

SchoolNet Commission

House Primary and Secondary Education Subcommittee

Sarkis Mahdasian, Budget Analyst

Legislative Service Commission

March 8, 2005

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LSC Redbook for the SchoolNet Commission

House primary and Secondary Education Subcommittee

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March 8, 2005

SchoolNet Commission

- SchoolNet and OET will cease to exist as independent agencies beginning on July 1, 2005
- GRF funding for SchoolNet and OET responsibilities is recommended at \$27.9 million in each fiscal year within the Controlling Board budget

OVERVIEW

The Ohio SchoolNet Commission began in 1994 as an office within the Ohio Department of Education (ODE) and was established as an independent state agency in 1997. SchoolNet is governed by a 13-member commission that appoints an executive director responsible for SchoolNet's day-to-day operations. Currently, SchoolNet is under the supervision of the interim executive director. It has approximately 64 staff members with an annual operating budget of \$24.8 million in FY 2005. The original purpose of SchoolNet was to wire all of Ohio's public school classrooms for Internet access and provide computers to low-wealth school districts. Over the years SchoolNet's responsibilities have expanded significantly to serve the technology needs of Ohio's public schools and move Ohio forward in national rankings on student access to technology. The current mission of SchoolNet is to provide leadership, coordination, and accountability in the use of technology to improve schools and raise student achievement. Under programs administered by SchoolNet, the state has helped Ohio school districts reach the state goal of providing one computer for every five students in grades K through six, all classrooms in Ohio have been wired for Internet access, 18 on-line professional development courses have been developed, and a K-12 network has been established providing all schools with voice, video and data capabilities. In 2004 Ohio was ranked second in student access to classroom instructional computers in the nation (Technology Counts 2004, Education Week).

The Governor has proposed eliminating SchoolNet and the Ohio Educational Telecommunications Network Commission (OET) as independent agencies beginning on July 1, 2005. A task force has been created to make recommendations for the Governor to develop a plan to reassign existing responsibilities and staff of SchoolNet and OET. Under the executive budget, GRF funding for SchoolNet and OET responsibilities is placed in appropriation item 911-417, Education Technology Fund, of the Controlling Board, at a level of \$27.9 million in each fiscal year.

SchoolNet Priorities

SchoolNet, in coordination with the ODE, has developed a strategic planning framework identifying technology goals aligned to Ohio's State Technology Plan submitted to the U.S. Department of Education. This has led to the identification of seven priorities for SchoolNet:

- Lead and continue the development of a decision support system to align content, instruction, information, assessments, and resources with Ohio's academic content standards.
- Increase the capacity of, set standards for, and support the K-12 technology infrastructure.

- Expand professional development for teachers, administrators, and technology coordinators, emphasizing on-line delivery of courses when appropriate.
- Build and strengthen relationships among schools; colleges and universities; local, regional, and state agencies; and communities to leverage technology resources.
- Increase the capacity of school leaders to use technology as a tool to make more informed, data-driven decisions within the school improvement process.
- Assess the impact of technology on achievement through pilot programs and research and development efforts.
- Continue to maximize technology funding and achieve cost savings by negotiating and leveraging statewide purchasing agreements and by setting technology standards.

SchoolNet Programs

SchoolNet’s programs are developed around its mission and priorities to improve the classroom use of educational technology towards the goal of raising student achievement and to further expand student, teacher, and administrator access to educational technology. The main initiatives in the areas of *technology use* include administering the state technology professional development grants and the federal Enhancing Education Through Technology grants, developing an eLearning system, hosting the annual Ohio SchoolNet State Technology Conference, and conducting the Biennial Education Technology Assessment. The main initiatives centered on *technology access* include SchoolNet Plus, ONenet Ohio, the SchoolNet Equipment and Service Catalog, and E-rate.

Technology Use Programs

Professional Development District Grant. District grants are available to all Ohio public schools, the Ohio School for the Blind (OSB), the Ohio School for the Deaf (OSD), the Ohio Department of Youth Services (DYS), and educational service centers with alternative schools. Of the 868 entities eligible for funding in FY 2004, 845 received funding totaling approximately \$2.1 million. Of the 845 recipients, 606 were public school districts, 48 were joint vocational school districts, 58 were educational service centers, and 130 were community schools. DYS, OSB, and OSD each count as one recipient and were the final three recipients of the grants. Educators and administrators use district grants to attend educational technology conferences, to pay licenses or fees for access to eLearning courses, and for the purchase of professional development resource materials. Table 1, below, shows usage of district grants based on preliminary FY 2004 expenditure data provided by SchoolNet. As can be seen from the table, the primary

Table 1: Preliminary FY 04 Expenditures on District Professional Development Grants		
Activity	Expenditure Amounts	% of Total
2004 / 2005 OSN State Technology Conference	\$826,983	38.3%
Workshops	\$812,103	37.7%
Other Conferences	\$157,909	7.3%
On-line Accounts	\$106,959	5.0%
2005 OSN State Conference	\$104,520	4.8%
Graduate Credit	\$56,257	2.6%
Technology Committees	\$49,147	2.3%
Training Resources	\$42,783	2.0%
Total	\$2,052,142	100%

uses of grant funding in FY 2004 were for the Annual State Technology Conference and for attending workshops.

