile, 189 districts (31% of all districts in the state) in the last two quartiles of wealth receive \$188 per student, and 117 districts (19% of all districts) receive no per pupil funding through the SchoolNet Plus Program.

## PERMANENT AND TEMPORARY LAW

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

### Temporary Law Provisions

#### Dissolution of the SchoolNet Commission (Sections 97.02 and 137)

The SchoolNet Commission will cease to exist as an independent agency in FY 2005 when it is transferred to the Ohio Department of Education. All funds associated with the SchoolNet Commission will be transferred to the Department of Education.

#### Ohio Technology Integration Task Force (Section 137)

Temporary language established the Ohio Technology Integration Task Force to issue a plan to integrate technology into the primary and secondary classroom that enhances instructional and educational outcomes. The Task Force is also charged with developing a FY 2005 budget proposal for when the SchoolNet Commission is transferred to the Ohio Department of Education. The budget proposal must be submitted to the Controlling Board by March 31, 2004 for approval. Once the Controlling Board approves the budget proposal, the Task Force will cease to exist.

#### Controlling Board (Section 31)

The executive budget appropriates \$23.0 million in FY 2005 in the Controlling Board's budget in line item 911-416, Educational Technology. The Director of Budget and Management may transfer the funds to the Ohio Department of Education based on the Ohio Technology Integration Task Force Plan. This will fund the transfer of responsibilities from the Ohio SchoolNet Commission to the Ohio Department of Education.

## REQUESTS NOT FUNDED

Operating Expenses						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 228-404	\$6,778,897	\$5,961,208	(\$817,689)	\$6,799,319	\$0	(\$6,799,319)

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

- Three staff positions would be eliminated in FY 2004. In addition, pay or merit increases for staff is not included in these figures, nor is increased health care costs.
- 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, and Ohio Principal’s Leadership Academy. It is unclear the extent to which these collaborative efforts will be impacted.

Technical & Instructional Professional Development						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 228-406	\$9,835,057	\$7,961,831	(\$2,143,226)	\$9,835,057	\$0	(\$9,835,057)

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

- The SchoolNet Commission does not anticipate that any projects or programs planned for FY 2004 will be eliminated.
- SchoolNet had planned to increase funding available for District Grants by approximately \$200,000. However, that funding is unavailable and grants will only increase by 0.06% or \$1,879 in FY 2004.

SchoolNet Plus Supplement						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 228-501	\$2,804,621	\$0	(\$2,804,621)	\$5,258,010	\$0	(\$5,258,010)

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

- With current funding levels, for the first time since the beginning of the SchoolNet Plus program in 1995, this program will not serve all districts.
- There may be some school districts, including low wealth districts, which will not receive SchoolNet Plus funds that they have been receiving since FY 1996.

## General Revenue Fund

### GRF 228-404 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,185,265	\$5,133,715	\$5,971,776	\$6,245,819	\$5,961,208	\$0
	-1.0%	16.3%	4.6%	-4.6%	-100.0%

**Source:** GRF

**Legal Basis:** Section 103 of Am. Sub. H.B. of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Ohio SchoolNet Commission by the Controlling Board on March 3, 1997) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** These funds are used to support the operations of the Ohio SchoolNet Commission in administering and supporting the various educational technology programs. This line item provides for payroll and fringe benefits for employees of the commission as well as support for personal service contracts, maintenance, and equipment needs.

### GRF 228-406 Technical & Instruct. Professional Development

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$11,652,778	\$12,929,548	\$10,045,405	\$9,937,107	\$7,691,831	\$0
	11.0%	-22.3%	-1.1%	-22.6%	-100.0%

**Source:** GRF

**Legal Basis:** Section 103.02 of Am. Sub. H.B. 94 of the 124th G.A. (created in Am. Sub. H.B. 282 of the 123rd G.A.) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**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 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 commission related to assisting Ohio's educators in the application of educational technology.

**GRF 228-539 Education Technology**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$6,707,421	\$6,732,881	\$6,160,683	\$5,762,832	<b>\$10,489,315</b>	<b>\$0</b>
	0.4%	-8.5%	-6.5%	<b>82.0%</b>	<b>-100.0%</b>

**Source:** GRF

**Legal Basis:** Section 103.02 of Am. Sub. H.B. 94 of the 124th G.A. (ORC 3301.07; transferred from the Department of Education to the Ohio SchoolNet Commission by Am. Sub. H.B. 215 of the 122nd G.A.) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** These funds are used to provide a subsidy 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,200,000	\$1,200,000	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	0.0%		N/A	<b>N/A</b>	<b>N/A</b>

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Ohio SchoolNet Commission by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** This line item was used by the OSNC to fund a grant to a non-profit organization to implement an interactive and technologically delivered instructional program. This program was 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. Funding for this project is continues through an earmark for \$1,000,000 in FY 2004 in 228-539 Education Technology.

