

LSC Redbook

Analysis of the Executive Budget Proposal

Department of Education

Andrew Plagenz, Budget Analyst
Melaney Carter, Division Chief
Legislative Service Commission

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READER'S GUIDE

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 Department of Education (ODE), which includes the following five sections.

1. Overview: Provides a brief description of ODE and an overview of the provisions of the executive budget that affect ODE, including major new initiatives.
2. Facts and Figures: Provides some additional data on Ohio's primary and secondary education system.¹
3. Analysis of Executive Proposal: Provides a detailed analysis of the executive budget recommendations for ODE, including funding for each appropriation line item. The line items for ODE are organized into ten categories.
4. School Funding Complete Resource: Provides a detailed analysis of the current system of funding public schools in Ohio, including state, local, and federal revenues.
5. Attachments: Includes the Catalog of Budget Line Items (COBLI) for ODE, which briefly describes each line item, and the LSC budget spreadsheet for ODE.

¹ Much of this information is also presented in the LSC publication *Ohio Facts* that is available on the LSC web site: www.lsc.state.oh.us.

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SCHOOL FUNDING COMPLETE RESOURCE

ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Department of Education

- Repeals Evidence-Based Model
- Accelerates phase-out of certain property tax reimbursements
- Provides a decrease of 4.2% in FY 2012 and an increase of 0.8% in FY 2013 in GRF and lottery spending

OVERVIEW

Agency Overview

ODE oversees a public education system consisting of 612 public school districts, 49 joint vocational school districts, and approximately 320 public community schools. This system enrolls approximately 1.8 million students in grades kindergarten through twelve and graduates approximately 125,000 students each year. In addition, ODE monitors 56 educational service centers, other regional education providers, several early learning programs, and approximately 800 state-chartered nonpublic schools. ODE also administers the school funding system, collects school fiscal and performance data, develops academic standards and model curricula, administers the state achievement tests, issues district and school report cards, administers Ohio's school choice programs, provides professional development, and licenses teachers, administrators, treasurers, superintendents, and other education personnel. Details of ODE's many programs and initiatives are given in the **Analysis of Executive Proposal** section of this Redbook.

ODE is governed by a 19-member State Board of Education. Eleven of those 19 members are elected by the citizens of Ohio and the other eight members are appointed by the Governor. The Superintendent of Public Instruction, who is hired by the State Board of Education, is responsible for ODE's day-to-day operation.

In December 2009, in response to a requirement of H.B. 1 of the 128th General Assembly, ODE issued a new ten-year strategic plan. ODE's vision, according to this plan, is that: "Ohio will implement a world-class education system in which all students will graduate with a sense of purpose and be well prepared for college, work, and life." ODE has outlined six goals:

1. ODE will design an education system that prepares all students to graduate with the knowledge and skills needed for post-high school success.
2. ODE will provide resources, tools, and services to districts and schools that support the implementation of the education reform plan and that produce rigorous learning environments and improved academic achievement for all students.

3. ODE will strengthen strategic initiatives that address graduation rates, achievement gaps, and persistently struggling schools.
4. ODE will enhance state, district, and school leadership capacity and support for aligning Ohio's education systems for early learners, K–12 students, and post secondary learners.
5. ODE will develop and sustain a quality, affordable system of voluntary early education and care that helps close early learning achievement gaps among various groups of children.
6. ODE will deepen essential partnerships with stakeholders that will result in enhanced educational opportunities for all Ohio students.

Staffing Levels

As of March, 2011, ODE has 600 full-time equivalent (FTE) employees. Current employment levels are 111 FTEs below the staff ceiling established by the Office of Budget and Management. Generally, agencies operate below their staff ceilings due to a natural attrition rate that results in a certain number of vacancies at any given time.

Appropriation Overview

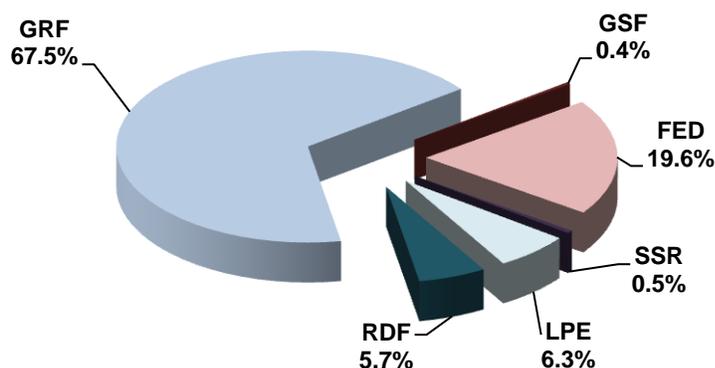
Appropriations by Fund Group

The executive budget provides a total appropriation of \$11.29 billion in FY 2012 and \$10.80 billion in FY 2013 for ODE. Chart 1 and Table 1 present the executive recommended appropriations by fund group. As the chart shows, appropriations from the GRF and Lottery Profits Education Fund (LPE) make up a majority of ODE's funding for the biennium at 73.8%. Federal funds account for the next largest portion at 19.6%. Appropriations from the Revenue Distribution Fund Group (RDF), which provide direct reimbursements to school districts and joint vocational school districts for property tax losses due to utility deregulation and the phase-out of the business tangible personal property tax, accounts for 5.7% of ODE's funding for the biennium. The State Special Revenue Fund Group and the General Services Fund Group account for the remaining 0.9%.

Table 1. Executive Budget Recommendations by Fund Group, FY 2012-FY 2013					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$7,771,795,021	\$7,412,207,676	(4.6)%	\$7,510,381,894	1.3%
General Services	\$32,426,579	\$41,577,607	28.2%	\$41,577,607	0.0%
Federal Special Revenue	\$2,773,372,627	\$2,310,389,566	(16.7)%	\$2,011,315,739	(12.9)%
State Special Revenue	\$50,703,781	\$54,827,935	8.1%	\$55,396,635	1.0%
Lottery Profits	\$711,000,000	\$717,500,000	0.9%	\$680,500,000	(5.2)%
Revenue Distribution	\$1,241,330,889	\$756,000,000	(39.1)%	\$505,000,000	(33.2)%
TOTAL	\$12,580,628,897	\$11,292,502,784	(10.2)%	\$10,804,171,875	(4.3)%
GRF and Lottery	\$8,482,795,021	\$8,129,707,676	(4.2)%	\$8,190,881,894	0.8%

*FY 2011 figures represent estimated expenditures.

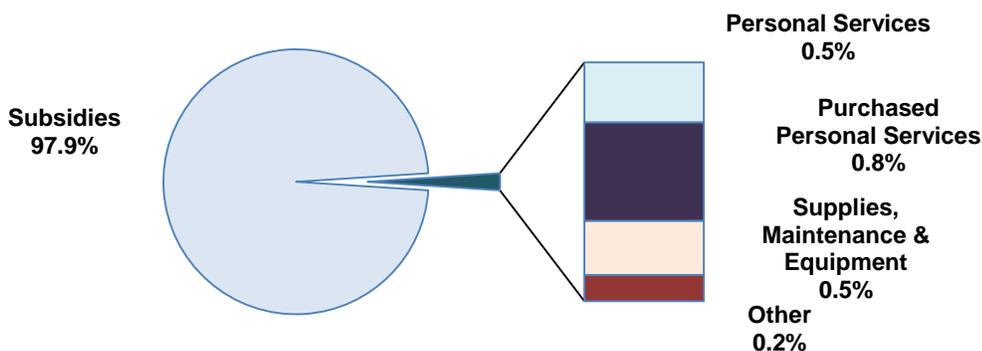
Chart 1: Biennial Executive Budget Recommendations by Fund Group, FY 2012-FY 2013



Appropriations by Object of Expense

Chart 2 shows the executive recommended appropriations by object of expense. Almost 98% of ODE's budget is paid out as subsidies, mainly to school districts and joint vocational school districts, but also to community schools, educational service centers, chartered nonpublic schools, and other education providers.

Chart 2: Biennial Executive Budget Recommendations by Object of Expense, FY 2012-FY 2013



ODE retains approximately \$403.8 million (1.8%) of its total recommended budget for the biennium at the state level for personal services, purchased services, supplies, maintenance, and equipment spending. Personal services accounts for approximately \$114.3 million (28.3%) of these funds expended at the state level.

Primary and Secondary Education's Share of the State GRF Budget²

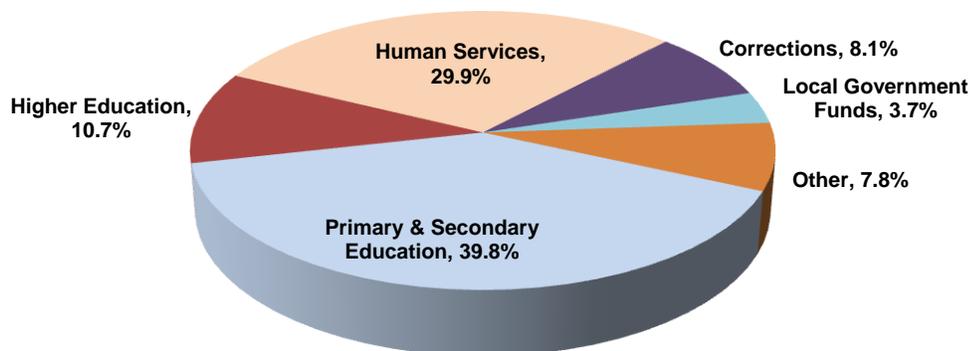
The four major spending areas of the state budget are: primary and secondary education,³ human services, higher education, and corrections. The executive GRF budget recommendations total \$42.35 billion for the FY 2012-FY 2013 biennium. Chart 3 shows these recommendations broken down by the four major spending areas as well as spending allocated to local government funds and all other areas. Under the executive budget, spending on primary and secondary education continues to be the largest spending area at approximately 39.8% of the executive recommendations. The

² For this section, the state GRF budget includes allocations from the General Revenue Fund (GRF), as well as from the local government funds (LGFs), and the Lottery Profits Education Fund (LPE) but does not include spending reimbursed by the federal government or federal stimulus funds.

³ For this section, primary and secondary education spending includes all GRF and LPE spending by ODE, the eTech Ohio Commission, the School Facilities Commission, the Ohio State School for the Blind, and the Ohio School for the Deaf.

proportions for the other areas of spending are: 29.9% for human services, 10.7% for higher education, 8.1% for corrections, 3.7% for local government funds, and 7.8% for all other areas.

