

eTech Ohio Commission

House Primary and Secondary Education Subcommittee

*Carol Whitmer, Budget Analyst
Legislative Service Commission*

April 3, 2007

*Additional copies are available on our web site at www.lsc.state.oh.us
Click on 'Budget Documents' then 'Redbooks'*

LSC Redbook for the eTech Ohio Commission

House Primary and Secondary Education Subcommittee

Carol Whitmer, Budget Analyst

Legislative Service Commission

TABLE OF CONTENTS

INTRODUCTION.....	1
OVERVIEW.....	1
Agency Overview	1
Summary of FYs 2008-2009 Budget Issues.....	3
Appropriation Overview	3
Main Priorities of the FY 2008-2009 Biennium	4
Telecommunications Towers.....	5
Access to and Use of Technology in Ohio's Schools	5
MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009.....	7
ANALYSIS OF EXECUTIVE PROPOSAL.....	9
1: Professional Development.....	9
Program 1.01: Online Professional Development for Teachers.....	10
Program 1.02: Professional Development for Technology Coordinators.....	11
Program 1.03: Competitive and Formula Professional Development Grants	12
Program 1.04: Education Technology Grant Administration.....	12
Program 1.05: State Technology Conference.....	13
2: Network and Infrastructure	14
Program 2.01: Applications Development	15
Program 2.02: Video Distance Learning	15
Program 2.03: Transmission and Network Services	16
Program 2.04: SchoolNet Plus.....	16
3: Educational Resources	17
Program 3.01: Educational Resource Grants.....	17
Program 3.02: Statehouse News Bureau and OGT Support	18
REQUESTS NOT FUNDED.....	19
ATTACHMENTS:	
Catalog of Budget Line Items	

LSC Budget Spreadsheet By Line Item

April 3, 2007

eTech Ohio Commission

- eTech operates with 13 fewer FTEs than the previous two agencies combined
- State funding is essentially flat in FY 2008 and FY 2009

INTRODUCTION

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the eTech Ohio Commission (eTech), which includes the following four sections.

- (1) **Overview:** Provides a brief description of eTech and summarizes the executive budget recommendations for eTech. Also included in the overview is a summary of current access to and use of technology in Ohio's schools.
- (2) **Master Table:** Lists executive appropriation recommendations for all of eTech's line items indicating the program series and programs funded by each item.
- (3) **Analysis of the Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for eTech, including funding for each program series and program. The executive budget recommendations for eTech are organized into three program series that include a total of 11 programs.
- (4) **Requests Not Funded:** Compares eTech's budget request with the executive budget recommendations and summarizes the major differences.
- (5) **Attachments:** Includes the catalog of budget line items (COBLI) for eTech, which briefly describes each line item, and the LSC budget spreadsheet for eTech.

OVERVIEW

Agency Overview

Am. Sub. H.B. 66 of the 126th General Assembly created the eTech Ohio Commission to merge the educational technology functions and support provided by the Ohio SchoolNet Commission (NET) and the Ohio Educational Telecommunications Network Commission (OET). eTech is governed by a 13-member commission, which consists of nine voting members and four nonvoting legislative members. Voting members include the Superintendent of Public Instruction, the Chancellor of the Ohio Board of Regents, the Director of the Office of Information Technology, and six public representatives with education and information technology experience from across the state. An executive director, appointed by the commission, oversees day-to-day operations, including the supervision of approximately 83 staff members.

eTech's mission is to advance education and accelerate the learning of Ohioans through technology. It is responsible for promoting access to and use of all forms of educational technology. In order to support its mission, eTech offers a variety of programs and services to students, educators, and

the general public. Since the merger, eTech has connected and migrated both the K-12 telecommunications and the public broadcasting networks to the OSCnet, formerly known as the Third Frontier Network. It has also assumed internal management of the K-12 education and the videoconferencing networks. Programs and services provided by eTech generally fall into one of the following three major areas: educational network services, educational technology services, and public broadcasting services.

Educational Network Services. eTech partners with the Ohio Department of Education (ODE) in providing funding and networking services to assist all Ohio school districts in connecting to OSCnet, which is a dedicated high speed fiber optic network that links Ohio's primary and secondary schools as well as Ohio's colleges and universities. OSCnet links all public classrooms to each other and the Internet and provides access to voice, data, video, electronic e-mails, and other educational resources for students, teachers, and school administrators. eTech also provides assistance to Ohio schools in participating in the federal E-Rate program. This program provides discounts of up to 90.0% on telecommunications costs for eligible schools.

Educational Technology Services. eTech offers various educational technology services to provide students and school administrators opportunities that would otherwise be more costly or not available. These services include: (a) e-learning that currently offers about 55 online professional development courses for school teachers, (b) action research that is designed to help teachers to assess the effectiveness of and improve their classroom practices, (c) professional development grants that help teachers to integrate technology into classroom instruction, and (d) an annual three-day technology conference that attracts over 6,300 participants. In addition, eTech conducts the biennial education technology assessment (BETA) that collects school district data regarding technology accessibility and use in Ohio's public schools in order to stay current on the needs of Ohio's schools for educational technology services and to inform policy decisions.

Public Broadcasting Services. eTech fosters and supports the growth and development of public telecommunications in Ohio by linking Ohio's 12 educational television stations, 33 educational radio stations, and 9 radio reading services in a statewide system and providing grants to those stations to subsidize operations and programming. In addition, eTech provides funding to the 12 television stations for instructional programming that is broadcast via eTech's interconnection system to all Ohio schools.

Staffing Levels

At 82.5 full-time equivalent (FTE) positions, eTech currently operates with a total of 13 FTEs fewer than the combined total of OEB and NET. Five of these positions were duplicative and were eliminated during the merger. eTech divides its personnel into six practices, which are described below. Table 1 presents the number of FTE positions in each practice in FY 2007. Under the executive proposal, eTech's staffing level is not expected to change in FY 2008 or FY 2009. eTech's six practices are:

- (1) **Administration.** Provides strategic direction and day-to-day leadership of eTech.
- (2) **Government Relations/Public Affairs.** Aligns all of eTech's external communications and fosters relationships with affiliates, partners, network constituents, and lawmakers.
- (3) **Operations.** Provides essential services to support the day-to-day operation of the agency, such as human resources, fiscal management, organizational structure, program evaluation, acquisitions, and contract coordination.
- (4) **Educational Technology.** Provides districts with tools and resources to assist them in implementing new technology initiatives and aligning these initiatives to state standards.

- (5) **Information Technology.** Provides essential services for supporting the successful use of technology for learning, such as web applications, solutions development, and infrastructure support.
- (6) **Broadcast and Network Operations.** Provides wide area network services and connectivity to the Ohio K-12 community and to Ohio's public broadcasting community. This practice also provides video conferencing bridging and support services to the Ohio K-12 community.