Enhancing Education Through Technology (EETT). SchoolNet and ODE are partners in the implementation of the No Child Left Behind (NCLB) Title II D EETT grants. The primary goal of the federal EETT program is to advance student academic achievement through the use of technology and seeks to ensure that every student is technologically literate by the end of the eighth grade. There are two types of EETT grants, entitlement and competitive. The entitlement grants are distributed by ODE. SchoolNet and ODE jointly administer the competitive EETT grants. Beginning in FY 2004, the grants target K-8 students in districts with high poverty levels and greater needs for academic assistance. Schools use these grants to develop and implement lessons aligned to state academic content standards and for on-line professional development management. To date approximately \$10.3 million in grant money has been approved for 102 Ohio school buildings across 34 school districts.

eLearning. eLearning initiatives utilize the Internet to maximize teacher access to professional development training through on-line courses. SchoolNet's initial eLearning activity began in FY 1997 with the Ohio Assistive Technology Distance Learning Project partnership that intended to increase the capacity of Ohio's educators to meet the needs of students with disabilities. In FY 2003 SchoolNet created the eLearning Process Model (ELPM) to provide a framework for the development of an on-line professional development system that is aligned to both SchoolNet and ODE goals. Related to the ELPM, ODE has created an Information Management System (IMS) that enables administrators and educators to learn about standards based instruction, academic content standards, lesson planning and model lessons, and classroom and state assessments. Currently, 18 different on-line professional development courses have been developed by SchoolNet (in partnership with ODE) and are being utilized by Ohio's educators. SchoolNet estimates that over 8,000 educators will receive professional development training in educational technology through this program each year directly through SchoolNet.

Annual State Technology Conference. SchoolNet's annual technology conference is a three-day event serving Ohio's K-12 teachers, instructional integrationists, curriculum coordinators, technology coordinators, and administrators. The 2004 conference included 5 keynote and featured speakers, 473 concurrent sessions, 260 vendor exhibits, 47 hands-on workshops and 32 student displays. Serving the entire state, the 2004 conference saw over 6,700 participants. Primarily funded by registration fees of attendees and exhibitors, the annual state technology conference provides Ohio's educators with exposure to current educational technologies and approaches for using this technology in classrooms.

Biennial Education Technology Assessment (BETA). Each biennium SchoolNet conducts three surveys that collect school district data regarding technology accessibility and usage in Ohio's public schools. BETA was developed in FY 2000 in response to legislation requesting a statewide view of technology access and usage in Ohio's public K-12 districts. The data are designed to assist policymakers and school districts in making more informed decisions on technology integration and to assist SchoolNet and ODE in determining technology needs of school districts. More information on the data from the FY 2004 BETA survey is provided in the Facts and Figures section.

Technology Access Programs

ONenet Ohio Network. ONenet connects all public and some chartered nonpublic school K-12 classrooms to each other and to the Internet, providing access to voice, video and data educational resources to Ohio students. ONenet connection to the Internet provides a link between Ohio's schools and the public, giving parents, homeowners, and businesses access to school provided web materials, electronic mails, and other information resources. The Educational Management Information System

(used for mandated education data collection), school continuous improvement planning, and many other grant applications and administration, are transacted over the ONEnet network. ONEnet was instrumental in Technet's 2003 State Broadband Index ranking Ohio as the best practice state for broadband access to the Internet.

SchoolNet Equipment and Services Catalog. SchoolNet provides school districts in Ohio with reduced cost software and hardware purchases by negotiating statewide pricing contracts with vendors. It has coordinated the development of the on-line Technology Planning Tool to better utilize limited technology dollars for districts. There are currently six product categories included in the catalog: workstations, laptops, servers, handhelds, printers, and displays. SchoolNet estimates that districts can save an average of 36% off the manufacturer's list price for computers with a three-year, on-site warranty included. It estimated that savings to the districts totaled \$10.1 million in FY 2004.

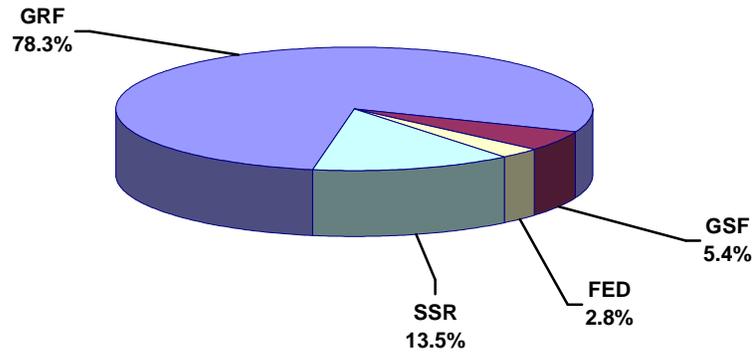
E-Rate. SchoolNet also provides support to help Ohio school districts gather funds from the Federal E-Rate program. An eligible school must have a technology plan that is not older than three years and approved by the state in order to participate in the program. SchoolNet is the state authority for approving school technology plans. Over \$53 million was awarded to Ohio schools in school year 2003-2004. Over \$373 million has been awarded to Ohio schools since 1998.