**Chart 3: State Spending by Program Area,
FY 2012-FY 2013 Biennium**

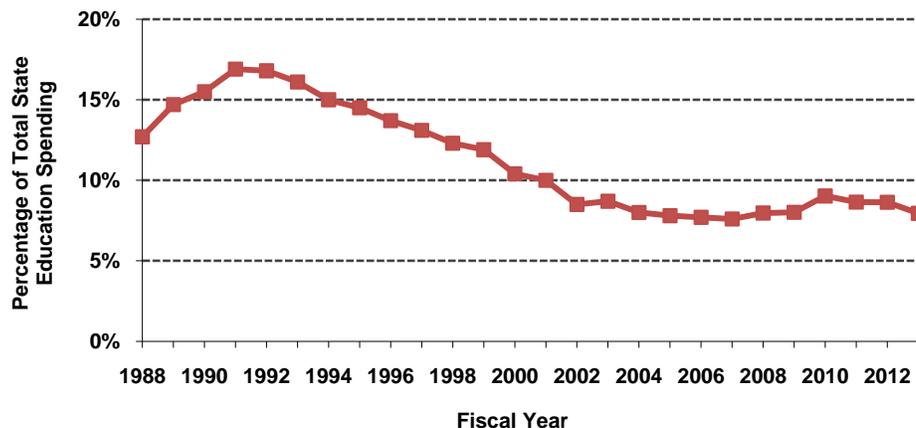


Lottery Profits and State Spending on Education

In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education. Generally, lottery profits are combined with the GRF to provide foundation funding to schools in Ohio.

Chart 4 shows the percentage of state GRF and LPE spending on primary and secondary education that comes from lottery profits. As can be seen from Chart 4, lottery profits have always been a relatively small percentage of this spending. After reaching a peak of 16.9% in FY 1991, this percentage decreased to 7.6% in FY 2007, then increased to 9.0% in FY 2010. The percentage is expected to decrease through FY 2013. Since reaching a high of \$718.7 million in FY 1999, the annual dollar amount of lottery profits fell to \$637.9 million in FY 2007 before rising to a new high of \$745.0 million in FY 2010. From FY 1988 to FY 2010, total state GRF and lottery spending on primary and secondary education increased by \$4.81 billion (139.7%). Of this growth, \$309.4 million (6.4%) was provided by the lottery. The executive budget reflects an estimated increase in lottery profits spending of \$6.5 million in FY 2012 and an estimated decrease of \$37.0 million in FY 2013.

Chart 4: Lottery Profits as a Percentage of Total State GRF and Lottery Spending for K-12 Education, FY 1988-FY 2013



Traditional School District Funding

The executive budget repeals the current school funding formula used to determine the amount and allocation of state aid for traditional school districts. This formula was enacted in H.B. 1 of the 128th General Assembly and is generally known as the Evidence-Based Model (EBM). H.B. 1 also created the School Funding Advisory Council to make biennial recommendations regarding the EBM. The executive proposal eliminates this Council.

In order to allocate foundation aid to school districts in FY 2012 and FY 2013, the executive budget proposes to adjust each district's per pupil foundation aid allocation in FY 2011 and allocate the adjusted amount to each pupil in the district's average daily membership (ADM) in FY 2012 and FY 2013.⁴ The adjustment is based on each district's relative property wealth per pupil in FY 2011 and the total appropriation for foundation aid in FY 2012 and FY 2013. This proposed allocation method is described below. The current school funding formula is described in detail in the special analysis section of this Redbook entitled "School Funding Complete Resource."

Average daily membership

Average daily membership (ADM) is the measure of the number of students in each district. Under current law, the ADM is based on a count of students made once per year in October. All students who reside in a district are counted in that district's ADM, regardless of where the students are actually educated. The ADM of a district is based on the October count from the previous fiscal year, except for those districts for which the October count in the current fiscal year is more than 2% greater than the

⁴ This analysis presents the executive methodology in a slightly different way than how it is presented in the executive budget. This was done for clarity, the results are the same.

October count in the previous fiscal year. For these districts, ADM is based on the October count of the current fiscal year. Also, all kindergarten students are counted as one full-time equivalent student whether they receive full-day or half-day services. The executive proposal mostly retains the current method of calculating ADM, except it no longer uses the October count in the previous fiscal year, instead ADM for all districts is based on the October count in the current fiscal year. For purposes of allocating funding for FY 2012 and FY 2013, FY 2011 ADM is recalculated to be based on the current fiscal year's count for all districts.

Adjusted Per Pupil Allocation

As mentioned above, the proposed method of allocating foundation aid in FY 2012 and FY 2013 starts with the per pupil foundation aid each district is receiving in FY 2011. To calculate each district's FY 2011 per pupil foundation aid, total foundation aid allocated for each district in FY 2011 is divided by the district's recalculated FY 2011 ADM. As discussed above, the recalculated FY 2011 ADM is based on the October count from FY 2011, regardless of whether the district's FY 2011 state aid was calculated based on the FY 2010 count or the FY 2011 count. This calculation is summarized below.

School District FY 2011 State Aid Per Pupil
$\text{FY 2011 state aid per pupil} = \frac{\text{Actual FY 2011 state aid allocation}}{\text{Recalculated FY 2011 ADM}}$
Where recalculated FY 2011 ADM is based on the FY 2011 October count

This per pupil amount is adjusted before applying it to FY 2012 and FY 2013 ADM to get each district's total state aid allocation for those years. An index based on each district's property wealth is used to calculate each district's per pupil adjustment. The index for each district is equal to that district's per pupil property wealth in FY 2011 divided by the median per pupil property wealth in FY 2011. Each district's per pupil property wealth in FY 2011 is equal to the district's valuation used to compute its local share of the adequacy amount (charge-off valuation) under the EBM in FY 2011, divided by the district's recalculated FY 2011 ADM. This calculation is summarized below.

School District Charge-off Valuation Index
$\text{Charge-off valuation index} = \frac{\text{FY 2011 charge-off valuation per pupil}}{\text{Median FY 2011 charge-off valuation per pupil}}$
Where FY 2011 charge-off valuation per pupil = FY 2011 charge-off valuation / Recalculated FY 2011 ADM

To adjust each district's per pupil amount, the district's charge-off valuation index is multiplied by a uniform statewide per pupil adjustment. This statewide per pupil adjustment is calculated by ODE for each fiscal year so that total statewide aid does not exceed the total amount appropriated for state aid in each fiscal year. Total state aid in FY 2011 is approximately \$6.51 billion. The executive proposal appropriates about \$6.18 billion in FY 2012 and \$6.24 billion in FY 2013 for state aid. The difference between the appropriations in FY 2012 and FY 2013 and state aid in FY 2011 is due to the elimination of the appropriation of federal stimulus funding, which is only partially offset by an increase in state GRF funding. In FY 2011, about \$457.4 million of federal stimulus funding was appropriated to support state aid. Based on projected ADM for FY 2012 and FY 2013, each district's FY 2011 state aid will need to be reduced by approximately \$184 for FY 2012 and \$136 for FY 2013 on average. The actual adjustment for each district will vary based on the district's charge-off valuation index. Higher wealth districts will tend to have larger than average reductions and lower wealth districts will tend to have lower than average reductions. The calculation of a district's adjusted per pupil amount is summarized below:

School District Adjusted Per Pupil Amount
FY 2012 adjusted per pupil amount = FY 2011 state aid per pupil – FY 2012 statewide per pupil adjustment x charge-off valuation index
FY 2013 adjusted per pupil amount = FY 2011 state aid per pupil – FY 2013 statewide per pupil adjustment x charge-off valuation index
Where statewide per pupil adjustment for each year is determined by ODE so that the total appropriation is not exceeded

Total Allocation

Each district's total allocation is calculated simply by multiplying the district's adjusted per pupil amount for each fiscal year by its ADM for each fiscal year. This calculation is summarized below:

School District Total Allocation
FY 2012 total allocation = FY 2012 adjusted per pupil amount x FY 2012 ADM
FY 2013 total allocation = FY 2013 adjusted per pupil amount x FY 2013 ADM

Deductions and Transfers

As mentioned previously, under current law, continuing in the executive proposal, all students are counted in the ADM of the district in which they reside. However, some students are educated outside of the district where they reside; for example, students attending a community school, students attending a STEM (Science, Technology, Engineering, and Mathematics) school, students attending another district

through open enrollment, students attending a college or university through a dual-enrollment program, and students attending a nonpublic school through a state-funded scholarship program. Funding for these students is deducted from the state aid allocation of the resident district and transferred to the educating district or school. In FY 2010 and FY 2011, these deductions and transfers were largely based on funding amounts from FY 2009.⁵ The executive proposal continues this methodology with two major changes as follows:

- The executive proposal reduces the per pupil formula amount used for transfers for community school, STEM school, open enrollment, and PSEO students from the FY 2011 amount of \$5,703 to \$5,653 in both FY 2012 and FY 2013, a reduction of \$50.
- The executive proposal also reduces the deduction for Ed Choice scholarship students from \$5,200 to the actual cost of the scholarship, which is equal to the lesser of the tuition charged by the nonpublic school or \$4,250 for students in grades kindergarten through eight and \$5,000 for students in grades nine to twelve.

Joint Vocational School District Funding

Joint vocational school districts (JVSDs) are funded separately from regular school districts. Prior to FY 2010, JVSDs were funded using a parallel formula to that used for regular school districts. In the FY 2010-FY 2011 biennium, total state aid for each JVSD was increased by 0.75% over the prior year's total state aid. For the FY 2012-FY 2013 biennium, the executive budget proposes flat funding for each JVSD. In other words, each JVSD is allocated the same level of state aid in FY 2012 and FY 2013 as it was allocated in FY 2011.

Property Tax Reimbursement Phase-outs

Am. Sub. S.B. 3 and Am. Sub. S.B. 287 of the 123rd General Assembly deregulated electric and natural gas utilities in Ohio, reduced the property tax assessment rates on utility property, and created new taxes on utility output. The decrease in assessment rates decreased the property valuation and property tax receipts of school districts containing utility property. In total, the tax loss was \$198 million for one year. Am. Sub. H.B. 66 of the 126th General Assembly started to phase out the tax on general business tangible personal property (TPP). This phase-out began in TY 2006 and the tax was completely phased out by TY 2011. Starting in FY 2011, the tax loss for school districts statewide is \$1.1 billion for one year.

⁵ The special analysis section of this Redbook entitled "School Funding Complete Resource" contains a detailed description of current funding transfers.

Districts are compensated for this loss partially through an increase in state aid (the state education aid offset).⁶ They may also receive direct reimbursements for the value of the loss above the increase in state aid. All school districts were completely reimbursed for the losses due to public utility deregulation for five years, from FY 2002 to FY 2006. Starting in FY 2007, however, only districts whose tax loss, inflated to current dollars, is greater than their increase in state aid from FY 2002 continued to receive direct reimbursement payments. Under current law, the direct reimbursements for the Tangible Personal Property (TPP) tax loss are scheduled to begin to be phased out beginning in tax year (TY) 2014.