Division	FTEs
Administration	3.0
Government Relations/Public Affairs	5.5
Operations	11.0
Educational Technology	31.0
Broadcast and Network Operations	21.0
Information Technology	11.0
Totals	82.5

Summary of FYs 2008-2009 Budget Issues

Appropriation Overview

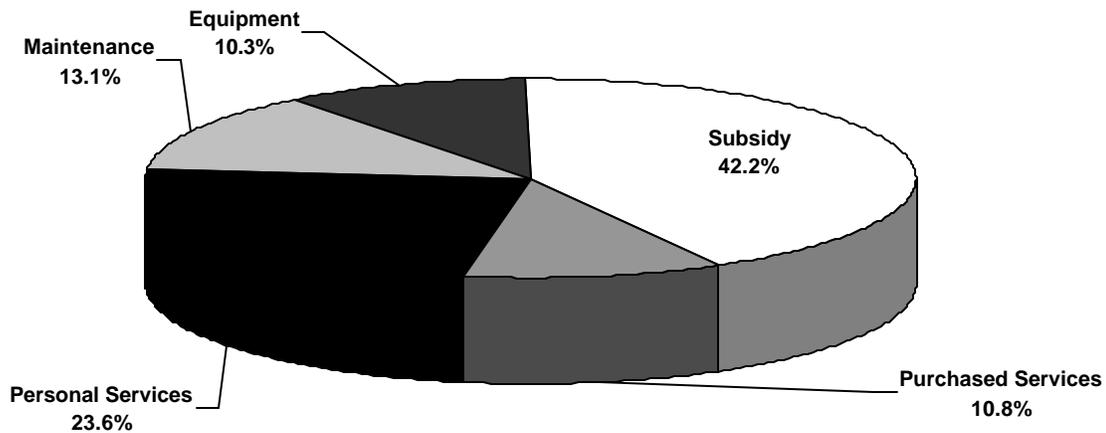
The executive recommended appropriations for eTech total approximately \$30.5 million in each fiscal year. Of the biennial total of \$60.9 million in recommended appropriations, 87.8% is supported by the General Revenue Fund (GRF). The remaining 12.2% is funded by the General Services Fund (GSF, 9.4%), the State Special Revenue Fund (SSR, 0.9%), and the Federal Special Revenue Fund (FED, 1.9%).

Executive Budget Recommendations by Fund Group. Table 2 below shows the executive recommended appropriations by fund group. As seen from the table, while eTech's overall budget decreases by 7.8% in FY 2008, GRF funding actually increases by 3.8% in that same year. The increase in GRF funding is caused by the inclusion of Ohio SCORES (Ohio Students Choosing Online Resources for Educational Success) funding in eTech's GRF budget. Sub. H.B. 115 of the 126th General Assembly provided \$2.0 million for FY 2007 in the Department of Education's budget for this initiative. This funding was subsequently transferred to eTech and deposited into GSF item 935-640, Conference/Special Purposes. The executive budget provides \$1.0 million GRF funding in each fiscal year for Ohio SCORES. If this funding had remained in eTech's GSF budget, GRF funding for eTech would be essentially flat in both FY 2008 and FY 2009. The overall decrease of \$2.6 million in FY 2008 is entirely due to significant decreases in GSF and SSR appropriations. As mentioned, GSF spending in FY 2007 includes \$2.0 million for Ohio SCORES that is no longer provided in the GSF budget. In addition, GSF appropriation item 935-603, Affiliate Services, decreases by \$1.0 million. This item receives fees for certain network services provided by eTech to its affiliates, including transmission tower rental fees. The executive recommendation for this item reflects what the actual program expenditure is likely to be in FY 2008 as most towers will be transferred to the Office of Information Technology in the next biennium (see below). The decrease of \$0.3 million in SSR funding reflects the phasing out of the distance learning program, which has been supported by funds resulting from a 1995 settlement between Ameritech and the state. This program is expected to end by FY 2010.

Fund Group	FY 2007 (estimate)	FY 2008	% change, FY 2007-FY 2008	FY 2009	% change, FY 2008-FY 2009
General Revenue	\$25,791,452	\$26,762,440	3.8%	\$26,762,440	0.0%
General Services	\$6,144,817	\$2,846,817	-53.7%	\$2,846,817	0.0%
State Special Revenue	\$530,202	\$275,000	-48.1%	\$275,000	0.0%
Federal Special Revenue	\$589,363	\$589,363	0.0%	\$589,363	0.0%
Total eTech	\$33,055,834	\$30,473,620	-7.8%	\$30,473,620	0.0%

Executive Budget Recommendations by Expense Category. Chart 1 presents the biennial executive recommended appropriations by expense category. As seen from the chart, 42.2% of eTech's biennial budget is directed toward subsidies that are used to enhance educational technology opportunities throughout the state. The second largest spending category is personal services at 23.6%, followed by maintenance at 13.1%, purchased services at 10.8%, and equipment at 10.3%.

Chart 1: Biennial Executive Recommendations by Expense Category



Main Priorities of the FY 2008-2009 Biennium

During the FY 2006-2007 biennium, eTech has been focused on the integration and realignment of the programs provided by SchoolNet and OET. As indicated earlier, eTech has consolidated the K-12 telecommunications and public broadcasting networks into OSCnet. The top priority for the FY 2008-2009 biennium is to continue to provide a robust and stable statewide telecommunications infrastructure to support the educational use of technology and to link public broadcasting stations and schools together. To this end, eTech will implement necessary infrastructure network upgrades, including the conversion from Asynchronous Transport Mode (ATM) to Internet Protocol (IP) and the modernization of content delivery methods to its affiliates. In addition, eTech will continue to support application development and training to support the expanded use of online learning in order to support the efficient and effective use of the statewide telecommunications infrastructure.

Telecommunications Towers

eTech currently owns or leases an interest in 20 towers for wireless communications purposes in support of Ohio's public television and radio affiliates. These towers were previously managed by OET. Am. Sub. H.B. 66 of the 126th General Assembly required that eTech and the Department of Administrative Services (DAS) develop a plan to outline how the control of the towers that were no longer needed by eTech could be transferred to DAS. This plan was submitted to the Office of Budget and Management on June 30, 2006. The executive budget implements this plan and authorizes the transfers of the 18 towers that will no longer be needed to the Office of Information Technology by July 1, 2007.

Access to and Use of Technology in Ohio's Schools

The 2006 Technology Counts annual report by Education Week gave Ohio an "A" in access to technology and a "B-" in capacity to use technology. Table 3 shows ratios of students to different types of computers for Ohio and the United States as a whole as reported by Education Week. Ohio's ratios are below the national average for each computer type. Ohio is ranked fifth among the 50 states in the number of students per instructional computer in the classroom. This is down from Ohio's second-place ranking a few years ago.

Computer Type	Students per Computer	
	Ohio	U.S.
Instructional (in classrooms only)	5.8	7.6
Instructional (overall)	3.5	3.8
High-speed Internet-connected computer	3.5	3.9
Internet-connected computer	6.0	8.0

Chart 2 shows the statewide average student-computer ratio for grades K-12 in FY 2004 and FY 2006. The ratios have improved at all grade levels over the past two years. As can be seen from the chart, the ratios of students to classroom computers in FY 2006 range from a low of 3.5:1 in grade twelve to a high of 5.9:1 in grade nine.