SchoolNet Plus. This program was established in 1995, with the goal of installing multi-media computers in public school classrooms at a 1:5 ratio (one computer for every five students) for grades kindergarten through grade four. According to a national survey taken in 1996 at the start of SchoolNet Plus Ohio ranked 46th in the nation in student access to technology. After eight years of operation, the program has led to the installation of more than 240,000 multi-media computers in grades K-7. Ohio is now ranked second nationally in student access to classroom instructional computers. More information on the SchoolNet Plus program is provided in the Facts and Figures section.

FY 2005 Budget Overview

SchoolNet was originally appropriated \$20.6 million in GRF funding in H.B. 95 of the 125th General Assembly. This amount was reduced by approximately \$0.9 million in FY 2005 through Governor ordered budget reductions applied to nearly all state agencies, resulting in an adjusted GRF appropriation of \$19.7 million. SchoolNet absorbed this reduction in two ways. First, SchoolNet has not filled eight positions after they were vacated by previous employees, resulting in a decrease of eight FTEs from FY 2004 to FY 2005. Second, technology has enabled SchoolNet to deliver existing services in a more efficient way. As a result, the responsibilities of these staff members were distributed to the remaining staff rather than eliminating services to clients. In addition to maintaining existing program services, SchoolNet was able to redistribute existing staff resources to handle increased demand for the on-line professional development courses.

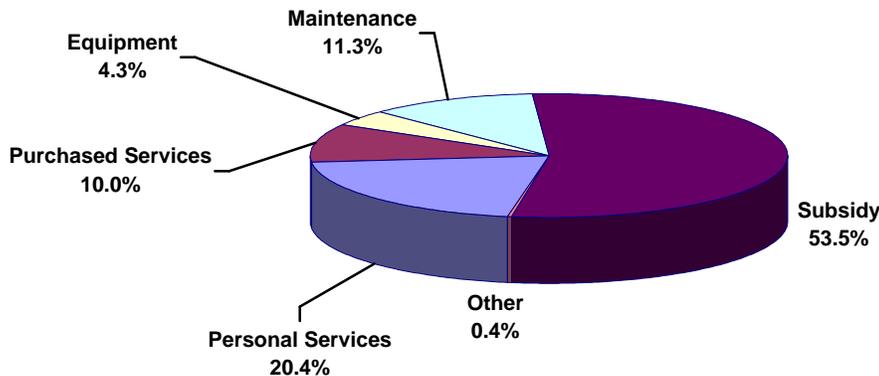
Chart 1: FY 2005 Total Budget by Fund Group



The estimated total spending for SchoolNet is approximately \$24.8 million in FY 2005. The primary source of funding for SchoolNet is the General Revenue Fund (GRF). As can be seen from Chart 1, 78.3% (\$19.4 million) of SchoolNet's total appropriation comes from GRF funding. The next largest funding source is the State Special Revenue Fund, comprising 13.5% (\$3.4 million) of SchoolNet's funding. General Service and Federal funds provide the remaining 5.4% (\$1.4 million) and 2.8% (\$0.1 million) of SchoolNet's funding, respectively.

In serving its primary mission of providing student and teacher access to technology and providing professional development opportunities for Ohio's educators, 53.5% of SchoolNet's budget in FY 2005 is directed toward subsidies used to enhance technology educational opportunities throughout the state. In FY 2005, \$13.3 million was used for subsidies and transfers to support the following programs: Technical Training & Resources, the INFOhio network, Ohio Education Televisions, Educational Technology Corporations, Regional Media Centers, and the JASON Foundation. The remaining 46.5% of SchoolNet's budget was divided among five other categories: personal services – 20.4% (\$5.1 million); purchased services – 10.0% (\$2.5 million); maintenance – 11.3% (\$2.8 million); equipment – 4.3% (\$1.1 million); and other – 0.4% (\$0.1 million).

Chart 2: FY 2005 Total Budget by Object Code



Staffing Levels

As illustrated in the table below, SchoolNet tracks staffing level through five categories. The ‘Administration’ category includes the executive director, five practice directors and an associate/assistant director. SchoolNet is currently under the direction of an interim executive director as the previous executive director resigned his position in the beginning of FY 2005. The ‘Support’ category includes staff responsible for communications, fiscal analysis, human resources, and a number of different coordinator positions (coordinators are responsible for educational technology, client services, communications, and information technology). The ‘Technical’ category includes the entire information technology staff. ‘Client Services’ covers SchoolNet’s field staff, responsible for interacting with SchoolNet clients – school districts - throughout the state and conveying client needs to SchoolNet. The ‘Other’, includes personnel responsible for conferences, acquisitions, infrastructure / telecommunications, education technology consulting staff and an education liaison.