The executive budget accelerates the phase-out of fixed-rate TPP and public utility property tax loss reimbursements for most school districts, based on each district's "reliance" on the reimbursements. The reliance is measured by a district's FY 2011 TPP or public utility tax direct reimbursement as a percentage of the district's total state and local operating revenue. Beginning in FY 2012, reimbursements are phased out so that each district's reliance on the reimbursements falls by two percentage points per year. The executive budget provides \$722 million in FY 2012 and \$475 million in FY 2013 for TPP reimbursements; FY 2011 reimbursements are estimated at \$1.04 billion. It also provides \$34.0 million in FY 2012 and \$30.0 million in FY 2013 for public utility tax reimbursements; FY 2011 reimbursements are estimated to be \$74.3 million.

⁶ When a district's taxable property value decreases, generally its local share of foundation funding also decreases. This decrease in the local share is made up by increases in the state share. The resulting increase in state aid is called the state education aid offset. Under the executive proposal, the offset in FY 2012 and FY 2013 is equal to the offset in FY 2011.

Other Major Budget Issues

Educators

Teacher Layoffs

The executive proposal requires school districts and ESCs to consider quality of performance as the principal factor in determining the order of teacher layoffs. The proposal lists five criteria that are to be used to measure a teacher's quality of performance. Under the proposal, a district or ESC may consider seniority in determining the order of layoffs only after considering these five criteria.

Teacher and Administrator Termination

The executive proposal eliminates the option for a teacher, administrator, treasurer, internal auditor, or superintendent employed by a school district or ESC to request that a hearing on the employee's termination be held before a referee, rather than the board of education or ESC governing board. Additionally, any employee appealing the board's termination decision may appeal to the common pleas court *or* invoke the grievance procedure outlined in the employee's collective bargaining agreement, but may not do both.

Teacher Compensation

The executive proposal repeals the minimum salary schedule based on training and years of service that applies to teachers employed by school districts, ESCs, and county developmental disabilities (DD) boards and instead requires each of these entities to annually adopt a salary schedule that establishes a salary range for each of the four levels of teacher licensure. Additionally, the proposal requires that each district, ESC, and county DD board determine each teacher's salary within the appropriate range based on evaluations, whether the teacher is "highly qualified" under federal law, and other relevant factors. No teacher whose salary is higher than the maximum salary for that teacher's license is permitted to receive an increase in salary.

Teacher Incentive Payment Program

The executive proposal establishes a new teacher incentive program that would pay certain teachers in school districts, community schools, and STEM schools \$50 stipends for every student in classes that achieve more than a standard year of academic growth as measured by the value-added progress dimension. The program will only apply to teachers who teach in subject areas and grade levels for which data under the value-added progress dimension is available (generally those for which there is an elementary state assessment). The first stipends will be based on the district and school report cards issued in August, 2012, for the 2011-2012 school year. The executive

proposal also creates the Teacher Incentive Payment Program Fund in the state treasury to consist of moneys appropriated specifically to pay for the program.

Teacher Licensure

The executive budget proposes several changes to the educator licensure process including changes to the qualifications for a professional educator license, alternative educator license, a professional, senior professional, or lead professional teacher license, and for a principal license.

Out-of-State Teachers

The executive proposal directs the State Board of Education to approve a list of states with licensure standards that are inadequate to ensure that certain persons are qualified for a professional educator license in Ohio. Until that list is approved, the State Board is required to issue a one-year provisional educator license to an applicant who (1) has a bachelor's degree, (2) has been licensed and employed as a teacher in another state for the last 5 years, (3) was initially licensed as a teacher in that state in the last 15 years, and (4) has never had a teacher's license suspended or revoked. Once the list is approved, the executive proposal requires the State Board to automatically issue a professional educator license to an applicant who meets the four criteria listed above and who was most recently licensed in a state that is not on the list.

Finally, the executive proposal requires the State Board to issue a professional educator license upon expiration of the provisional license for any person issued a provisional license as described above, who was most recently licensed in a state that is on the list, if the person (1) was employed under the provisional license by a school district, community school, STEM school, or an entity contracted by a school district or school to provide online instruction, and (2) the district or school certifies to the State Board that the person's teaching was satisfactory.

Alternative Resident Educator License

The executive proposal makes the following changes to the qualifications for obtaining and holding an alternative resident educator license:

1. Eliminates the requirement, implemented in H.B. 1 of the 128th General Assembly, that applicants complete an intensive pedagogical training institute in the principles and practices of teaching prior to the issuance of a license;
2. Prohibits the State Board from requiring applicants to have a college major in the teaching area; and
3. Allows license holders to satisfy continuing education requirements through a teacher preparation program that is operated by a nonprofit

organization and approved by the Chancellor of the Ohio Board of Regents.

The Chancellor is required to approve any program that requires participants to (a) have a bachelor's degree, (b) have a cumulative undergraduate grade point of 2.5 or higher, and (c) complete a summer training institute. The organization Teach for America would qualify under these criteria.

Use of Student Performance Data for Educator Licensure

The executive proposal requires that applicants for a professional, senior professional or lead professional license or for a principal license demonstrate that the applicant's students have achieved a standardized measure of value-added progress. The measure used is to be determined by the Superintendent in cases for which no value-added measure based on assessments or end-of-course exams currently exists. The proposal also requires that the Ohio Teacher Residency Program, a four year mentoring program established by H.B. 1 of the 128th General Assembly, use measures of student academic gain to evaluate the effectiveness of the Program's participants.

Retesting Teachers

The executive proposal requires ODE to annually rank order all city, exempted village, and local school districts into percentiles according to performance index score. The proposal then requires the districts in the lowest 10 percentiles to require each of its classroom teachers teaching in a core subject area to retake any written tests prescribed by the State Board for licensure in the teacher's subject area and grade level. If the teacher fails any test, the teacher may retake the test two more times.

Under the proposal, a district board of education is permitted to use the results of the required retesting to develop or revise teachers' professional development plans or in deciding whether or not to continue employing the teacher.

Accountability

Parent Petitions for Reforms

The executive proposal requires ODE to rank all district-operated schools statewide in order according to their performance index scores. If a school is ranked in the lowest 5% for three or more consecutive years and the parents of 50% of the school's students sign a petition requesting one of five restructuring reforms,⁷ the executive proposal requires that the school implement the requested reform unless certain conditions are met.

⁷ Please see the bill analysis for details of these reforms.

Classroom Expenditure and Student Performance Data

The executive proposal requires ODE to develop, by January 1, 2012, standards for determining the amount of school district, community school, and STEM school annual operating expenditures for classroom instruction and the amount for non-classroom purposes. The State Board is required to adopt these standards by July 1, 2012.

Under the proposal, ODE is required to use those standards and existing data to do the following:

1. Determine the percentage of each district's, community school's, or STEM school's total operating budget that is spent on classroom instruction for each fiscal year, beginning in FY 2008;
2. Categorize districts and schools primarily by ADM;
3. Rank districts and schools within each category according to the percentage of expenditures used for classroom instruction;
4. Report on ODE's web site and on district and school report cards, the percentages and ranking for each district or school, for each category, and for all districts and schools combined; and
5. Denote, within the classroom expenditure rankings, the districts and schools that are among the lowest 20% statewide in total operating expenditures per pupil or among the highest 20% statewide in academic performance.

Performance and Expenditure Report

The executive proposal requires ODE, annually, to rank order each school district, community school, and STEM school according to (1) performance index score, (2) student performance growth (as measured by either the value-added progress dimension where available, or an indicator designated by the Superintendent), (3) career-technical performance measures as required under federal law, (4) current operating expenditures per pupil, and (5) percentage of total current operating expenditures spent for classroom instruction. Under the proposal, ODE is required to issue an annual report for each school district, community school, and STEM school indicating its ranking on each of those five measures.

Closure of District Operated Schools

The executive proposal requires the Superintendent, annually, to rank all district operated schools statewide from highest to lowest according to their performance index score (if the performance index does not apply, then another measure developed by the Superintendent).

The proposal specifies that if a school is ranked in the lowest 5% statewide for three consecutive years and is in academic watch or academic emergency, the district

board of education must do one of the following: close the school and reassign the students to other buildings; contract with a nonprofit, a school district, or for-profit entity with a demonstrated record of effectiveness to operate the school; replace the school's principal and teaching staff, exempt the school from board rules regarding curriculum and instruction upon request of the new principal, and provide funding for each student in the school at least equal to the per pupil amount of all district revenues; or, reopen the school as a conversion community school.

School District Operating Standards

The executive proposal makes the State Board's adoption of certain additional operating standards for school districts, required by H.B. 1, permissive, rather than mandatory. The proposal also eliminates the State Board's authority to revoke the charter of a school district that fails to comply with the standards.

Community Schools

Elimination of Moratorium

The executive proposal modifies the qualified moratorium on new start-up (brick and mortar) community schools and eliminates the outright moratorium on new Internet- or computer-based schools (e-schools).

Lease of School District Property

The executive proposal requires a school district board of education to offer a right of first refusal to community schools located within the district whenever the board decides to lease out real property suitable for classroom use or other educational purposes.

Joint Educational Programs

Under current law, school districts may enter into an agreement with one or more school districts for the joint operation of an educational program. The executive proposal allows a community school to enter into a similar agreement with one or more school districts or other community schools. However, unlike school districts, community schools are prohibited from charging tuition or fees for students participating in the program.

Educational Service Centers (ESCs)

Contracts with Local Entities

The executive proposal allows ESCs to enter in to service contracts with political subdivisions, such as townships, counties, municipal corporations, county DD boards, and libraries, without competitively bidding.

School District Agreements with ESCs

The executive proposal requires every school district with a student count of 16,000 or less to enter into an agreement with an ESC for services and permits those districts with a student count greater than 16,000 to enter into a similar agreement. In FY 2011, approximately 604 of the 612 school districts in the state had a student count of less than 16,000. The proposal also requires the governing boards of ESCs affected by the termination of an agreement or the making of a new agreement by a local school district to elect new members and reorganize to reflect the change of territories of those service centers created by the new agreements.

Textbooks

The executive proposal removes the requirement that local school districts adopt their textbooks and electronic textbooks from lists provided by ESCs.

Education Shared Services Model

The executive proposal requires the Governor's Director of 21st Century Education to develop a plan for the integration and consolidation of publicly supported regional shared services organizations that support schools.

Ed Choice Scholarship

The executive proposal increases the number of scholarships available under the program from 14,000 to 30,000 for the 2011-2012 school year, and to 60,000 beginning in the 2012-2013 school year. Because of the increased number of scholarships that would be available, ODE is required to conduct a second, 60-day, application period for the 2011-2012 school year.

The executive proposal also adds a new eligibility category to the program. Currently, eligibility is restricted to students who are enrolled in or would otherwise be assigned to a school building that was declared, in at least two of the three most recent report card ratings, to be in a state of academic emergency or academic watch and that was not declared to be excellent or effective in the most recent rating. The executive proposal would extend eligibility also to students who are enrolled in or would otherwise be entitled to attend, a school building that, in at least two of the three most recent report card ratings, was in the lowest ten percent of school buildings according to the performance index score and was not declared to be excellent or effective in the most recent rating.