## General Services Fund Group

**5D4 228-640 Conference/Special Purpose Exp**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$697	\$291,975	\$1,226,628	\$1,000,000	<b>\$1,350,000</b>	<b>\$0</b>
	41790.2%	320.1%	-18.5%	<b>35.0%</b>	<b>-100.0%</b>

**Source:** GSF: Fees and gifts

**Legal Basis:** Section 103 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on March 3, 1997) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** This line item receives the registration fees paid by those persons participating in conferences sponsored by the commission 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 Interactive Distance Learning**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,090,232	\$2,923,949	\$11,625,716	\$0	\$0	\$0
	-42.6%	297.6%	-100.0%	N/A	N/A

**Source:** GSF: Funds transferred from the GRF ending balance

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** This line item was used to help fund interactive video distance learning projects in school districts and joint vocational schools. Funding priority was given to consortia of schools that were geographically dispersed around the state. The Ohio SchoolNet Commission calculated a maximum grant amount for each approved school district or consortium. The percentage of the maximum grant amount awarded to school districts or consortia was 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 exceeded 60 percent of the statewide median valuation per pupil were eligible for funds only if they committed 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$31,080	\$0	\$0	\$0	\$0
	N/A		N/A	N/A	N/A

**Source:** GSF: GSF

**Legal Basis:** Discontinued line item (originally created by the Controlling Board on February 28, 2000)

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

## Federal Special Revenue Fund Group

**3S3 228-655 Technology Literacy Challenge**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$14,700,072	\$13,559,153	\$18,004,163	\$703,197	\$0	\$0
	-7.8%	32.8%	-96.1%	-100.0%	N/A

**Source:** FED: CFDA 84.317, Technology Literacy Challenge

**Legal Basis:** Section 103 of Am. Sub. H.B. of the 124th G.A. (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.

**3X8 228-604 Individuals With Disabilities Education Act**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$0	\$9,404,686	<b>\$1,500,000</b>	<b>\$0</b>
	N/A	N/A	N/A	<b>-84.1%</b>	<b>-100.0%</b>

**Source:** FED:

**Legal Basis:** Originally established by the Controlling Board on October 10, 2001. The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** The Ohio SchoolNet Commission will distribute grants to Local Educational Agencies (LEAs) to carry out technology related activities under Part B of the Individuals with Disabilities Act (IDEA). The range of awards for Ohio LEAs for IDEA technology related funding is \$500- \$200,000

## State Special Revenue Fund Group

**4W9 228-630 Ohio SchoolNet Telecommunity**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$1,444,081	\$1,060,940	\$81,000	\$546,300	<b>\$400,000</b>	<b>\$0</b>
	-26.5%	-92.4%	574.4%	<b>-26.8%</b>	<b>-100.0%</b>

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

**Legal Basis:** Section 103 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by the Controlling Board on October 28, 1996 within the Department of Education; transferred to the Ohio SchoolNet Commission by the Controlling Board on March 3, 1997) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**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 228-634 Distance Learning**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$5,101,593	\$3,122,888	\$1,774,353	\$4,817,151	<b>\$1,750,000</b>	<b>\$0</b>
	-38.8%	-43.2%	171.5%	<b>-63.7%</b>	<b>-100.0%</b>

**Source:** SSR: Ameritech

**Legal Basis:** Section 103.02 of Am. Sub. H.B. of the 124th G.A. (originally established by the Controlling Board on April 24, 1995, within the Department of Education; transferred to the Ohio SchoolNet Commission by the Controlling Board on March 3, 1997) The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** These funds are to be distributed by the Ohio SchoolNet Commission 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**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$20,635,786	\$68,291,312	\$4,349,747	\$0	<b>\$0</b>	<b>\$0</b>
	230.9%	-93.6%	-100.0%	<b>N/A</b>	<b>N/A</b>

**Source:** SSR: SSR: Funds transferred from the FY 1999 ending balance

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 117 of the 121st G.A. within the Department of Education; transferred to the Ohio SchoolNet Commission 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.