Chart 2: FY 2004 and FY 2006 Student to Classroom Computer Ratios by Grade

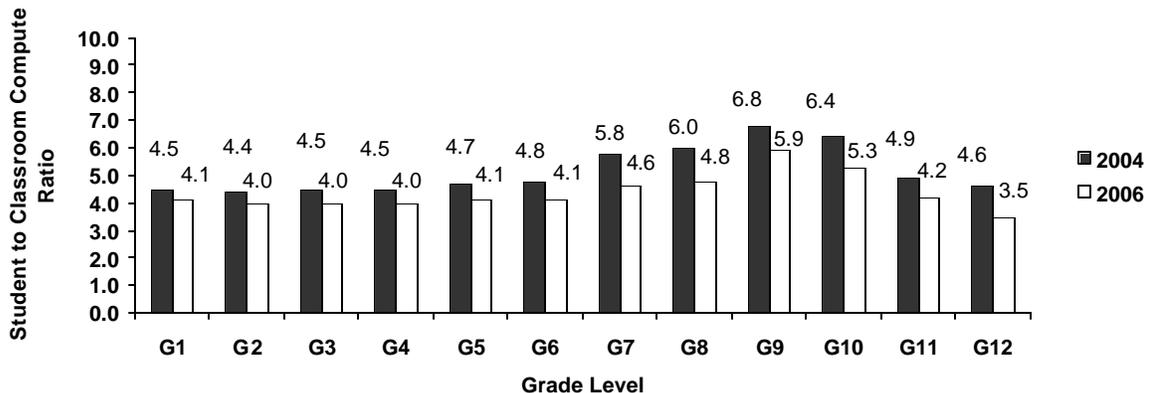
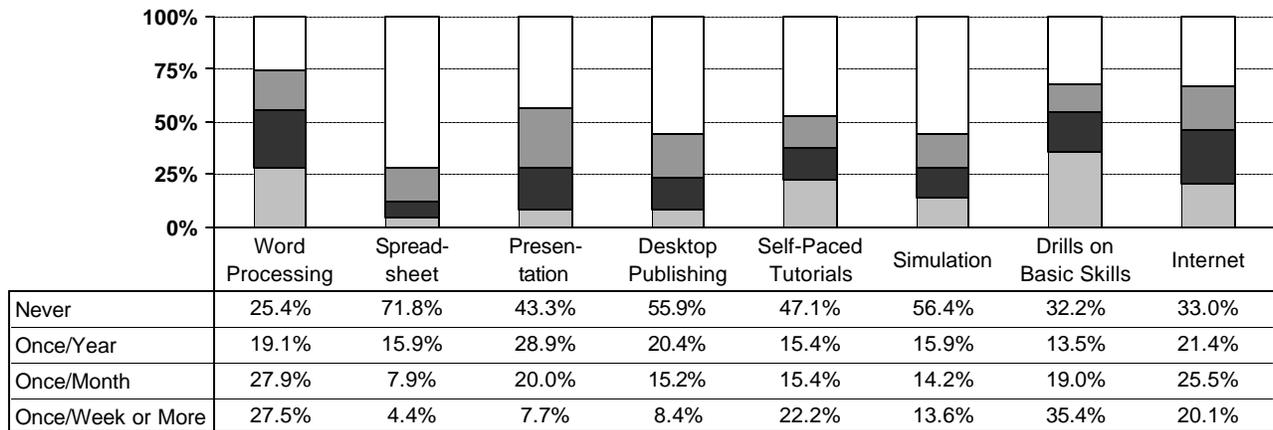


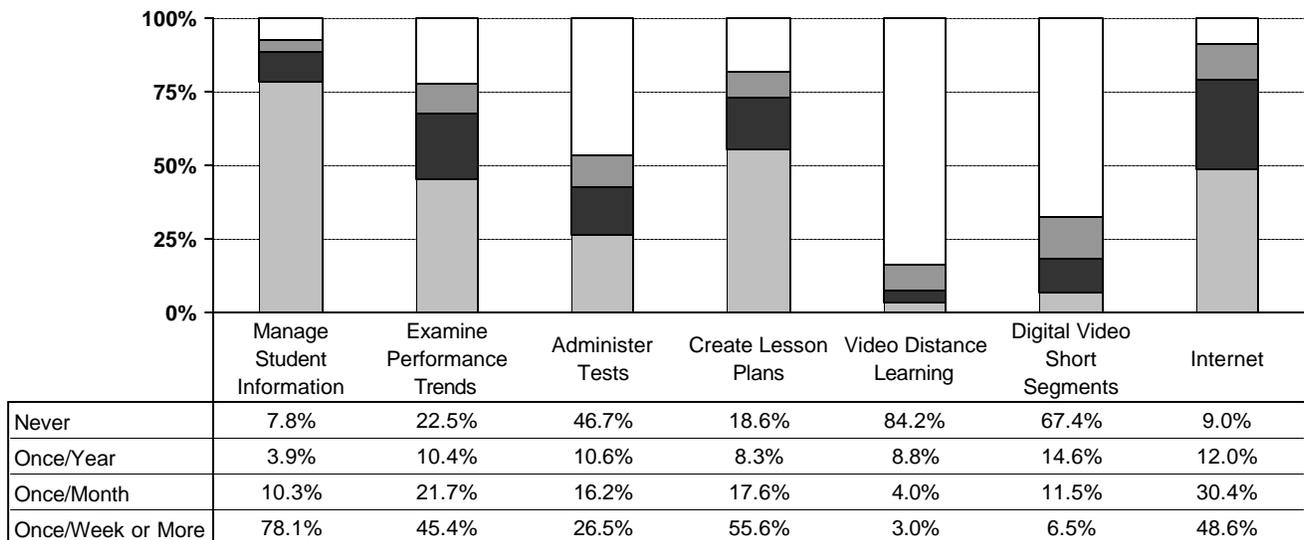
Chart 3: Frequency of Student Use of Computer for Various Activities



Charts 3 and 4 show some results from eTech's 2006 BETA, which collected a variety of data from 95,000 teacher survey responses and 3,600 building survey responses. Chart 3 shows the frequencies at which students in Ohio use computers for various instructional activities. Computers are used for word processing the most frequently with 74.6% of students using it at least once per year and 55.4% using it at least once per month. This activity is followed by use of the computer for drills on basic skills with 67.8% of students using it at least once per year and 54.4% using it at least once per month and use of the Internet with 67.0% of students using it at least once per year and 45.6% using it at least once per month. Spreadsheet software is used the least frequently with 28.2% of students using it at least once per year and 12.3% of students using it at least once per month.

Chart 4 shows the frequencies at which teachers in Ohio use computers for various instructional activities. Computers are used to manage student information the most frequently with 78.1% of teachers doing this at least once per week. This activity is followed by use of the Internet to develop instructional activities with 79.0% of teachers using it at least once per month and 48.6% using it at least once per week. Video distance learning is used the least frequently with 15.8% of teachers using it at least once per year and 7.0% of teachers using it at least once per month.