Health Care Plans

The executive budget requires the Department of Administrative Services (DAS) to design health care plans for employees of public school districts. Once DAS has established the health care plans, all public school districts are required to retire existing health care plans and offer only the DAS plans to employees. Districts that offer an

employee health care plan that covers 2,500 or more employees through a consortium with other districts or political subdivisions may request DAS's permission to continue offering the consortium plans after the DAS health care plans are established. The executive budget prohibits any public school district violating these provisions from receiving state aid.

Innovation School Zones

The executive proposal allows school districts to designate a single school as an innovation school, or a group of schools as an innovation zone, for the purpose of implementing an innovation plan designed to improve student academic performance. Under the proposal, a majority of the teachers and a majority of the administrators in a participating school must consent to applying for the designation. Districts are required to give preference to applications that propose innovations in specified areas.

Under the proposal, the State Board is required to waive any law or administrative rule that prevents implementation of the plan except for certain laws and rules specified by the proposal.

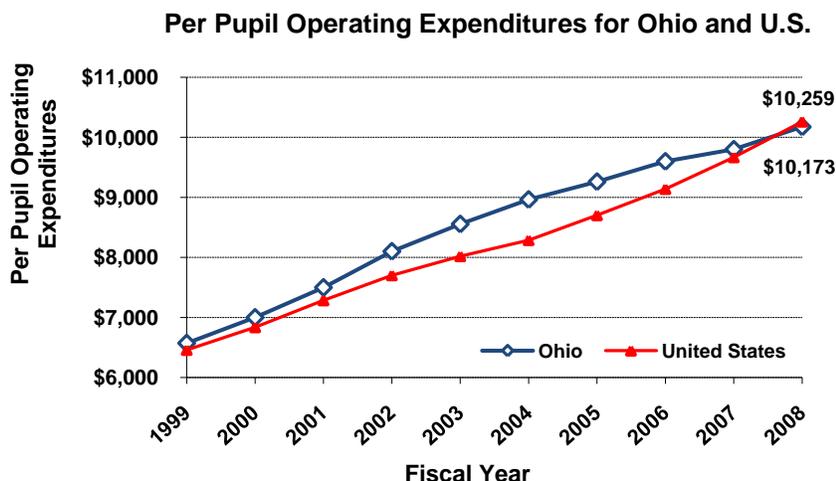
All innovation schools and innovation zones must have a performance review every three years. The proposal allows the district to revoke the designation if the participating schools are not making satisfactory improvements in student achievement.

Governor's School Recognition Program

The executive proposal creates the Governor's Effective and Efficient Schools Recognition Program. Under the Program, the Governor recognizes, annually, the top 10% of all public schools and chartered nonpublic schools based on standards determined by ODE. The proposal specifies that the standards considered by ODE include student and fiscal performance measures.

FACTS AND FIGURES

Ohio's Per Pupil Operating Expenditures Compared to the National Average

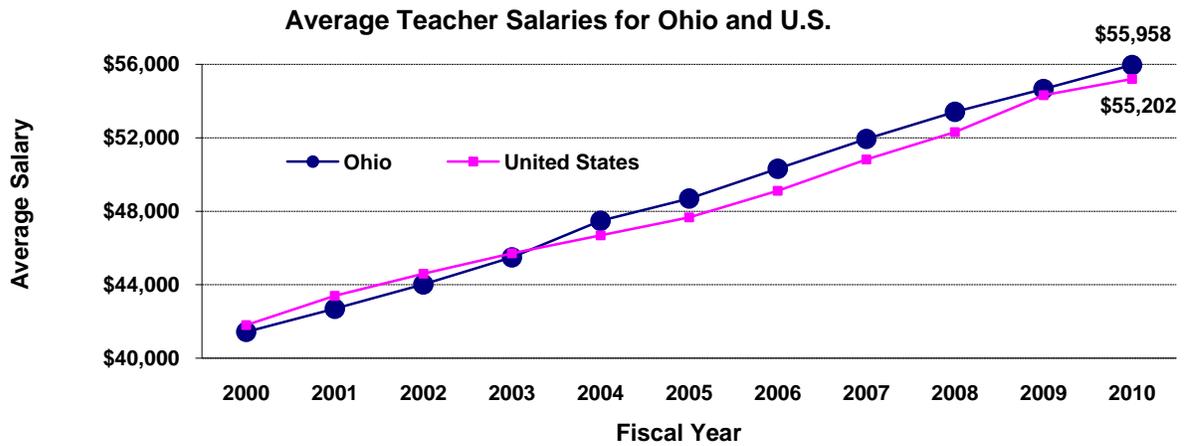


Source: United States Census Bureau

- In FY 2008, Ohio's public school per pupil operating expenditures were \$10,173, \$86 (0.8%) below the national average of \$10,259.
- Ohio had been above the national average since FY 1991. In FY 2004, Ohio's per pupil expenditures were \$676 (8.2%) above the national average. The difference has narrowed in each subsequent year.
- During the ten-year period from FY 1999 to FY 2008, Ohio's per pupil operating expenditures increased by \$3,601 (54.8%). The national average increased by \$3,801 (58.9%). During the same period, inflation, as measured by the consumer price index (CPI), was 28.6%.
- In FY 2008, Ohio's per pupil operating expenditures of \$10,173 ranked 18th among the 50 states. The following table shows the ranking and per pupil expenditures for Ohio's neighboring states. Ohio's per pupil expenditures were higher than all of these states except for Pennsylvania.

Public School Per Pupil Operating Expenditures for Neighboring States, FY 2008		
Neighboring State	National Rank	Per Pupil Expenditures
Pennsylvania	11	\$12,035
Michigan	20	\$10,069
West Virginia	23	\$9,852
Indiana	37	\$9,036
Kentucky	39	\$8,686

Ohio's Teacher Salaries Compared to the National Average



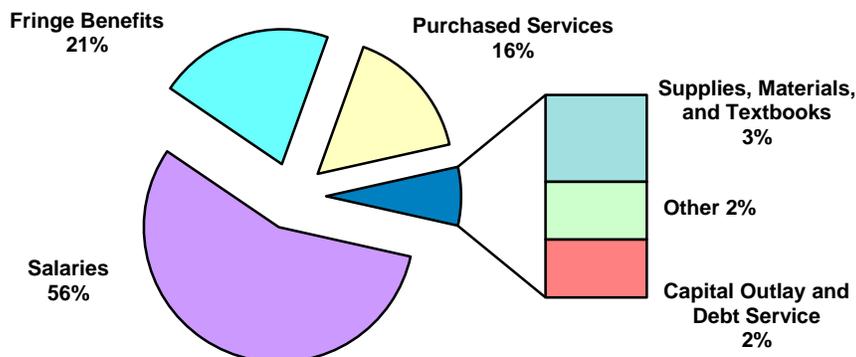
Sources: National Education Association; Ohio Department of Education

- After trending at or below the national average from FY 2000 to FY 2003, Ohio's average teacher salaries have been above the national average since FY 2004.
- Ohio's average teacher salary for FY 2010 was 1.4% (\$756) higher than the national average.
- Ohio's average teacher salary increased by about 35.1% from \$41,434 in FY 2000 to \$55,958 in FY 2010. The national average increased by 32.0%, from \$41,807 in FY 2000 to \$55,202 in FY 2010. During the same period, inflation, as measured by the consumer price index (CPI), was 28.0%.
- In FY 2010, Ohio's average teacher salary of \$55,958 ranked 14th in the nation. The following table shows the ranking and average teacher salary for Ohio's neighboring states. Ohio's average teacher salary was higher than all of these states except Pennsylvania and Michigan.

Average Teacher Salaries for Neighboring States, FY 2010		
Neighboring State	National Rank	Average Salary
Pennsylvania	11th	\$59,156
Michigan	12th	\$57,958
Indiana	25th	\$49,986
Kentucky	27th	\$49,543
West Virginia	45th	\$45,959

Breakdown of School District Spending by Object of Expense

Breakdown of a Typical School District Budget,
FY 2010



Source: Ohio Department of Education

- Salaries and fringe benefits account for approximately 77% of school district general fund budgets statewide in FY 2010. This percentage has decreased over the past five years from 80% in FY 2005.
- The portion of school district budgets spent on fringe benefits has increased from 20% in FY 2005 to 21% in FY 2010, while the portion spent on salaries has decreased from 60% in FY 2005 to 56% in FY 2010.
- In recent years, largely due to the rapid growth in health insurance premiums, the cost of fringe benefits has increased dramatically. This cost amounted to 37% of the cost of salaries in FY 2010, up from 34% in FY 2005.
- As the percentage of district budgets spent on salaries has declined, the percentage spent on purchased services such as pupil transportation, utilities, maintenance and repairs, and other services not provided by district personnel has increased, from 13% in FY 2005 to 16% in FY 2010.
- State law requires each school district to set aside a uniform per pupil amount for textbooks and instructional materials and for capital and maintenance needs. In FY 2011, the required set-aside amount is about \$172 per pupil for each category.

Per Pupil Operating Spending By District Comparison Group

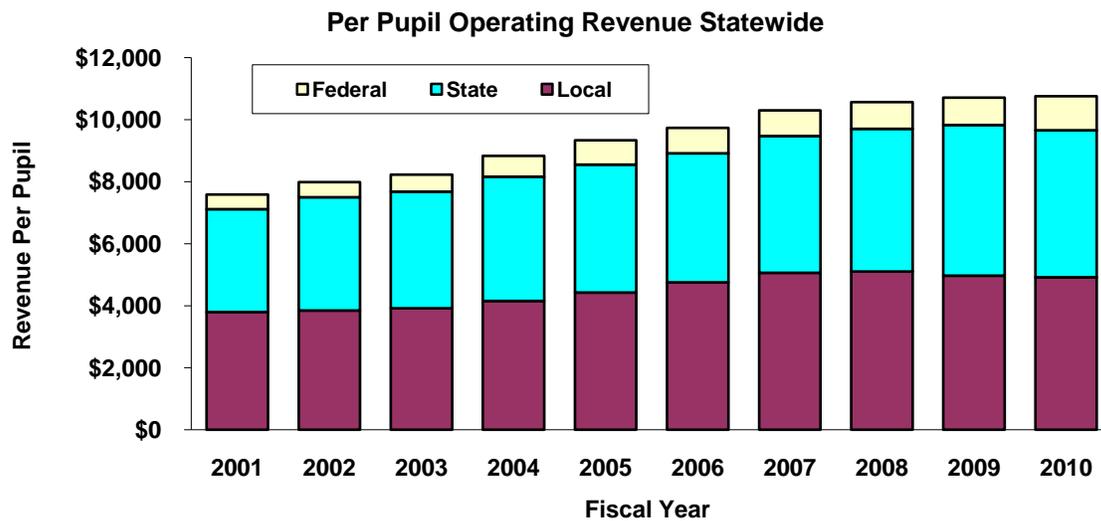
Spending Per Pupil by District Comparison Group, FY 2009				
Comparison Group – Description		Number of Districts	Enrollment %	Spending Per Pupil
Rural	Very low socioeconomic status (SES), very high poverty	97	8.9%	\$9,164
Small Rural	Low SES, low poverty	161	12.4%	\$8,680
Rural Town	Average SES, average poverty	81	7.9%	\$8,870
Urban	Low SES, high poverty	102	15.7%	\$9,764
Major Urban	Very high poverty	15	15.6%	\$13,116
Suburban	High SES, moderate poverty	107	24.3%	\$9,869
Suburban	Very high SES, low poverty	46	15.2%	\$11,085
State Total*		609	100%	\$10,254

* Three small outlier districts are not included.