**5T3 228-605 Gates Foundation Grants**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$0	\$1,194,908	<b>\$1,194,908</b>	<b>\$0</b>
	N/A	N/A	N/A	<b>0.0%</b>	<b>-100.0%</b>

**Source:** SSR:

**Legal Basis:** Originally created by the Controlling Board on October 31, 2001. The executive budget proposes to transfer Ohio SchoolNet functions to the Department of Education in FY 2005.

**Purpose:** The Gates Foundation Grants will provide a technology leadership program for 2,350 of Ohio's principals and superintendents in public and nonpublic schools. Beginning in 2002 and continuing through June 2004, Ohio will extend technology training opportunities to school administrators across Ohio through Leadership for Integrating Technology, a three day training program. Participants will be given a laptop computer and software for their use. Program design and follow-up is being conducted in collaboration with various existing programs throughout the state.

## Lottery Profits/Education Fund Group

### 017 228-690 SchoolNet Electrical Infrastructure

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$6,564,125	\$4,109,194	\$888,260	\$0	\$0	\$0
	-37.4%	-78.4%	-100.0%	N/A	N/A

**Source:** LPE: Lottery Profits Education Fund

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** These funds were used by the Ohio SchoolNet Commission 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 considered 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 were formed to optimize resources to upgrade their electrical service. In no case were grant awards to exceed \$1,000,000 for a single school district.

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
<b>NET SchoolNet Commission</b>								
GRF	228-404	Operating Expenses	\$ 5,971,776	\$6,245,819	\$ 5,961,208	-4.6%	\$ 0	-100.0%
GRF	228-406	Technical & Instruct. Professional Development	\$ 10,045,405	\$9,937,107	\$ 7,691,831	-22.6%	\$ 0	-100.0%
GRF	228-539	Education Technology	\$ 6,160,683	\$5,762,832	\$ 10,489,315	82.0%	\$ 0	-100.0%
<b>General Revenue Fund Total</b>			<b>\$ 22,177,865</b>	<b>\$ 21,945,758</b>	<b>\$ 24,142,354</b>	<b>10.0%</b>	<b>\$ 0</b>	<b>-100.0%</b>
5D4	228-640	Conference/Special Purpose Exp	\$ 1,226,628	\$1,000,000	\$ 1,350,000	35.0%	\$ 0	-100.0%
5G0	228-650	Interactive Distance Learning	\$ 11,625,716	\$0	\$ 0	N/A	\$ 0	N/A
<b>General Services Fund Group Total</b>			<b>\$ 12,852,345</b>	<b>\$ 1,000,000</b>	<b>\$ 1,350,000</b>	<b>35.0%</b>	<b>\$ 0</b>	<b>-100.0%</b>
3S3	228-655	Technology Literacy Challenge	\$ 18,004,163	\$703,197	\$ 0	-100.0%	\$ 0	N/A
3X8	228-604	Individuals With Disabilities Education Act	---	\$9,404,686	\$ 1,500,000	-84.1%	\$ 0	-100.0%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 18,004,163</b>	<b>\$ 10,107,883</b>	<b>\$ 1,500,000</b>	<b>-85.2%</b>	<b>\$ 0</b>	<b>-100.0%</b>
4W9	228-630	Ohio SchoolNet Telecommunity	\$ 81,000	\$546,300	\$ 400,000	-26.8%	\$ 0	-100.0%
4X1	228-634	Distance Learning	\$ 1,774,353	\$4,817,151	\$ 1,750,000	-63.7%	\$ 0	-100.0%
4Y4	228-698	SchoolNet Plus	\$ 4,349,747	\$0	\$ 0	N/A	\$ 0	N/A
5T3	228-605	Gates Foundation Grants	---	\$1,194,908	\$ 1,194,908	0.0%	\$ 0	-100.0%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 6,205,100</b>	<b>\$ 6,558,359</b>	<b>\$ 3,344,908</b>	<b>-49.0%</b>	<b>\$ 0</b>	<b>-100.0%</b>
017	228-690	SchoolNet Electrical Infrastructure	\$ 888,260	\$0	\$ 0	N/A	\$ 0	N/A
<b>Lottery Profits/Education Fund Group Total</b>			<b>\$ 888,260</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 60,127,732</b>	<b>\$ 39,612,000</b>	<b>\$ 30,337,262</b>	<b>-23.4%</b>	<b>\$ 0</b>	<b>-100.0%</b>