Division	2002	2003	2004	2005
Administration	8	6	7	7
Support	11	22.5	20.5	17.5
Technical	10	7	7	7
Client Services	24	20	20	17
Other	18	18	18	16
Totals	71	73.5	72.5	64.5

Note: Staffing Levels represented in Full Time Equivalents (FTEs)

From FY 2004 to FY 2005 SchoolNet experienced an 11% reduction in staffing levels (8 FTEs). The Support division eliminated three positions, moving from 20.5 to 17.5 FTEs. Three FTEs were eliminated in the Client Services division, resulting in larger territories for the remaining field representatives. The final two FTEs that were eliminated in FY 2005 were technical professional development consulting positions from the ‘Other’ division. In each of these areas, program workload was redistributed among existing staff to maintain service to SchoolNet clients. Of the 64.5 FTEs currently employed by SchoolNet, the vast majority are funded through SchoolNet’s GRF Operating Expenses line item. Approximately two FTEs are funded from the federal Enhancing Education Technology Fund (Fund 3S3) and 1.75 FTEs are funded through State Special Revenue funds (see Table 3).

Fund Group	Fund	ALI Title	ALI	FTEs
GRF	GRF	Operating Expenses	228 - 404	60.5
			GRF Subtotal	60.5
FED	3S3	Enhancing Education Technology	228 - 606	2
			FED Subtotal	2
SSR	4X1	Distance Learning	228 - 630	1.0
	5T3	Gates Foundation Grants	228 - 605	1.0
			SSR Subtotal	2
			SchoolNet Total	64.5

FACTS AND FIGURES

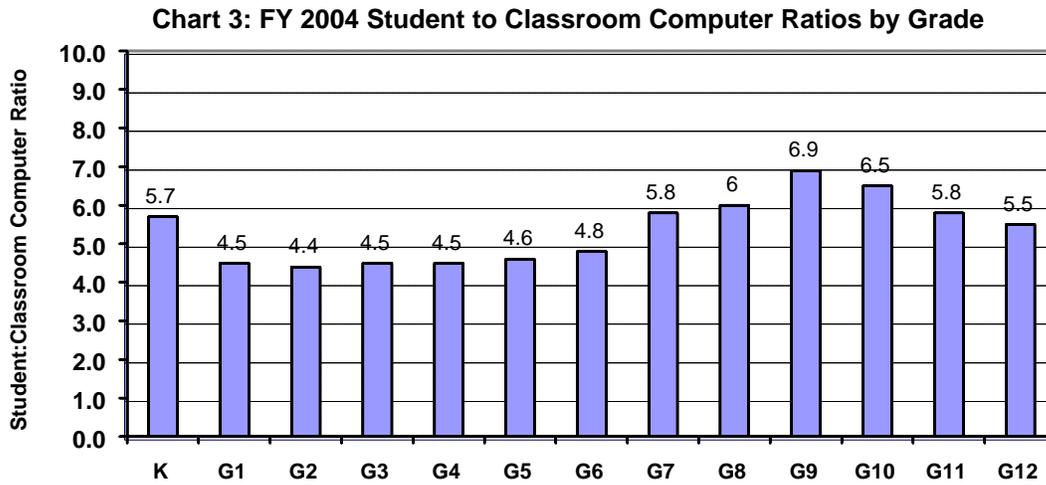
SchoolNet Plus

As mentioned previously, the SchoolNet Plus program was established in 1995, with the goal of installing multi-media computers in public school classrooms at a 1:5 ratio (one computer for every five students) for grades K-4. Subsequently, two legislative Technology Implementation Task Force reports (1999 & 2002) have recommended the extension of SchoolNet Plus into grades five through eight. The reports have also recommended the General Assembly consider further expansion of SchoolNet Plus into grades nine through twelve.

While originally funded by GRF and bond moneys, current funding for SchoolNet Plus comes from tobacco settlement money. H.B. 434, the tobacco budget of the 125th General Assembly, appropriated approximately \$9.3 million in FY 2005 and approximately \$6.3 million in FY 2006 for SchoolNet Plus. The FY 2005 appropriation will complete SchoolNet Plus in grade seven. The FY 2006 appropriation will begin to extend SchoolNet Plus into grade eight. The completion of grade eight will require an additional appropriation. Table 4, below, shows SchoolNet Plus funding by grade.