Source: Ohio Department of Education

- In FY 2009, the average per pupil spending for different district comparison groups varied from a low of \$8,680 for small rural, low poverty districts to a high of \$13,116 for major urban, very high poverty districts. The state average was \$10,254.
- Rural districts tend to have the lowest spending per pupil, averaging \$8,879 per pupil for the three rural comparison groups, which is 13.4% (\$1,375) below the state average. These districts include 29.2% of total state enrollment.
- Very high poverty major urban districts and the highest income suburban districts had the highest spending per pupil among all district comparison groups in FY 2009, spending 27.9% (\$2,862) and 8.1% (\$831), respectively, above the state average.
- On average, school districts spent 55.4% on instruction, 19.5% on building operations, 11.7% on administration, 10.2% on pupil support, and 3.2% on staff support.
- This spending allocation varies only slightly across district comparison groups. Rural districts tend to spend a higher than average percentage on building operations, which includes pupil transportation, suburban districts tend to spend a higher than average percentage on instruction, and urban districts tend to spend a higher than average percentage on staff support.

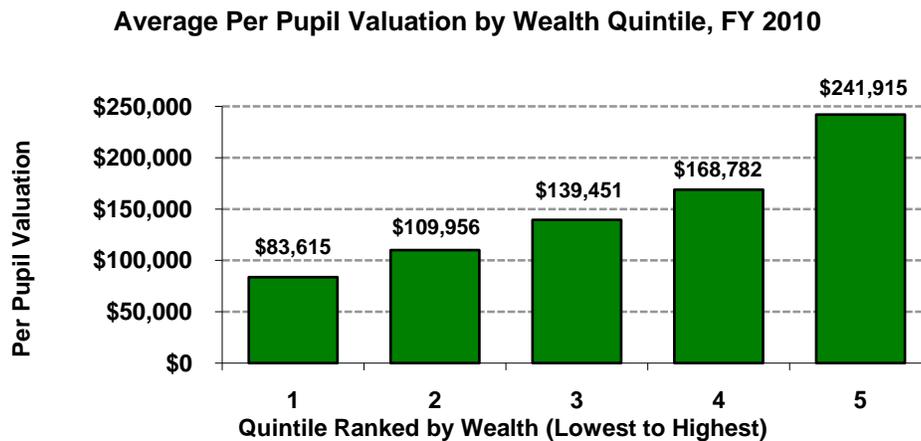
Per Pupil Operating Revenue for Schools



Source: Ohio Department of Education

- Schools' per pupil operating revenue in Ohio from all sources increased 41.8% from \$7,584 in FY 2001 to \$10,756 in FY 2010.
- During this ten-year period, local revenue per pupil increased 29.7% from \$3,791 to \$4,918; state revenue per pupil increased 42.7% from \$3,319 to \$4,738; and federal revenue per pupil increased 132.5% from \$473 to \$1,100.
- Local revenues comprised 45.7% of total school revenues in FY 2010. Locally voted property taxes and school district income taxes accounted for 96.2% and 3.8%, respectively, of local revenues.
- State revenues comprised 44.0% of total school revenues in FY 2010. State funding comes mainly from the General Revenue Fund, which receives revenues primarily from the state income and sales taxes. Most state funds are distributed through the school funding formula, while some are distributed through competitive and noncompetitive grants.
- Federal revenues comprised 10.2% of total school revenues in FY 2010. Federal revenues mainly target special education and disadvantaged students.
- With passage of the No Child Left Behind Act of 2001, the federal share of total school revenues has increased from an average of 6.0% from FY 1997 to FY 2003 to an average of 8.5% from FY 2004 to FY 2010.

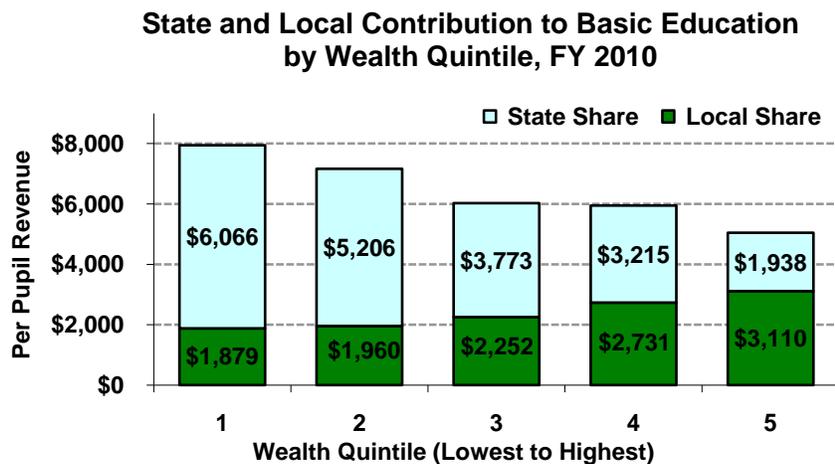
Average Per Pupil Valuation by District Wealth



Sources: Ohio Department of Taxation; Ohio Department of Education

- In FY 2010, approximately 20% of Ohio's students resided in school districts with per pupil property valuations that averaged about \$84,000 while another 20% resided in school districts with per pupil property valuations that averaged about \$242,000. The statewide average valuation was \$145,200 per pupil.
- A 20-mill (2%) property tax levy generates \$1,680 per pupil for a district with a valuation per pupil of \$84,000 and \$4,840 per pupil for a district with a valuation per pupil of \$242,000.
- Since locally voted property tax levies represent 96.2% of school district local revenues, per pupil valuation (also called district property wealth) indicates each district's capacity to raise local revenue.
- To create the quintiles used on this and the following three pages, school districts are first ranked from lowest to highest in property valuation per pupil. They are then divided into five groups, each of which includes approximately 20% of total students statewide. As can be seen in the chart above, districts in quintile 1 have the lowest wealth and districts in quintile 5 have the highest wealth.
- Since FY 1991, a major goal of the state's school funding formula is to neutralize the effect of local property wealth disparities on students' access to a common, basic level of education as defined by the state.
- To achieve this goal, the formula first assumes a local contribution based on a uniform tax rate (for example, 22 mills or 2.2%), which results in different local contribution dollar amounts depending on a district's wealth. The formula then requires the state to make up the difference to bring the total up to a state-defined amount for each district.

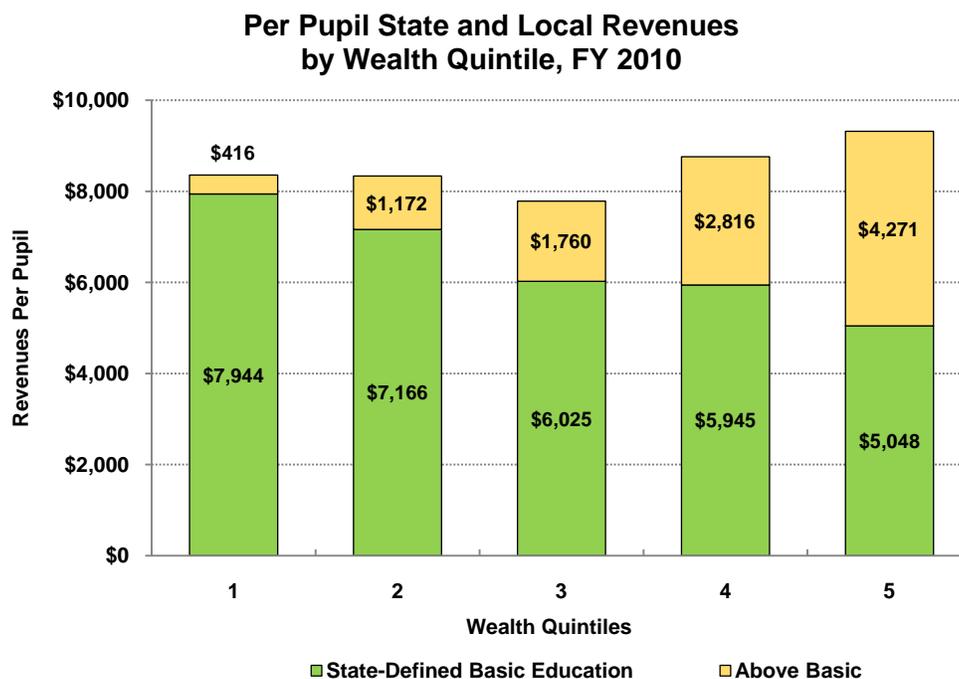
Funding for State-Defined Basic Education by Wealth Quintile



Source: Ohio Department of Education

- Low wealth districts receive more state aid per pupil than high wealth districts. In FY 2010, the quintile with the lowest wealth received \$6,066 per pupil on average whereas the quintile with the highest wealth received \$1,938 per pupil on average.
- More state aid is directed toward lower wealth districts through two major avenues. The first is the Educational Challenge Factor (ECF), which causes the total state-defined basic education level per pupil to be higher for lower wealth districts. The second is the local share formula that uses a uniform tax rate, which results in a relatively lower local share per pupil for lower wealth districts.
- The ECF, which also directs more funding to districts with high poverty rates and low educational attainment rates, as well as the guarantee and the cap in the current formula cause a nonlinear relationship between wealth and the state-defined basic education level per pupil. The guarantee tends to increase the state share, whereas the cap tends to decrease the state share.
- The formula assumes a uniform 22-mill local tax effort for the local contribution to the state-defined basic education. In FY 2010, the revenue raised for the local contribution varied from an average of \$1,879 per pupil in quintile 1 to an average of \$3,110 per pupil in quintile 5.
- For the state as a whole, the state share of basic education revenues in FY 2010 was 62.8%. This share averaged 76.4% for quintile 1, 72.7% for quintile 2, 62.6% for quintile 3, 54.1% for quintile 4, and 38.4% for quintile 5.