Chart 4: Frequency of Teacher Use of Computers for Various Activities



MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for eTech's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	935-321	Operations	\$6,830,918	\$6,830,921
		<u>PS1: Professional Development</u>	\$2,730,586	\$2,710,944
		P1.01: Online PD for Teachers	\$1,297,495	\$1,290,592
		P1.02: PD for Tech Coordinators	\$504,990	\$504,214
		P1.03: Competitive and Formula Professional Dev Grants	\$180,429	\$178,977
		P1.04: EETT and Gates Grants	\$188,471	\$185,716
		P1.05: Educational Technology Conference	\$559,201	\$551,445
		<u>PS2: Network and Infrastructure</u>	\$3,850,257	\$3,871,754
		P2.01: Application Development	\$1,214,169	\$1,206,086
		P2.02: Video Distance Learning	\$74,942	\$74,244
		P2.03: Transmission and Network Services	\$2,526,354	\$2,556,517
		P2.04: SchooNet Plus	\$34,792	\$34,907
		<u>PS3: Educational Resources</u>	\$250,075	\$248,223
		P3.01: Educational Resource Grants	\$203,687	\$201,681
		P3.02: Statehouse News and OGT Support	\$46,388	\$46,542
GRF	935-401	Statehouse News Bureau	\$244,400	\$244,400
		<u>PS3: Educational Resources</u>	\$244,400	\$244,400
		P3.02: Statehouse News and OGT Support	\$244,400	\$244,400
GRF	935-402	Ohio Government Telecommunications Services	\$716,417	\$716,417
		<u>PS3: Educational Resources</u>	\$716,417	\$716,417
		P3.02: Statehouse News and OGT Support	\$716,417	\$716,417
GRF	935-403	Technical Operations	\$3,597,390	\$3,597,389
		<u>PS2: Network and Infrastructure</u>	\$3,597,390	\$3,597,389
		P2.03: Transmission and Network Services	\$3,597,390	\$3,597,389
GRF	935-404	Telecommunications Operating Subsidy	\$3,632,413	\$3,632,413
		<u>PS3: Educational Resources</u>	\$3,632,413	\$3,632,413
		P3.01: Educational Resource Grants	\$3,632,413	\$3,632,413
GRF	935-406	Technical and Instructional Professional Development	\$7,601,351	\$7,601,351
		<u>PS1: Professional Development</u>	\$5,538,245	\$5,538,186
		P1.01: Online PD for Teachers	\$1,978,325	\$1,978,260
		P1.02: PD for Tech Coordinators	\$704,081	\$704,093
		P1.03: Competitive and Formula Professional Dev Grants	\$2,827,698	\$2,827,687

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		P1.04: EETT and Gates Grants	\$6,890	\$6,900
		P1.05: Educational Technology Conference	\$21,251	\$21,246
		<u>PS2: Network and Infrastructure</u>	\$803,106	\$803,165
		P2.01: Application Development	\$799,799	\$799,845
		P2.02: Video Distance Learning	\$2,423	\$2,428
		P2.04 SchooNet Plus	\$884	\$892
		<u>PS3: Educational Resources</u>	\$1,260,000	\$1,260,000
		P3.01: Educational Resource Grants	\$1,260,000	\$1,260,000
GRF	935-539	Educational Technology	\$4,139,551	\$4,139,551
		<u>PS3: Educational Resources</u>	\$4,139,551	\$4,139,551
		P3.01: Educational Resource Grants	\$4,139,551	\$4,139,551
General Revenue Fund Subtotal			\$26,762,440	\$26,762,442
General Services Fund Group				
4F3	935-603	Affiliate Services	\$1,000,000	\$1,000,000
		<u>PS2: Network and Infrastructure</u>	\$1,000,000	\$1,000,000
		P2.03: Transmission and Network Services	\$1,000,000	\$1,000,000
4T2	935-605	Government Television/Telecommunications Operating	\$25,000	\$25,000
		<u>PS3: Educational Resources</u>	\$25,000	\$25,000
		P3.02: Statehouse News and OGT Support	\$25,000	\$25,000
5D4	935-640	Conference/Special Purposes	\$1,821,817	\$1,821,817
		<u>PS1: Professional Development</u>	\$1,821,817	\$1,821,817
		P1.01: Online PD for Teachers	\$496,000	\$526,000
		P1.02: PD for Tech Coordinators	\$12,500	\$12,500
		P1.05: Educational Technology Conference	\$1,313,317	\$1,283,317
General Services Fund Subtotal			\$2,846,817	\$2,846,817
Federal Special Revenue Fund Group				
3S3	935-606	Enhancing Education Technology	\$589,363	\$589,363
		<u>PS1: Professional Development</u>	\$589,363	\$589,363
		P1.04: EETT and Gates Grants	\$589,363	\$589,363
Federal Special Revenue Fund Subtotal			\$589,363	\$589,363
State Special Revenue Fund Group				
4W9	935-630	Telecommunity	\$25,000	\$25,000
		<u>PS2: Network and Infrastructure</u>	\$25,000	\$25,000
		P2.02: Video Distance Learning	\$25,000	\$25,000
4X1	935-634	Distance Learning	\$50,000	\$50,000
		<u>PS2: Network and Infrastructure</u>	\$50,000	\$50,000
		P2.02: Video Distance Learning	\$50,000	\$50,000
5T3	935-607	Gates Foundation Grants	\$200,000	\$200,000
		<u>PS1: Professional Development</u>	\$200,000	\$200,000
		P1.04: EETT and Gates Grants	\$200,000	\$200,000
State Special Revenue Fund Subtotal			\$275,000	\$275,000
eTech Ohio Commission Total Funding			\$30,473,620	\$30,473,622

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Professional Development

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

The following table shows the Governor's recommended funding levels for the Professional Development program series.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	935-321	Operations	\$2,730,586	\$2,710,944
GRF	935-406	Technical & Instructional Prof. Development	\$5,538,245	\$5,538,186
General Revenue Fund Subtotal			\$8,268,831	\$8,249,130
General Service Fund (GSF)				
SD4	935-640	Conference/Special Purposes	\$1,821,817	\$1,821,817
General Service Fund Subtotal			\$1,821,817	\$1,821,817
State Special Revenue Fund (SSR)				
5T3	935-607	Gates Foundation Grants	\$200,000	\$200,000
State Special Revenue Fund Subtotal			\$200,000	\$200,000
Federal Special Revenue Fund (FED)				
3S3	935-606	Enhancing Education Technology	\$589,363	\$589,363
Federal Special Revenue Fund Subtotal			\$589,363	\$589,363
Total Funding: Professional Development			\$10,880,011	\$10,860,310

The Professional Development program series contains five programs. These programs and their shares of the funding for this program series are:

- **Program 1.01: Online Professional Development for Teachers – 34.8%**
- **Program 1.02: Professional Development for Technology Coordinators – 11.2%**
- **Program 1.03: Competitive and Formula Prof. Dev. Grants – 27.7%**
- **Program 1.04: Education Technology Grant Administration – 9.0%**
- **Program 1.05: State Technology Conference – 17.3%**

The executive budget proposes a decrease of 12.2% in FY 2008 and a decrease of 0.2% in FY 2009 for this program series. Of the \$21.7 million total biennial funding for this program series, 76.0% comes from the GRF, 1.8% from the SSR, 16.8% from the GSF, and 5.4% from federal funds. Details for each program are given below.