Grade	Funding Source	Total Funding	Per Pupil Funding
Grades K-4	GRF	\$431.7 million	\$700 per student for the 459 qualifying (lower wealth) districts and \$350 per student for the other 152 nonqualifying (higher wealth) school districts.
Grade 5	GRF	\$53.3 million	\$500 per student for school districts with per pupil valuations less than the state median valuation per pupil (half of all school districts); per pupil funding ranges from \$500 to \$0 for districts with valuations per pupil above the state median, but not greater than \$200,000 per pupil based on a sliding scale.
Grade 6	Tobacco money	\$36.6 million	\$380 per pupil for districts in the two lower wealth quartiles and \$180 per student for districts in the two higher wealth quartiles.
Grade 7	Tobacco money	\$25.1 million	\$275 per pupil for districts in the two lower wealth quartiles and \$105 per student for districts in the two higher wealth quartiles.
Grade 8	Tobacco money	\$6.3 million is provided by H.B. 434 of the 125th G.A. to begin serving eighth graders in FY 2006. Additional funding is needed to complete SchoolNet Plus for grade eight.	
Total		\$553.0 million	

Since its inception, SchoolNet Plus has received total funding of \$553.0 million to place computers in classrooms across Ohio. The program has led to the installation of more than 240,000 computers in grades K-7. Chart 3, below, shows the average student-computer ratio for grades K-12 in FY 2004. As can be seen from Chart 3, the ratios of students to classroom computers range from a low of 4.4:1 in grade two to a high of 6.8:1 in grade nine.



Ohio’s national ranking in student access to technology has also improved significantly as a result of the SchoolNet Plus program. According to a 1996 national survey taken at the start of SchoolNet Plus, Ohio ranked 46th in the nation in student access to technology. After eight years of operation, Ohio is now ranked 2nd nationally in student access to classroom instructional computers and 4th in student access to classroom instructional multimedia computers (see Table 5 below).

Table 5: Student-Computer Ratio for Ohio and U.S.

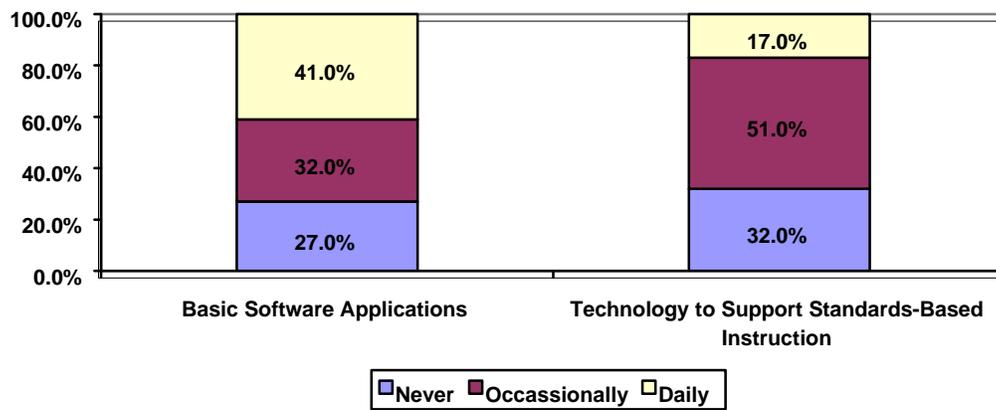
Computer Type	Ohio Rank	Students per Computer	
		Ohio	U.S.
Instructional (in classrooms only)	2nd	5.4	7.9
Instructional (overall)	9th	3.6	4.0
Instructional Multimedia (overall)	8th	4.1	4.8
Internet-connected (in classrooms only)	4th	6.3	8.4
Internet-connected (overall)	9th	3.8	4.3

While significant progress has been made in student access to technology, how to support ongoing maintenance and replacement of technology procured under SchoolNet Plus has become a challenge facing the state and school districts.

Biennial Education Technology Assessment (BETA)

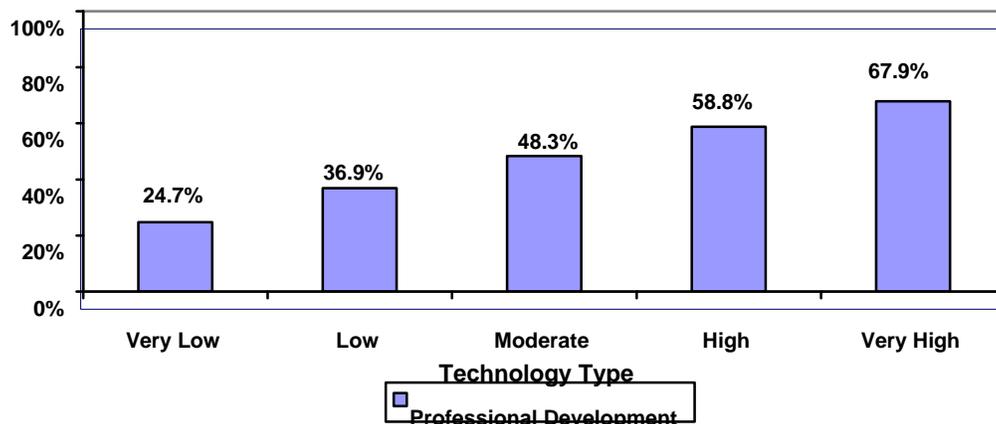
The 2004 BETA surveys have collected a variety of data on the current state of technology use in classrooms and the relationships between teacher use of technology in classrooms and the availability of technology professional development opportunities and the role of building principals. Chart 4 shows that while 32% of teachers use basic software on a daily basis, 27% of teachers never use basic software applications. In the area of using educational technology to support standards-based instruction, only 17% of teachers use it on a daily basis while 32% of teachers never use technology to support standards-based instruction.