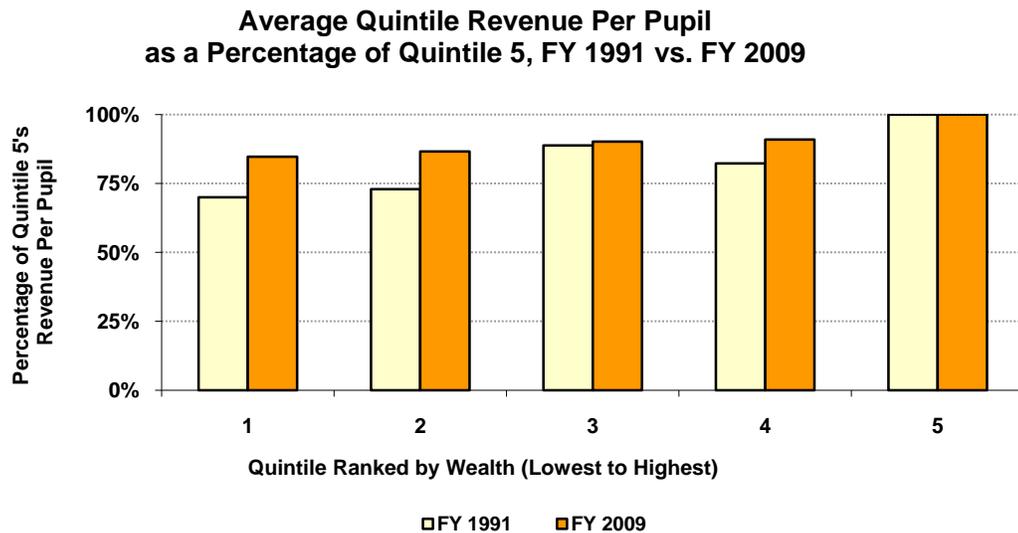
Local Revenue Above State – Defined Basic Education by Wealth Quintile



Source: Ohio Department of Education

- Although low wealth districts receive more state revenue per pupil, local revenues above the state-defined basic level continue to cause revenue disparities that favor the highest wealth districts.
- Local revenues are determined by a combination of the wealth of the district as well as the ability and willingness of the district's taxpayers to approve tax levies. In Ohio, there is no limit on the amount of taxes local voters may approve for their schools.
- The biggest disparity occurs between the highest wealth quintile and the other four quintiles. For FY 2010, the average per pupil local revenue above the basic level in quintile 5 (\$4,271) was more than 10, 3, and 2 times higher than that in quintiles 1, 2, and 3, respectively. It was also about 1.5 times higher than that in quintile 4, the second highest wealth quintile (\$3,146).
- The state-defined basic education formula that directs more total funding and more state aid to low wealth districts helps narrow revenue disparities across Ohio's school districts. When taking into account state and local funding for education, quintile 5 districts still have the highest average revenue per pupil, at \$9,319 for FY 2010. However, this amount was only 11%, 12%, 20%, and 6%, respectively, more than that in quintile 1 (\$8,360), quintile 2 (\$8,338), quintile 3 (\$7,786), and quintile 4 (\$8,761).

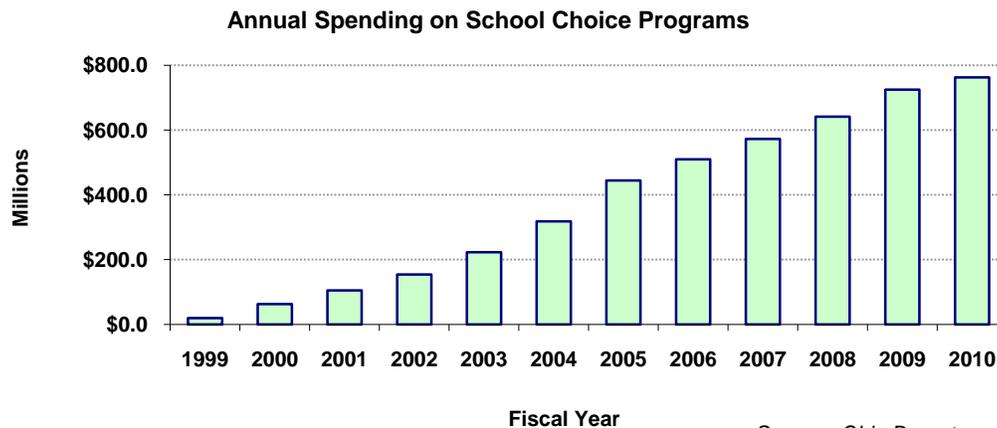
Comparison of Interdistrict Equity Based on Wealth Quintile



Source: Ohio Department of Education

- From FY 1991 to FY 2009, the average revenue per pupil of the districts in the four lower quintiles got closer to that of the highest wealth districts (those in quintile 5).
- The biggest changes came in the two lowest wealth quintiles. In FY 1991, the districts in quintile 1 received on average 70.0% of the revenue received by the districts in quintile 5. By FY 2009, the districts in quintile 1 received 84.7% of the revenue received by the districts in quintile 5. Likewise, the percentage for quintile 2 rose from 72.9% in FY 1991 to 86.6% in FY 2009.
- In FY 2009, the average revenue per pupil for the bottom four quintiles (representing 80% of students) was 88.1% of the average revenue per pupil for the highest wealth quintile, up from 78.5% in FY 1991.
- From FY 1991 to FY 2009, per pupil revenues grew on average by 162.6% (\$6,041) in quintile 1, 157.8% (\$6,112) in quintile 2, 120.4% (\$5,681) in quintile 3, 139.6% (\$6,103) in quintile 4, and 117.0% (\$6,214) in quintile 5.
- A few very wealthy districts continued to raise revenues well above the state average of about \$10,400 per pupil in FY 2009. In fact, two districts raised over \$20,000 per pupil.
- In FY 1991, approximately 76% of the variation in per pupil revenue across districts could be explained by the variation in per pupil valuation. In FY 2009, this percentage dropped to about 28%. This means that the amount of financial resources available for the education of a student now depends less on the wealth of the district where the student lives than it did in FY 1991.

School Choice Program Spending



- Ohio school choice programs include community schools, the Cleveland Scholarship and Tutoring Program (CSTP), the Educational Choice Scholarship Program, and the Autism Scholarship Program. Spending on these programs has increased from \$19.7 million in FY 1999 to \$762.6 million in FY 2010.
- Unlike traditional public schools, community schools do not have taxing authority and are funded primarily through state education aid transfers. Since the establishment of community schools in FY 1999, the amount of state education aid transfers has increased from \$11.0 million to \$680.4 million in FY 2010. Community school enrollment has increased from 2,245 to 93,893.
- The CSTP provides state-funded scholarships for students in the Cleveland Municipal School District to attend public schools outside Cleveland and private schools. After its establishment in FY 1997, the number of CSTP scholarship students grew from 1,994 to a peak of 6,272 in FY 2008 and declined slightly to 5,749 in FY 2010. State expenditures for CSTP have increased from \$5.0 million in FY 1997 to \$16.0 million in FY 2010.
- Starting in FY 2007, the Educational Choice Scholarship Program has provided scholarships to students entitled to attend a school that has been in academic emergency or academic watch for two of the three most recent years. Scholarships are financed by deductions from state aid to scholarship recipients' districts of residence. From FY 2007 to FY 2010, the number of students receiving scholarships increased from 3,169 to 11,784; funding for the program increased from \$10.4 million to \$46.1 million.
- The Autism Scholarship Program provides scholarships to qualified autistic children. Since its inception in FY 2004, funding for the program has increased from \$3.3 million to \$20.1 million in FY 2010. Scholarships are also financed by state aid deductions from scholarship recipients' districts of residence.

Ohio Schools Show Improvement on Report Card Ratings

Number of Districts by Report Card Rating, FY 2006-FY 2010					
Rating	2006	2007	2008	2009	2010
Excellent with Distinction	-	-	74	116	81
Excellent	192	139	152	154	215
Effective	299	347	292	251	240
Continuous Improvement	112	113	83	79	64
Academic Watch	7	11	9	9	9
Academic Emergency	0	0	0	1	1

Source: Ohio Department of Education

- In FY 2010, 536 districts (87.9%) were rated effective or higher, compared to 491 districts (80.5%) in FY 2006.
- A district's report card rating depends on four basic measurements: (1) the number of state academic standards met, (2) the performance index score, (3) whether adequate yearly progress (AYP) has been met, and (4) the value-added designation. The value-added designation is included as part of the report card for the first time in FY 2008.
- Ohio's 26 academic standards include minimum proficient rates on all 24 achievement assessments, as well as minimum graduation and student attendance rates. In FY 2006, the state as a whole met 17 out of a possible 25 standards at that time. In FY 2010, the state met 18 of the current 26 standards.
- The performance index, ranging from 0 to 120, is a composite measure of achievement of all students on all achievement tests. The index for the state as a whole improved from 92.9 in FY 2006 to 93.3 in FY 2010.
- AYP, a rating established by the federal No Child Left Behind Act, requires districts to meet annual performance goals for student subgroups. In FY 2006, 193 districts (31.6%) met AYP, compared to 283 districts (46.3%) in FY 2010.
- The value-added measure tracks an individual student's test scores from one year to another. Districts are rated on how their students' academic growth, as measured by the achievement tests, compares to the expected growth standard set by the state.
- In FY 2010, 202 districts (33.1%) were above, 179 districts (29.4%) had met, and 229 districts (37.5%) were below the expected growth standard. In FY 2008, the first year the value-added measure was used, 274 districts (44.9%) were above, 142 districts (23.3%) had met, and 194 districts (31.8%) were below the expected growth standard.