Program 1.01: Online Professional Development for Teachers

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	935-321	Operations	\$1,297,495	\$1,290,592
GRF	935-406	Technical & Instructional Prof. Development	\$1,978,325	\$1,978,260
		Ohio SCORES	\$1,000,000	\$1,000,000
		Remainder	\$978,325	\$978,260
GSF SD4	935-640	Conference/Special Purposes	\$496,000	\$526,000
Total Funding: Online Professional Development for Teachers			\$3,771,820	\$3,794,852

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

eLearning. This initiative develops and provides customized online professional development to Ohio teachers, administrators, and other educational professionals. In collaboration with the Department of Education, educational service centers, school districts, and others, eTech currently offers about 55 eLearning courses in over 210 sections to about 1,600 educators per year. Services provided under this initiative include course design and development, course hosting, course delivery and management, a course clearing house, and an eLearning process model. Participants in eLearning courses pay a \$20 per course fee to offset the cost of course facilitators and to encourage course completion. eTech estimates that approximately 8,000 individuals will participate in eLearning in FY 2008 and FY 2009.

- Ohio SCORES.** The executive budget earmarks up to \$1.0 million in each fiscal year to continue the second and third year implementation of Ohio Students Choosing On-line Resources for Educational Success. Sub. H.B. 115 of the 126th General Assembly established the Ohio SCORES pilot project in FY 2007 and provided \$2.0 million for eTech to implement this project. Ohio SCORES is designed to build the capacity of Ohio teachers and districts to provide online instruction in the areas of advanced mathematics, laboratory sciences, and foreign language. eTech plans to use the funding provided for the FY 2008-2009 biennium to further subsidize the development and availability of online course content and to continue providing professional development on the integration and use of online learning options. According to the project plan, by the end of 2007 Ohio SCORES is likely to acquire five courses: Algebra I, Algebra II, Biology, Chemistry, and Spanish I. The first phase of professional development and course participation opportunities will be offered to selected teachers and students, on a pilot basis, in the Summer and Fall of 2007.

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

Program 1.02: Professional Development for Technology Coordinators

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$504,990	\$504,214
GRF	935-406	Technical & Instructional Prof. Development	\$704,081	\$704,093
GSF SD4	935-640	Conference/Special Purposes	\$12,500	\$12,500
Total Funding: Professional Development for Technology Coordinators			\$1,221,571	\$1,220,807

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

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

- (1) **Technical Training Academy (TTA) and Summer Summit.** This program provides relevant and focused technical courses for Ohio public school district technology staff. Courses vary in length and targeted topics are designed to meet diverse technology staff needs. Courses are taught by nationally recognized, manufacturer certified trainers and are generally held in Columbus. Participants pay a \$50 per course fee for this training. In FY 2006, TTA offered 39 courses and served 406 district technology coordinators and the two-day Summer Summit offered 46 courses and served 528 district technology coordinators.
- (2) **Web-based Technology Training.** This program also provides relevant and focused technical courses for Ohio public school district technology staff. The courses can be taken any time, any place, and at an individualized pace by school district technology staff. eTech has been able to negotiate course rates at about 20% lower than the published government or educational rates.
- (3) **Technical Briefs, Research, and Resources.** This program provides access to unbiased expert information to aide technology decision making. Through online resources, eTech supports the ability of school technology staff to manage, support, and plan for the role that educational technology plays in the classroom.

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

Program 1.03: Competitive and Formula Professional Development Grants

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	935-321	Operations	\$180,429	\$178,977
GRF	935-406	Technical & Instructional Professional Development	\$2,827,698	\$2,827,687
		<i>Competitive PD Grant</i>	\$200,000	\$200,000
		<i>Remainder</i>	\$2,627,698	\$2,627,687
Total Funding: Competitive and Formula Professional Development Grants			\$3,008,127	\$3,006,664

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

Competitive Grants. Funded at \$200,000 in each fiscal year, these two-year grants are distributed on a competitive basis to schools for the purpose of conducting action research, focusing on how teachers' use of emerging technology improves student achievement and on instruction that aligns with the academic content standards. Results, including teaching practice, tools, lessons learned, and examples are shared statewide. In FY 2006, eTech received over 200 proposals and provided the 20 schools that received the highest scores on their proposals with grants of \$20,000 each. The executive budget recommendations for this program are expected to fund grants for 20 additional schools over the biennium.

Formula Grants. Funded at approximately \$2.6 million in each fiscal year, these grants are distributed to eligible entities based on a formula adopted by the eTech Commission, which is largely based on the number of certified teachers in each eligible entity. In FY 2007, eligible entities received between \$2,100 and \$13,500 for technology-related professional development. Grant amounts were determined by each entity's total full-time certified teacher count as reported in the entity's Local Report Card.

Program 1.04: Education Technology Grant Administration

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$188,471	\$185,716
GRF	935-406	Technical & Instructional Prof. Development	\$6,890	\$6,900
FED 3S3	935-606	Enhancing Education Technology	\$589,363	\$589,363
SSR 5T3	935-607	Gates Foundation Grants	\$200,000	\$200,000
Total Funding: Education Technology Grant Administration			\$984,724	\$981,979

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

Enhancing Education Through Technology (EETT) grant. eTech and the Department of Education are partners in the implementation of the No Child Left Behind (NCLB) Title II DEETT grants. The primary goal of the federal EETT grant program is to advance student academic achievement through the use of technology and seek 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 the Department of Education. eTech and the Department of Education jointly administer the two-year competitive EETT grants; they have so far administered and provided approximately \$36.0 million in federal EETT competitive grants to Ohio schools. In FY 2007, 45 continuation grants and 31 new grants have been awarded. These grants target K-8 students in districts with high poverty and high need for academic assistance. Grant recipients use these funds to develop and implement lessons aligned with the state academic content standards and for online professional development.

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

Program 1.05: State Technology Conference

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$559,201	\$551,445
GRF	935-406	Technical & Instructional Prof. Development	\$21,251	\$21,246
GSF SD4	935-640	Conference/Special Purposes	\$1,313,317	\$1,283,317
Total Funding: State Technology Conference			\$1,893,769	\$1,856,008

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

Of the \$3.7 million in total biennial funding for this program, 69% comes from registration fees paid by conference attendees.

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

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

The following table shows the Governor's recommended funding levels for the Network and Infrastructure program series.

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

The Network and Infrastructure program series contains four programs. These programs and their shares of the funding for this program series are:

- **Program 2.01: Applications Development – 21.5%**
- **Program 2.02: Video Distance Learning – 1.6%**
- **Program 2.03: Transmission and Network Services – 76.5%**
- **Program 2.04: SchoolNet Plus – 0.4%**

The executive budget proposes a decrease of 29.6% in FY 2008 and an increase of 0.2% in FY 2009 for this program series. The 29.6% decrease is due to decreases in funding in GSF appropriation item 935-603, Affiliate Services and SSR appropriation item 935-634, Distance Learning. The executive budget decreases the recommended spending level for GSF item 935-634 to better reflect what the program's actual expenditures are likely to be. And the decrease in SSR item 935-634, signals the end of the distance learning program. Of the \$18.7 million total biennial funding for this program series, 88.5% comes from the GRF, 0.8% from the SSR, and 10.7% from the GSF. Details for each program are given below.