Chart 4: Proportion of Teachers Using Basic Software Applications & Using Technology to Support Standards-Based Instruction



The 2004 BETA survey data indicate that technology professional development and the use of technology in classrooms are highly correlated. Classroom use of basic software applications increases with the proportion of teachers who receive professional development. Classroom use of technology to support

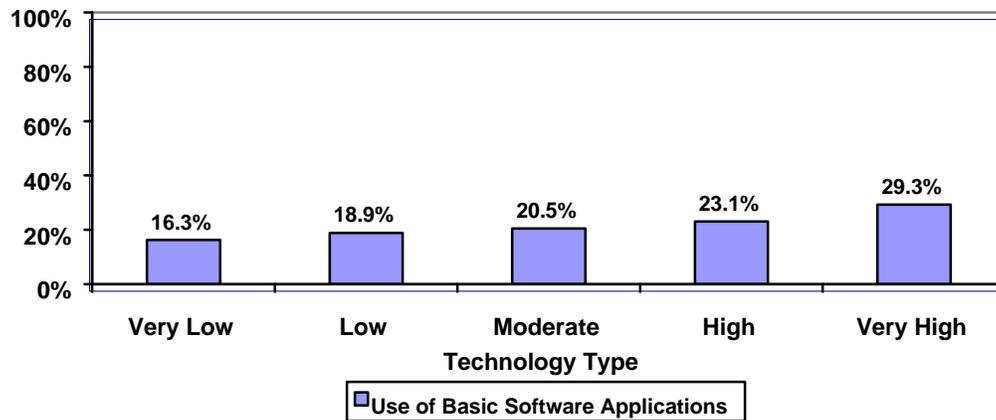
Chart 5: Classroom Use of Basic Software Increases with the Amount of Professional Development Taken by Teachers



standards-based instruction also increases with the proportion of teachers who receive professional development on how to integrate technology into instruction. As can be seen from Chart 5, among very low-level users of technology only 25% received technology professional development while among very high-level users of technology 68% received technology professional development.

The 2004 BETA survey data also indicate that classroom use of basic software applications and technology to support standard-based instruction increase as the proportion of teachers who view their principal as a technology leader increases. As can be seen from Chart 6, among very low-level users of basic software, only 16% viewed their principals as educational technology leaders. In contrast, 29% of high-level users of basic software applications viewed their principals as technology leaders.

Chart 6: Classroom Use of Basic Software Increases with the Proportion of Teachers who view the Principal as an Educational Technology Leader



ANALYSIS OF EXECUTIVE PROPOSAL

The Governor has proposed eliminating SchoolNet and the Ohio Educational Telecommunications Network Commission (OET) as independent agencies beginning on July 1, 2005. A task force has been created to make recommendations for the Governor to develop a plan to reassign existing responsibilities and staff of SchoolNet and OET. Under the executive budget, GRF funding for SchoolNet and OET responsibilities is placed in appropriation item 911-417, Education Technology Fund, of the Controlling Board, at a level of \$27,942,693 in each fiscal year. Under the executive proposal, SchoolNet's non-GRF funds are also placed in the Controlling Board budget. Table 6, below, lists each line item and the proposed appropriation.

Table 6: NET Non-GRF Funds Transferred to the Controlling Board						
Fund Group	Fund	Previous ALI	New ALI	ALI Title	FY 2006	FY 2007
FED	3S3	228-606	911-610	Technology Literacy Challenge	\$589,363	\$589,363
GSF	5D4	228-640	911-605	Conference/Special Purpose Expenses	\$1,350,000	\$1,350,000
SSR	4W9	228-630	911-607	Ohio Telecommunity Fund	\$50,000	\$25,000
	4X1	228-634	911-608	Distance Learning	\$250,000	\$100,000
	5T3	228-605	911-609	Gates Foundation Grants	\$600,000	\$200,000
Totals					\$2,839,363	\$2,264,363

General Revenue Fund

GRF 228-404 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$5,971,776	\$5,705,498	\$5,494,103	\$5,603,536	\$0	\$0
	-4.5%	-3.7%	2.0%	-100.0%	N/A

Source: GRF

Legal Basis: Section 98 of Am. Sub. H.B. 95 of the 125th 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)

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. Under the executive budget, GRF funding for SchoolNet and Ohio Educational Telecommunications Network Commission responsibilities is placed in appropriation item 911-417, Educational Technology Fund, of the Controlling Board.