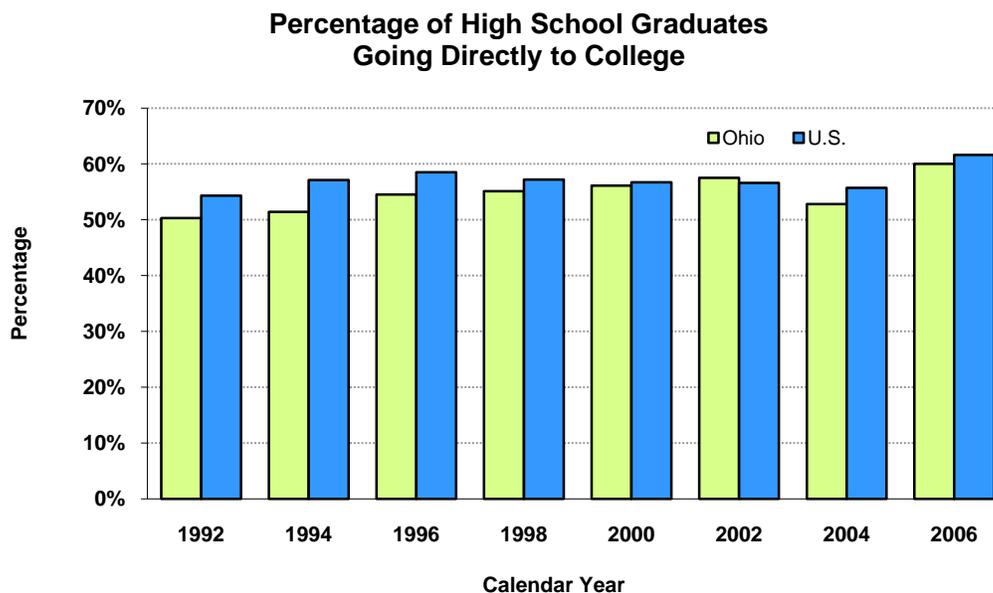
Changes in Public and Nonpublic School Enrollments

Ohio School Enrollment, FY 2000-FY 2010						
Fiscal Year	Public		Nonpublic		Total	
	Enrollment	Annual Change	Enrollment	Annual Change	Enrollment	Annual Change
FY 2000	1,836,491	--	242,989	--	2,079,480	--
FY 2001	1,834,888	-1,603	242,845	-144	2,077,733	-1,747
FY 2002	1,830,958	-3,930	239,080	-3,765	2,070,038	-7,695
FY 2003	1,838,068	7,110	232,092	-6,988	2,070,160	122
FY 2004	1,843,898	5,830	222,830	-9,262	2,066,728	-3,432
FY 2005	1,845,351	1,453	213,312	-9,518	2,058,663	-8,065
FY 2006	1,842,943	-2,408	207,054	-6,258	2,049,997	-8,666
FY 2007	1,835,188	-7,755	204,402	-2,652	2,039,590	-10,407
FY 2008	1,825,997	-9,191	202,301	-2,101	2,028,298	-11,292
FY 2009	1,815,952	-10,045	196,979	-5,322	2,012,931	-15,367
FY 2010	1,815,377	-575	189,521	-7,458	2,004,898	-8,033
Total Change		-21,114		-53,468		-74,582

Source: Ohio Department of Education

- Total school enrollment in Ohio has decreased by 74,582 students over the last decade, from 2.08 million in FY 2000 to 2.00 million in FY 2010.
- Except for FY 2003, total school enrollment in Ohio has declined every year during this same period.
- Of the total enrollment decrease since FY 2000, 71.7% (53,468) occurred in nonpublic schools and 28.3% (21,114) occurred in public schools. This represents a 22.0% decline in nonpublic school enrollment over those ten years, compared to a 1.1% decline in public school enrollment.
- Public school enrollment increased in fiscal years 2003, 2004, and 2005, for a total increase of 14,393 over these three years. Except for FY 2003, however, these increases were more than offset by decreases in nonpublic school enrollment (a decrease of 25,768 over these three years).
- In FY 2010, nonpublic school enrollment represented approximately 9.5% of total enrollment in Ohio, compared to 11.7% in FY 2000.
- Public school enrollment has decreased every year since FY 2005. During these five years, the largest annual decrease in public school enrollment was 10,045 students in FY 2009. The smallest annual decrease during these five years was 575 students in FY 2010.

Percentage of Ohio High School Graduates Going Directly to College



Sources: ACT; College Board; NCHEMS; Ohio Board of Regents

- After a dip in 2004, the percentage of Ohio high school graduates going directly to college increased 7.2 percentage points from 52.8% to 60.0% between 2004 and 2006. The national average increased by 5.9 percentage points in the same period, from 55.7% to 61.6%.
- From 1992 to 2006, the percentage of Ohio high school graduates going directly to college has been below the national average every year except 2002. In 2006, Ohio's percentage was 1.6 percentage points below the national average.
- In fall 2007, 45% of graduates from Ohio public high schools enrolled directly in an Ohio college or university – 29% in a four-year institution and 16% in a two-year institution.
- ACT and SAT scores are indicators that help predict how well students will perform in college. Since 1992, ACT and SAT scores for Ohio high school seniors have been consistently higher than the national average.
- The average Ohio ACT score was 21.7 in 2009, in comparison with the national average of 21.1. The average Ohio SAT score was 1606 in 2009, in comparison with the national average of 1509.

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation item in ODE's budget. In this analysis, ODE's line items are grouped into 10 major categories. For each category a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described. The ten categories used in this analysis are as follows:

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

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

Categorization of EDU's Appropriation Line Items for Analysis of Executive Proposal		
Fund	ALI and Name	Category
General Revenue Fund Group		
GRF 200100	Personal Services	10: State Administration
GRF 200320	Maintenance and Equipment	10: State Administration
GRF 200408	Early Childhood Education	7: Early Childhood Education
GRF 200416	Career-Technical Education Match	1: Basic Public School Support
GRF 200420	Computer/Application/Network Development	10: State Administration
GRF 200421	Alternative Education Programs	6: Academic Achievement
GRF 200422	School Management Assistance	5: School Operations Support
GRF 200424	Policy Analysis	9: Curriculum, Assessment, and Accountability
GRF 200425	Tech Prep Consortia Support	3: Educational Enhancements
GRF 200426	Ohio Educational Computer Network	5: School Operations Support
GRF 200427	Academic Standards	9: Curriculum, Assessment, and Accountability
GRF 200437	Student Assessments	9: Curriculum, Assessment, and Accountability
GRF 200439	Accountability/Report Cards	9: Curriculum, Assessment, and Accountability
GRF 200442	Child Care Licensing	7: Early Childhood Education
GRF 200446	Education Management Information System	9: Curriculum, Assessment, and Accountability
GRF 200447	GED Testing	9: Curriculum, Assessment, and Accountability
GRF 200448	Educator Preparation	8: Educator Quality
GRF 200455	Community Schools and Choice Programs	1: Basic Public School Support
GRF 200502	Pupil Transportation	1: Basic Public School Support
GRF 200505	School Lunch Match	5: School Operations Support
GRF 200511	Auxiliary Services	4: Nonpublic School Support
GRF 200532	Nonpublic Administrative Cost Reimbursement	4: Nonpublic School Support
GRF 200540	Special Education Enhancements	3: Educational Enhancements
GRF 200545	Career-Technical Education Enhancements	3: Educational Enhancements
GRF 200550	Foundation Funding	1: Basic Public School Support
GRF 200901	Property Tax Allocation – Education	2: Property Tax Reimbursements
General Services Fund Group		
1380 200606	Computer Services – Operational Support	10: State Administration
4520 200638	Miscellaneous Educational Services	10: State Administration
4L20 200681	Teacher Certification and Licensure	8: Educator Quality
5960 200656	Ohio Career Information System	3: Educational Enhancements
5H30 200687	School District Solvency Assistance	5: School Operations Support

Categorization of EDU's Appropriation Line Items for Analysis of Executive Proposal		
Fund	ALI and Name	Category
Federal Special Revenue Fund Group		
3090	200601 Neglected and Delinquent Education	3: Educational Enhancements
3670	200607 School Food Services	5: School Operations Support
3690	200616 Career-Technical Education Federal Enhancement	3: Educational Enhancements
3700	200624 Education of Exceptional Children	3: Educational Enhancements
3780	200660 Learn and Serve	6: Academic Achievement
3AF0	200603 Schools Medicaid Administrative Claims	3: Educational Enhancements
3AN0	200671 School Improvement Grants	6: Academic Achievement
3AX0	200698 Improving Health and Educational Outcomes of Young People	6: Academic Achievement
3BK0	200628 Longitudinal Data Systems	9: Curriculum, Assessment, and Accountability
3C50	200661 Early Childhood Education	7: Early Childhood Education
3CG0	200646 Teacher Incentive Fund	8: Educator Quality
3D10	200664 Drug Free Schools	6: Academic Achievement
3D20	200667 Math Science Partnerships	8: Educator Quality
3DG0	200630 Federal Stimulus – McKinney Vento Grants	3: Educational Enhancements
3DJ0	200699 IDEA Part B – Federal Stimulus	1: Basic Public School Support
3DK0	200642 Title IA – Federal Stimulus	1: Basic Public School Support
3DL0	200650 IDEA Preschool – Federal Stimulus	3: Educational Enhancements
3DM0	200651 Title IID Technology – Federal Stimulus	3: Educational Enhancements
3DP0	200652 Title I School Improvement – Federal Stimulus	6: Academic Achievement
3EC0	200653 Teacher Incentive – Federal Stimulus	8: Educator Quality
3EH0	200620 Migrant Education	3: Educational Enhancements
3EJ0	200622 Homeless Children Education	3: Educational Enhancements
3EN0	200655 State Data Systems – Federal Stimulus	9: Curriculum, Assessment, and Accountability
3ES0	200657 General Supervisory Enhancement Grant	10: State Administration
3ET0	200658 Education Jobs Fund	1: Basic Public School Support
3FD0	200665 Race to the Top	6: Academic Achievement
3FE0	200669 Striving Readers	6: Academic Achievement
3H90	200605 Head Start Collaboration Project	7: Early Childhood Education
3L60	200617 Federal School Lunch	5: School Operations Support
3L70	200618 Federal School Breakfast	5: School Operations Support
3L80	200619 Child/Adult Food Programs	5: School Operations Support
3L90	200621 Career-Technical Education Basic Grant	1: Basic Public School Support
3M00	200623 ESEA Title 1A	1: Basic Public School Support
3M20	200680 Individuals with Disabilities Education Act	1: Basic Public School Support
3S20	200641 Education Technology	3: Educational Enhancements

Categorization of EDU's Appropriation Line Items for Analysis of Executive Proposal			
Fund	ALI and Name		Category
3T40	200613	Public Charter Schools	5: School Operations Support
3Y20	200688	21st Century Community Learning Centers	6: Academic Achievement
3Y60	200635	Improving Teacher Quality	8: Educator Quality
3Y70	200689	English Language Acquisition	6: Academic Achievement
3Y80	200639	Rural and Low Income Technical Assistance	3: Educational Enhancements
3Z20	200690	State Assessments	9: Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	10: State Administration
State Special Revenue Fund Group			
4540	200610	Guidance and Testing	6: Academic Achievement
4550	200608	Commodity Foods	5: School Operations Support
4R70	200695	Indirect Operational Support	10: State Administration
4V70	200633	Interagency Operational Support	10: State Administration
5980	200659	Auxiliary Services Reimbursement	4: Nonpublic School Support
5BB0	200696	State Action for Education Leadership	8: Educator Quality
5BJ0	200626	Half-Mill Maintenance Equalization	1: Basic Public School Support
5U20	200685	National Education Statistics	9: Curriculum, Assessment, and Accountability
6200	200615	Educational Improvement Grants	10: State Administration
Lottery Profits Education Fund Group			
7017	200612	Foundation Funding	1: Basic Public School Support
Revenue Distribution Fund Group			
7047	200909	School District Property Tax Replacement – Business	2: Property Tax Reimbursements
7053	200900	School District Property Tax Replacement – Utility	2: Property Tax Reimbursements