Program 2.01: Applications Development

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$1,214,169	\$1,206,086
GRF	935-406	Technical & Instructional Professional Dev	\$799,799	\$799,845
Total Funding: Applications Development			\$2,013,968	\$2,005,931

This program supports eTech's software and applications development. It provides school districts a variety of online resources and tools for technology planning and integration and for applying for state and federal grants. Examples of these resources and tools are:

- **Hall Pass.** This is eTech's single sign-on user account for its web site. Hall Pass provides access to online resources such as professional development registration, grant applications, certificates of participation for conferences and other continuing education offered by eTech, access to the Technology Planning Tool (TPT) and the Biennial Educational Technology Assessment (BETA), and access to discounted technology products through the equipment and services catalog maintained by eTech.
- **Opportunity Tracking Tool.** This tool is a directory of workshops, conferences, eLearning, grants, and SchoolNet Plus programs currently being offered by eTech.
- **Biennial Educational Technology Assessment (BETA).** Each biennium eTech conducts 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. eTech regularly references BETA data in responding to questions from the executive branch and members of the General Assembly. It also uses BETA data when setting agency policies and program guidelines, and when making decisions for acceptable expenditure guidelines for grants.
- **Technology Planning Tool (TPT).** The technology planning search tool allows a person to search for best practices in technology integration, to identify new strategies in managing technology, and to identify innovative and emerging technologies.

Program 2.02: Video Distance Learning

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$74,942	\$74,244
GRF	935-406	Technical & Instructional Prof. Development	\$2,423	\$2,428
SSR 4W9	935-630	Telecommunity	\$25,000	\$25,000
SSR 4X1	935-635	Distance Learning	\$50,000	\$50,000
Total Funding: Video Distance Learning			\$152,365	\$151,672

This program supports grants related to the use of interactive video conferencing for educational purposes. Through this program eTech has built a statewide network of over 800 video conferencing endpoints. This network links together Ohio K-12 classrooms with a variety of educational content providers, including higher education, zoos, museums, and education technology agencies.

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

In addition to funding the final round of grants, part of the non-GRF funding provided under this program will be used to develop a comprehensive catalog for Ohio's video distance learning network. This web-based catalog would become a one-stop resource for all the video distance learning needs for all Ohio schools.

Program 2.03: Transmission and Network Services

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$2,526,354	\$2,556,517
GRF	935-403	Technical Operations	\$3,597,390	\$3,597,389
GSF 4F3	935-603	Affiliate Services	\$1,000,000	\$1,000,000
Total Funding: Transmission and Network Services			\$7,123,744	\$7,153,906

This program supports the Ohio K-12 Network that provides wide area network services to the Ohio K-12 community and the Ohio Educational Telecommunications Network that provides wide area network services and connectivity to Ohio's public television stations, public radio stations, and radio reading services. As indicated in the Overview, eTech has consolidated these two networks into the OSCnet and assumed internal network management for these two networks. In addition, eTech provides video conferencing bridging and technical services to the Ohio K-12 community.

In addition to these network services, eTech also provides various services to its affiliated public television and radio stations and radio reading services. It operates a 24x7 master control center and maintains round the clock monitoring of the live video feeds that eTech provides to the affiliates. It also provides traffic and scheduling resources for the affiliates and maintains an archive of content for rebroadcasting.

Program 2.04: SchoolNet Plus

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$34,792	\$34,907
GRF	935-406	Technical & Instructional Prof. Development	\$884	\$892
Total Funding: SchoolNet Plus			\$35,676	\$35,799

The SchoolNet Plus program was established in 1995 with the goal of installing multi-media computers in public school classrooms at a computer-student ratio of 1:5 for grades kindergarten through four. Since its inception, SchoolNet Plus has provided approximately \$557 million to school districts, which has led to the installation of more than 250,000 multi-media computers in grades K-7. In recent years funding for SchoolNet Plus grants has been provided by tobacco settlement money. eTech is expected to complete grant funding for the eighth grade by the end of FY 2008. At that time, eTech will request additional appropriations through the tobacco budget to begin funding SchoolNet Plus for the ninth grade. The GRF funding provided in this program is used to fund the administrative costs (0.4 FTEs and some other overhead costs) of SchoolNet Plus.

Program Series**3: Educational Resources**

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

The following table shows the Governor's recommended funding levels for the Education Resources program series.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	935-321	Operations	\$250,075	\$248,223
GRF	935-401	Statehouse News Bureau	\$244,400	\$244,400
GRF	935-402	Ohio Gov't Telecommunications Services	\$716,417	\$716,417
GRF	935-404	Telecommunications Operating Subsidy	\$3,632,413	\$3,632,413
GRF	935-406	Technical & Instructional Prof. Development	\$1,260,000	\$1,260,000
GRF	935-539	Educational Technology	\$4,139,551	\$4,139,551
General Revenue Fund Subtotal			\$10,242,856	\$10,241,004
General Services Fund (GSF)				
4T2	935-605	Gov't Television/Telecomm. Operating	\$25,000	25,000
General Services Fund Subtotal			\$25,000	25,000
Total Funding: Educational Resources			\$10,267,856	\$10,266,004

The Network and Infrastructure program series contains two programs. These programs and their shares of the funding for this program series are:

- **Program 3.01: Educational Resource Grants – 89.9%**
- **Program 3.02: Statehouse News and OGT Support – 10.1%**

The executive budget proposes a decrease of 1.3% in FY 2008 and flat funding in FY 2009 for this program series. Of the \$20.5 million total biennial funding for this program series, 99.8% comes from the GRF and 0.2% comes from the GSF. Details for each program are given below.

Program 3.01: Educational Resource Grants

Fund	ALI	Title/Earmark	FY 2008	FY 2009
GRF	935-321	Operations	\$203,687	\$201,681
GRF	935-404	Telecommunications Operating Subsidy	\$3,632,413	\$3,632,413
GRF	935-406	Technical & Instructional Prof. Development	\$1,260,000	\$1,260,000
<i>Educational Television Stations</i>			<i>\$1,260,000</i>	<i>\$1,260,000</i>
GRF	935-539	Educational Technology	\$4,139,551	\$4,139,551
<i>Educational Television</i>			<i>\$4,139,551</i>	<i>\$4,139,551</i>
Total Funding: Educational Resource Grants			\$9,235,651	\$9,233,645

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

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

Educational Television Stations. The executive budget earmarks \$1.26 million in each fiscal year for educational television stations. The funds are to be divided equally among the 12 stations for the production of interactive instructional programming series that align with Ohio's academic content standards. The programming is to target the needs of the poorest 200 school districts in the state.

Educational Television. These funds are used by eTech to contract with educational television stations to provide Ohio public schools with instructional resources and services with priority given to resources and services aligned with the state academic content standards. Resources may include, but are not limited to, prerecorded video material, computer software for student use, live student courses, automated media systems, and instructional and professional development materials for teachers.