GRF 228-406 Technical & Instructional Professional Development

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$10,045,405	\$9,352,666	\$7,333,511	\$7,230,321	\$0	\$0
	-6.9%	-21.6%	-1.4%	-100.0%	N/A

Source: GRF

Legal Basis: Section 98.01 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: Funds distributed under this line item provide educators with technical and professional development services to maximize the use of technology in classrooms. Moneys are used to provide payments to 12 educational television stations for the production of interactive instructional services for low wealth school districts (including the Ohio School for the Deaf and the Ohio School for the Blind) and to support other initiatives to assist Ohio's educators in the application of educational technology. Under the executive budget, GRF funding for SchoolNet and Ohio Educational Telecommunications Network Commission responsibilities is placed in appropriation item 911-417, Educational Technology Fund, of the Controlling Board.

GRF 228-539 Education Technology

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$6,160,683	\$5,766,571	\$6,680,166	\$6,569,956	\$0	\$0
	-6.4%	15.8%	-1.6%	-100.0%	N/A

Source: GRF

Legal Basis: Section 98.01 of Am. Sub. H.B. 95 of the 125th G.A. (originally established in 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.)

Purpose: These funds are used to provide a subsidy to suppliers (instructional television stations and education media centers) 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 ORC 3301.07. Funds also support maintenance and equipment upgrades for the OneNet Ohio Network. Under the executive budget, GRF funding for SchoolNet and Ohio Educational Telecommunications Network Commission responsibilities is placed in appropriation item 911-417, Educational Technology Fund, of the Controlling Board.

General Services Fund Group

5D4 228-640 Conference/Special Purpose Exp

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$1,226,628	\$672,542	\$284,393	\$1,350,000	\$0	\$0
	-45.2%	-57.7%	374.7%	-100.0%	N/A

Source: GSF: Fees and gifts

Legal Basis: Section 98 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board on March 3, 1997)

Purpose: This line item receives the registration fees paid by those persons participating in conferences and training 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. Under the executive budget, funding for this line item has been placed in appropriation line item 911-605, Conference/Special Purpose Expenses, of the Controlling Board.

Federal Special Revenue Fund Group

3S3 228-606 Enhancing Education Technology

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$13,868	\$309,703	\$589,362	\$0	\$0
	N/A	2133.2%	90.3%	-100.0%	N/A

Source: FED: CFDA 84.318, Technology Literacy Challenge

Legal Basis: Originally established by Controlling Board on December 16, 2002

Purpose: As part of the federal "No Child Left Behind" legislation, the Enhancing Education Technology Program consolidates the Technology Literacy Challenge Fund (TLCF) Program and the Technology Innovative Challenge Grant Program into a single state formula grant program. The primary goal of the Enhancing Education Technology program is to improve student academic achievement through the use of technology in schools. This program is also designed to assist every student in crossing the digital divide by ensuring that every student has equitable access to technology. The spending authority in the FY 2004-2005 biennium is to be established when federal funds are received by the Commission. Under the executive budget, funding for this line item has been placed in appropriation line item 911-610, Technology Literacy Challenge, of the Controlling Board.

3S3 228-655 Technology Literacy Challenge

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$18,004,163	\$473,975	\$0	\$0	\$0	\$0
	-97.4%	-100.0%	N/A	N/A	N/A

Source: FED: CFDA 84.318, Technology Literacy Challenge

Legal Basis: Discontinued line item (originally established by Controlling Board on June 22, 1998)

Purpose: These moneys were part of a five-year federal grant program to assist and encourage state, local, and private sector investment in technology for improving education. Specifically, the funds supported 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

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$7,592,994	\$490,364	\$110,356	\$0	\$0
	N/A	-93.5%	-77.5%	-100.0%	N/A

Source: FED: CFDA 84.327, Special Education Technology and Media Services for Individuals with Disabilities

Legal Basis: Section 98 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board on October 10, 2001)

Purpose: These moneys were distributed as grants to Local Educational Agencies (LEAs) to carry out technology related activities under Part D of the Individuals with Disabilities Act (IDEA). The range of awards for Ohio LEAs for IDEA technology related funding is \$500 to \$200,000. The funding for this line item was set to expire in FY 2006.

State Special Revenue Fund Group

4W9 228-630 Ohio SchoolNet Telecommunity

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$81,000	\$1,023,370	\$386,861	\$400,000	\$0	\$0
	1163.4%	-62.2%	3.4%	-100.0%	N/A

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

Legal Basis: Section 98 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by 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)

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. Under the executive budget, funding for this line item has been placed in appropriation line item 911-603, Ohio Telecommunity Fund, of the Controlling Board.

SchoolNet Commission - Catalog of Budget Line Items

4X1 228-634 Distance Learning

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$1,774,353	\$4,271,896	\$1,532,655	\$1,750,000	\$0	\$0
	140.8%	-64.1%	14.2%	-100.0%	N/A

Source: SSR: Ameritech

Legal Basis: Section 98.01 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by 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)

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, per an agreement with Ameritech. Under the executive budget, funding for this line item has been placed in appropriation line item 911-608, Distance Learning, of the Controlling Board.

4Y4 228-698 SchoolNet Plus

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$4,349,747	\$1,455,817	\$0	\$0	\$0	\$0
	-66.5%	-100.0%	N/A	N/A	N/A

Source: 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: Under the SchoolNet Plus program, school districts received state subsidies to purchase hardware, software, and telecommunications services for the use of technology in the classroom. The program provided at least one computer station for every five students in grades K-6. These funds were 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.

5G0 228-650 Interactive Distance Learning

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$11,625,716	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: SSR: 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 than that for high property wealth districts or consortia. School districts or consortia of districts whose average per pupil valuation for the preceding two years was 60% higher than 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 valuations per pupil are below the statewide median valuation per pupil.

5T3 228-605 Gates Foundation Grants

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$957,987	\$990,015	\$1,194,907	\$0	\$0
	N/A	3.3%	20.7%	-100.0%	N/A

Source: SSR: Grants from the Gates Foundation

Legal Basis: Section 98 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Controlling Board on October 31, 2001)

Purpose: The Gates Foundation Grants provide a technology leadership program for 2,350 of Ohio's principals and superintendents in public and nonpublic schools. The program extends technology training opportunities to school administrators across Ohio through Leadership for Integrating Technology, a three day training seminar. Participants are given a laptop computer and software for their use. The program design and follow-up are being conducted in collaboration with various existing programs throughout the state. Under the executive budget, funding for this line item has been placed in appropriation line item 911-609, Gates Foundation Grants, of the Controlling Board.

Lottery Profits/Education Fund Group

017 228-603 SchoolNet Plus Supplement

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$10,676	\$0	\$0	\$0	\$0
	N/A	-100.0%	N/A	N/A	N/A

Source: LPE: Lottery Profits Education Fund

Legal Basis: Discontinued line item (originally established by Controlling Board on August 22, 2001)

Purpose: These funds were used to extend the SchoolNet Plus program. The program provided state funding for computers and related equipment to K-12 public schools statewide, with the goal of providing one computer per five students.

017 228-690 SchoolNet Electrical Infrastructure

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$888,260	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	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 insufficient electrical service in order to safely operate educational technology consistent with their SchoolNet and SchoolNet Plus technology plans. In reviewing grant proposals the Commission considered the ability and commitment of school districts to contribute local public and private resources to upgrade electrical service and gave 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 2006 - FY 2007

Fund	ALI	ALI Title	2004	Estimated 2005	Executive 2006	% Change 2005 to 2006	Executive 2007	% Change 2006 to 2007
NET SchoolNet Commission								
GRF	228-404	Operating Expenses	\$ 5,494,103	\$5,603,536	\$ 0	-100.0%	\$ 0	N/A
GRF	228-406	Technical & Instructional Professional Development	\$ 7,333,511	\$7,230,321	\$ 0	-100.0%	\$ 0	N/A
GRF	228-539	Education Technology	\$ 6,680,166	\$6,569,956	\$ 0	-100.0%	\$ 0	N/A
General Revenue Fund Total			\$ 19,507,780	\$ 19,403,813	\$ 0	-100.0%	\$ 0	N/A
5D4	228-640	Conference/Special Purpose Exp	\$ 284,393	\$1,350,000	\$ 0	-100.0%	\$ 0	N/A
General Services Fund Group Total			\$ 284,393	\$ 1,350,000	\$ 0	-100.0%	\$ 0	N/A
3S3	228-606	Enhancing Education Technology	\$ 309,703	\$589,362	\$ 0	-100.0%	\$ 0	N/A
3X8	228-604	Individuals With Disabilities Education Act	\$ 490,364	\$110,356	\$ 0	-100.0%	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 800,067	\$ 699,718	\$ 0	-100.0%	\$ 0	N/A
4W9	228-630	Ohio SchoolNet Telecommunity	\$ 386,861	\$400,000	\$ 0	-100.0%	\$ 0	N/A
4X1	228-634	Distance Learning	\$ 1,532,655	\$1,750,000	\$ 0	-100.0%	\$ 0	N/A
5T3	228-605	Gates Foundation Grants	\$ 990,015	\$1,194,907	\$ 0	-100.0%	\$ 0	N/A
State Special Revenue Fund Group Total			\$ 2,909,531	\$ 3,344,907	\$ 0	-100.0%	\$ 0	N/A
Total All Budget Fund Groups			\$ 23,501,771	\$ 24,798,438	\$ 0	-100.0%	\$ 0	N/A