Program 3.02: Statehouse News Bureau and OGT Support

Fund	ALI	Title	FY 2008	FY 2009
GRF	935-321	Operations	\$46,388	\$46,542
GRF	935-401	Statehouse News Bureau	\$244,400	\$244,400
GRF	935-402	Ohio Gov't Telecommunications Services	\$716,417	\$716,417
GSF 4T2	935-605	Gov't Television/Telecomm. Operating	\$25,000	\$25,000
Total Funding: Statehouse News Bureau and OGT Support			\$1,032,205	\$1,032,359

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

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

REQUESTS NOT FUNDED

This section compares the executive recommended GRF appropriations and the GRF appropriations requested by eTech. The table below summarizes the differences between the executive recommendations and the eTech budget request for GRF funding by program series.

eTech's GRF Requests Not Funded by Program Series, FY 2008 and FY 2009						
Program Series	FY 2008			FY 2009		
	Executive	Requested	Difference	Executive	Requested	Difference
PS01: Professional Development	\$8,268,831	\$8,435,440	(\$166,609)	\$8,249,130	\$8,415,148	(\$166,018)
PS02: Network and Infrastructure	\$8,250,753	\$8,593,497	(\$342,744)	\$8,272,308	\$8,615,696	(\$343,388)
PS03: Educational Resources	\$10,242,856	\$10,512,343	(\$269,487)	\$10,241,004	\$10,510,436	(\$269,432)
Total GRF	\$26,762,440	\$27,541,280	(\$778,840)	\$26,762,442	\$27,541,280	(\$778,838)

As can be seen from the table, the executive recommended GRF appropriations for eTech are \$778,840 under the requested amount for FY 2008 and \$778,838 under the requested amount for FY 2009. This difference totals \$1.6 million over the biennium, which is 2.8% of the total GRF funding requested by eTech.

eTech requested an increase of 3.0% in GRF funding in FY 2008 and flat funding in FY 2009, in addition to the transfer of Ohio SCORES into the GRF budget. The executive budget provides flat funding in each fiscal year. Most of eTech's GRF budget request was for a continuation or expansion of its current programs. eTech did request \$120,000 over the biennium to be allocated for a new initiative to evaluate and research new and emerging educational technologies. The executive budget did not fund this request. According to eTech, the executive budget recommendations are sufficient to continue the agency's current operations.

g:\budget\budget.127\redbooks\houseredbooks\edu agencies\etc.doc/cm

General Revenue Fund

GRF 935-321 Operations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$7,042,528	\$6,830,917	\$6,830,918	\$6,830,921
		N/A	-3.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3353.02; Section 206.31.03 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides for payroll and fringe benefits for employees of eTech Ohio as well as support for personal service contracts, maintenance, and equipment needs. eTech Ohio was created in Am. Sub. H.B. 66 of the 126th G.A. to merge functions of the Ohio SchoolNet Commission and the Ohio Educational Telecommunications Network Commission.

GRF 935-401 Statehouse News Bureau

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$244,400	\$244,400	\$244,400	\$244,400
		N/A	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 206.31.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item subsidizes the operations of the Statehouse News Bureau, a cooperative effort of all public radio and television stations. The News Bureau is dedicated to the coverage of state government issues and produces daily radio and weekly television reports that cover the activities of the Ohio Legislature, the administration, and state agencies. This program has existed since 1972. GRF appropriation item 374-401, Statehouse News Bureau, was originally established by Controlling Board on November 26, 1979 in the Ohio Educational Telecommunications Network Commission budget.

GRF 935-402 Ohio Government Telecommunications Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$716,417	\$716,417	\$716,417	\$716,417
		N/A	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3353.07; Section 206.31.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to support the operations of the Ohio Government Telecommunications Studio (OGT). OGT is responsible for the coverage of House and Senate sessions and committee hearings as assigned, as well as the Ohio Supreme Court. It also provides additional coverage of state government issues, assists the media with connections within the Capitol Square, coordinates audio and video needs, and operates a streaming media website. OGT was transferred from the Capitol Square Review and Advisory Board to the Ohio Educational Telecommunications Network Commission (OETNC) in January 2002 and is now part of eTech Ohio. GRF appropriation item 374-402, Ohio Government Telecommunications Studio, was originally established by Am. Sub. H.B. 94 of the 124th G.A. in the OETNC budget.

GRF 935-403 Technical Operations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$1,760,075	\$1,768,150	\$3,597,390	\$3,597,389
		N/A	0.5%	103.5%	0.0%

Source: General Revenue Fund

Legal Basis: Section 206.31.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides funding to operate and maintain the statewide fiber optic network connecting Ohio's public radio and television stations, the Statehouse News Bureau, the Ohio Government Telecommunications Studio, and the Ohio Emergency Management Agency to eTech Ohio's network operations center (NOC). The NOC provides audio and video content to eTech Ohio's affiliates 24 hours a day, 7 days a week. Beginning in FY 2008, funding for managing the K-12 education network will be moved from line item 935-539, Education Technology into this line item.

GRF 935-404 Telecommunications Operating Subsidy

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$3,632,413	\$3,632,413	\$3,632,413	\$3,632,413
		N/A	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 206.31.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to subsidize the operating costs of qualified public educational television stations, radio reading services, and educational radio stations. The funds are currently distributed as follows: 67.5% to public educational television stations; 22.5% to public radio stations; and 10.0% to public radio reading services. GRF appropriation item 374-404, Telecommunications Operating Subsidy, was originally established by Am. Sub. H.B. 117 of the 121st G.A. in the OETNC budget to collapse line items 374-402, Ohio Radio Reading Services, 374-422, Broadcast Operating, and 374-423, Educational Radio, into one line item.

GRF 935-406 Technical and Instructional Professional Development

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$5,998,988	\$6,607,144	\$7,601,351	\$7,601,351
		N/A	10.1%	15.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 206.31.09 of Am Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to provide educators with technical and professional development services to maximize the use of technology in classrooms. Moneys are used to provide competitive and formula professional development grants to school districts and 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. Beginning in FY 2008, funding for the Ohio Students Choosing On-line Resources for Educational Success (Ohio SCORES) is also provided in this line item. GRF appropriation item 228-406, Technical and Instructional Professional Development, was originally established by Am. Sub. H.B. 282 of the 123rd G.A. in the Ohio SchoolNet Commission budget.

GRF 935-539 Educational Technology

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$6,282,002	\$5,992,011	\$4,139,551	\$4,139,551
		N/A	-4.6%	-30.9%	0.0%

Source: General Revenue Fund

Legal Basis: Section 206.31.12 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is 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 K-12 education network; beginning in FY 2008 this funding will be moved to line item 935-403, Technical Operations. GRF appropriation item 200-539, Education Technology, was originally established in ORC 3301.07 and transferred from the Department of Education to the Ohio SchoolNet Commission (228-539, Education Technology) by Am. Sub. H.B. 215 of the 122nd G.A.

General Services Fund Group

4F3 935-603 Affiliate Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$678,770	\$2,000,000	\$1,000,000	\$1,000,000
		N/A	194.7%	-50.0%	0.0%

Source: GSF: Receipts formerly deposited into the Project Equity Fund (Fund 4F3), Fees and Grants Fund (Fund 140), and the Fees and Grants Fund (Fund 463)

Legal Basis: ORC 3353.06; Section 206.31 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item receives fees for certain services performed by eTech Ohio's network operations center. Funds in this line item are used to provide services (primarily the lease of offices and tower broadcast capability) to affiliated entities, other state and federal agencies, and private entities on a fee basis.

4T2 935-605 Government Television/Telecommunications Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$150,000	\$25,000	\$25,000
			N/A	-83.3%	0.0%

Source: GSF: Transfer of funding from the Capitol Square Review and Advisory Board and moneys received from contract productions of the Ohio Government Telecommunications Studio

Legal Basis: ORC 3353.01; Section 206.31 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item, along with line item 935-402, Ohio Government Telecommunications Studio, is used to support the Ohio Government Telecommunications Studio (OGT). OGT is responsible for the coverage of House and Senate sessions and committee hearings as assigned, as well as the Ohio Supreme Court. OGT also provides additional coverage of state government issues, assists the media with connections within Capitol Square, coordinates audio and video needs, and operates a streaming media website. OGT was transferred from the Capitol Square Review and Advisory Board to the Ohio Educational Telecommunications Network Commission (OETNC) in January 2002 and is now part of eTech Ohio. Line item 374-605 (Fund 4T2), Government Television/Telecommunications Operating, was originally established by Am. Sub. H.B. 94 of the 124th G.A. in the OETNC budget.

5D4 935-640 Conference/Special Purposes

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$1,673,150	\$3,994,817	\$1,821,817	\$1,821,817
		N/A	138.8%	-54.4%	0.0%

Source: GSF: Fees and gifts

Legal Basis: Section 206.31 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item receives the registration fees paid by those persons participating in conferences and training sponsored by eTech Ohio as well as gifts and bequests for specific purposes. Moneys are used to pay for the costs associated with conferences, including the state's annual technology conference, and for the purposes specified by gifts and bequests. Line item 228-640 (Fund 5D4), Conference/Special Purposes, was originally established by Controlling Board on March 3, 1997 in the Ohio SchoolNet Commission budget.

Federal Special Revenue Fund Group

3S3 935-606 Enhancing Education Technology

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$336,001	\$589,363	\$589,363	\$589,363
		N/A	75.4%	0.0%	0.0%

Source: FED: CFDA 84.318, Education Technology State Grants

Legal Basis: Section 206.31 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides competitive federal grants to school districts to advance student academic achievement through the use of technology, seeking to ensure that every student is technologically literate by the end of the eighth grade. The federal No Child Left Behind Act of 2001 consolidates the Technology Literacy Challenge Fund Program and the Technology Innovative Challenge Grant Program into the Enhancing Education Through Technology (EETT) program. There are two types of EETT grants: entitlement and competitive. The entitlement grants are administered by the Ohio Department of Education (ODE). The competitive grants distributed under this line item are jointly administered by eTech Ohio and ODE. These competitive grants target K-8 students in districts with high poverty needs and greater needs for academic assistance. Grant recipients use these funds to develop and implement lessons aligned with the state academic content standards and for on-line professional development. Line item 228-606 (Fund 3S3), Enhancing Education Technology, was originally established by Controlling Board on December 16, 2002 in the Ohio SchoolNet Commission budget.

State Special Revenue Fund Group

4W9 935-630 Telecommunity

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$188	\$12,890	\$25,000	\$25,000
		N/A	6749.8%	93.9%	0.0%

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

Legal Basis: ORC 3317.50; Section 206.31.15 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to finance technology grants to eligible public and chartered nonpublic 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. The grants are used to establish "distance learning" through interactive video technologies. Line item 200-630 (Fund 4W9), Telecommunity, was originally established by Controlling Board on October 28, 1996 within the Department of Education and transferred to the Ohio SchoolNet Commission (228-630, Telecommunity) by the Controlling Board on March 3, 1997.

4X1 935-634 Distance Learning

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$277,005	\$317,312	\$50,000	\$50,000
		N/A	14.6%	-84.2%	0.0%

Source: SSR: Ameritech

Legal Basis: ORC 3317.51; Section 206.31.15 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item provides technology grants to eligible public and chartered nonpublic schools to establish "distance learning." Only schools within an Ameritech service area are eligible for funds, per an agreement with Ameritech. Line item 200-634 (Fund 4X1), Distance Learning, was originally established by Controlling Board on April 24, 1995 within the Department of Education and transferred to the Ohio SchoolNet Commission (228-634, Distance Learning) by the Controlling Board on March 3, 1997.

5T3 935-607 Gates Foundation Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$511,789	\$200,000	\$200,000	\$200,000
		N/A	-60.9%	0.0%	0.0%

Source: SSR: Grants from the Gates Foundation

Legal Basis: Section 206.31.15 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item funds a technology leadership program for 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. Line item 228-605 (Fund 5T3), Gates Foundation Grants, was originally established by Controlling Board on October 31, 2001 in the Ohio SchoolNet Commission budget.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
ETC eTech Ohio								
GRF	935-321	Operations	\$ 7,042,528	\$6,830,917	\$ 6,830,918	0.0%	\$ 6,830,921	0.0%
GRF	935-401	Statehouse News Bureau	\$ 244,400	\$244,400	\$ 244,400	0.0%	\$ 244,400	0.0%
GRF	935-402	Ohio Government Telecommunications Services	\$ 716,417	\$716,417	\$ 716,417	0.0%	\$ 716,417	0.0%
GRF	935-403	Technical Operations	\$ 1,760,075	\$1,768,150	\$ 3,597,390	103.5%	\$ 3,597,389	0.0%
GRF	935-404	Telecommunications Operating Subsidy	\$ 3,632,413	\$3,632,413	\$ 3,632,413	0.0%	\$ 3,632,413	0.0%
GRF	935-406	Technical and Instructional Professional Developme	\$ 5,998,988	\$6,607,144	\$ 7,601,351	15.0%	\$ 7,601,351	0.0%
GRF	935-539	Educational Technology	\$ 6,282,002	\$5,992,011	\$ 4,139,551	-30.9%	\$ 4,139,551	0.0%
General Revenue Fund Total			\$ 25,676,823	\$ 25,791,452	\$ 26,762,440	3.8%	\$ 26,762,442	0.0%
4F3	935-603	Affiliate Services	\$ 678,770	\$2,000,000	\$ 1,000,000	-50.0%	\$ 1,000,000	0.0%
4T2	935-605	Government Television/Telecommunications Operati	----	\$150,000	\$ 25,000	-83.3%	\$ 25,000	0.0%
5D4	935-640	Conference/Special Purposes	\$ 1,673,150	\$3,994,817	\$ 1,821,817	-54.4%	\$ 1,821,817	0.0%
General Services Fund Group Total			\$ 2,351,921	\$ 6,144,817	\$ 2,846,817	-53.7%	\$ 2,846,817	0.0%
3S3	935-606	Enhancing Education Technology	\$ 336,001	\$589,363	\$ 589,363	0.0%	\$ 589,363	0.0%
Federal Special Revenue Fund Group Total			\$ 336,001	\$ 589,363	\$ 589,363	0.0%	\$ 589,363	0.0%
4W9	935-630	Telecommunity	\$ 188	\$12,890	\$ 25,000	93.9%	\$ 25,000	0.0%
4X1	935-634	Distance Learning	\$ 277,005	\$317,312	\$ 50,000	-84.2%	\$ 50,000	0.0%
5T3	935-607	Gates Foundation Grants	\$ 511,789	\$200,000	\$ 200,000	0.0%	\$ 200,000	0.0%
State Special Revenue Fund Group Total			\$ 788,982	\$ 530,202	\$ 275,000	-48.1%	\$ 275,000	0.0%
Total All Budget Fund Groups			\$ 29,153,727	\$ 33,055,834	\$ 30,473,620	-7.8%	\$ 30,473,622	0.0%