Basic Public School Support

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

Governor's Recommended Amounts for Basic Public School Support				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200416	Career-Technical Education Match	\$ 2,233,195	\$ 2,233,195
GRF	200455	Community Schools and Choice Programs	\$ 2,200,000	\$ 2,200,000
GRF	200502	Pupil Transportation	\$ 438,248,936	\$ 442,113,527
GRF	200550	Foundation Funding	\$ 5,420,788,773	\$ 5,504,484,181
General Revenue Fund Subtotal			\$ 5,863,470,904	\$ 5,951,030,903
Federal Special Revenue Fund (FED)				
3DJ0	200699	IDEA Part B -Federal Stimulus	\$ 21,886,803	\$ -
3DK0	200642	Title IA - Federal Stimulus	\$ 18,633,673	\$ -
3ET0	200658	Education Jobs Fund	\$ 300,000,000	\$ 50,000,000
3L90	200621	Career-Technical Education Basic Grant	\$ 48,466,864	\$ 48,466,864
3M00	200623	ESEA Title 1A	\$ 530,010,000	\$ 530,010,000
3M20	200680	Individuals with Disabilities Education Act	\$ 443,170,050	\$ 443,170,050
Federal Special Revenue Fund Subtotal			\$ 1,362,167,390	\$ 1,071,646,914
State Special Revenue Fund (SSR)				
5BJ0	200626	Half-Mill Maintenance Equalization	\$ 17,300,000	\$ 18,000,000
State Special Revenue Fund Subtotal			\$ 17,300,000	\$ 18,000,000
Lottery Profits Education Fund (LPE)				
7017	200612	Foundation Funding	\$ 717,500,000	\$ 680,500,000
Lottery Profits Education Fund Subtotal			\$ 717,500,000	\$ 680,500,000
Total Funding: Basic Public School Support			\$ 7,960,438,294	\$ 7,721,177,817

Foundation Funding (200550 and 200612)

The executive budget proposes increases of \$114.7 million (1.9%) in FY 2012 and \$46.7 million (0.8%) in FY 2013 for these two line items combined. These items are the main source of state aid payments to all school districts, community schools, and joint vocational school districts (JVSDs) in the state. As described in the **Overview** section of this Redbook, the executive budget repeals the current school funding formula and provides, in temporary law, a method of allocating a reduced total amount of funding to public schools in FY 2012 and FY 2013. Although the funding for these two items increases in FY 2012, foundation funding for FY 2011 also was supported by federal stimulus funding that is no longer provided. As a result, total foundation funding for traditional school districts decreases by over \$330.0 million in FY 2012. Total funding for joint vocational school districts (JVSDs) is held constant at the FY 2011 level. Appropriation item 200550 also includes earmarks, which are listed in the following table.

200550, Foundation Funding		
Earmarks	FY 2012	FY 2013
Juvenile Court Payments	\$ 425,000	\$ 425,000
Catastrophic Cost Supplement	\$ 10,000,000	\$ 10,000,000
Youth Services Tuition	\$ 2,000,000	\$ 2,000,000
Educational Service Centers	\$ 41,760,000	\$ 29,323,000
Gifted Education at Educational Service Centers	\$ 8,100,000	\$ 8,100,000
School Improvement Initiatives - Educational Service Centers	\$ 3,545,752	\$ 3,545,752
Private Treatment Facility Project	\$ 1,000,000	\$ 1,000,000
Cleveland School Choice Deduct	\$ 11,901,887	\$ 11,901,887
Cleveland School Choice	\$ 7,522,860	\$ 7,522,860
Remainder – Foundation Payments	\$ 5,346,788,773	\$ 5,504,484,181

Juvenile Court Payments

These funds are used to help defray the cost of educating children who are placed in a private institution, school, or residential treatment facility by the order of an Ohio court. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Catastrophic Cost Supplement

This funding is provided to schools to support exceptionally high costs associated with individual special education students. Subject to the amount of funding appropriated, the state reimburses a portion of the cost of providing services above \$27,375 for students in categories two through five and above \$32,850 for students in category six. According to ODE, state funding for this supplement reimbursed approximately 17.0% of the total cost of these services in FY 2010. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Youth Services Tuition

These funds are used for state payments to school districts that are required to pay tuition for a child who is in an institution maintained by the Department of Youth Services, but is not included in his or her resident district's average daily membership Average Daily Membership (ADM) for purposes of state aid calculations. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Educational Service Centers

These funds are provided to the 58 educational service centers (ESCs) in Ohio. ESCs provide many services including supervisory services, special education, and gifted education. Under current law, the state provides \$40.52 per pupil for an ESC serving three or more counties and \$37.00 per pupil for all others. If insufficient funds are appropriated, funds are first paid for students attributable to local school districts within the ESC's territory and then to students attributable to each city and exempted

village district that entered into an agreement with the ESC. If there are insufficient funds to cover these students, funds are distributed proportionally for students attributable to such city and exempted village districts. Under the executive proposal, in FY 2012, each ESC receives 90% of the funding received in FY 2011, and in FY 2013, each ESC receives 70% of the funding received in FY 2012. The executive budget proposes decreases of \$4.6 million (10.0%) in FY 2012 and \$12.4 million (29.8%) in FY 2013 for this earmark.

In addition to this direct state funding and the direct funding provided for gifted units and school improvement initiatives described below, each ESC receives a supervisory allowance and an amount per pupil deducted from the state aid provided to each associated school district. All local school districts⁸ are required to be associated with an ESC. Additionally, each district associated with an ESC has at least \$6.50 per pupil deducted for ESC services. An amount is also deducted from associated districts for students receiving special education and related services or career-technical education services from an ESC. School districts and other entities not required to be associated with an ESC may also enter into contracts for services including professional development, technology, and administrative services. This contracted amount negotiated between a school district and an ESC is also deducted from the district's state aid and transferred to the ESC.

Gifted Education at Educational Service Centers

These funds are used to provide gifted education services at ESCs. Prior to FY 2010, gifted education was funded based on units. H.B. 1 of the 128th General Assembly, incorporated gifted funding for school districts into the foundation formula, but continued to provide ESCs gifted unit funding based on the funding they received in FY 2009. The executive proposal continues to provide this funding, but stipulates that the funding be reduced if the gifted services provided by the ESC are reduced. In this case, ODE is to redistribute these funds to ESCs providing gifted services by using the unit-based funding model from FY 2009. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

School Improvement Initiatives – Educational Service Centers

These funds are used by ESCs to provide direct services to districts in support of their continuous improvement plans. All schools and districts benefit from this support; however, focus is placed on those identified in school or district improvement status or in corrective action status as outlined by the No Child Left Behind Act. Currently, state school improvement funding is provided through a separate line item, 200431, School Improvement Initiatives. The executive proposed funding for this

⁸ School districts in Ohio are categorized as either local, exempted village, or city.

earmark represents a decrease of \$3.8 million (52.0%) in FY 2012 when compared to the FY 2011 appropriation for line item 200431.

Private Treatment Facility Project

These funds pay for educational services for youth who have been assigned by a court to a facility participating in the Private Treatment Facility Project. The facilities are to follow certain performance standards, ensure that the students participate in required assessments, and ensure that special education students have an IEP and receive appropriate services. There are currently four facilities participating in the program. The executive budget recommends flat funding for this earmark in FY 2012 and FY 2013.

Cleveland School Choice Deduct

This funding supports the Cleveland Scholarship and Tutoring Program, also known as the Pilot Project Scholarship Program, through a deduction from foundation funding calculated for the Cleveland Municipal School District (CMSD). This program provides scholarships to students who are residents of CMSD to be used to attend a participating nonpublic school. As of March 2011, there are 36 chartered nonpublic schools registered to participate in the program. The program serves students in grades kindergarten through 12, giving priority to students from low-income families. Scholarships are based on a school's tuition cost. The state contributes 90% or 75%, depending on the recipient's income, with a maximum award of \$3,450. In FY 2010, approximately 5,418 students participated in the program with an estimated average scholarship of \$2,900. Scholarship students are not counted in Cleveland's ADM for funding purposes. In addition to scholarships, the program funds tutoring services for students who remain in CMSD. The executive budget proposes to maintain the total deduction at its FY 2011 level. Any funds that are not needed to cover the costs of the program are disbursed to CMSD.

Cleveland School Choice

This funding supports the Cleveland Scholarship and Tutoring Program in addition to the funds deducted from Cleveland's state aid allocation. The executive budget recommends a decrease of \$1.2 million (16.0%) for FY 2012 and flat funding for FY 2013.

Remainder – Foundation Payments

This funding is provided to support the general operating expenses of traditional school districts, community schools, STEM schools, and JVSDs. These funds are combined with lottery funding from item 200612. The current formulas for distributing these payments are described in the special analysis section of this publication entitled "School Funding Complete Resource." The executive budget proposes to repeal the

formula allocating funding to traditional school districts as described in the **Overview** section. The formula for deductions and transfers to community and STEM schools is also modified, generally being reduced by \$50 per pupil from the FY 2011 level in both FY 2012 and FY 2013. The executive proposal eliminates a requirement that e-schools spend at least \$2,931 per pupil on instruction. JVSDs are funded at the same level as FY 2011.

Educational Choice Scholarship Pilot Program

Foundation payments also support the Educational Choice Scholarship Pilot Program that awards scholarships that can be used to attend participating nonpublic schools. Scholarship students are counted in their resident district's ADM for the purposes of calculating funding through the proposed school funding model. Under current law, a deduction of \$5,200 for each scholarship student is made from the resident district's state aid in order to fund the scholarships. Under current law, the maximum scholarship amount is set at \$4,200 for students in grades seven through eight and \$5,000 for students in grades nine through 12. In FY 2010, 11,500 scholarships were awarded. The executive proposal increases the number of scholarships available under the program from 14,000 to 30,000 for the 2011-2012 school year and to 60,000 beginning in the 2012-2013 school year. The executive proposal also adds a new eligibility category to the program. The executive proposal also reduces the amount deducted from a school district's state aid for each scholarship from \$5,200 to the actual amount of the scholarship.

Autism Scholarship Program

Foundation payments also support the Autism Scholarship Program. Scholarship students are counted in their district's ADM for the purposes of the state funding formula. The amount of the scholarship, the lesser of the total fees charged by the alternative provider or \$20,000, is then deducted from the resident district's state aid and paid to the alternative provider. In FY 2010, 205 providers were registered to participate in the program. ODE projects approximately 2,200 student participants in FY 2012 and 2,500 in FY 2013. The executive proposal specifies that the services provided under the scholarship program must include an educational component.

Post-Secondary Enrollment Options

Finally, foundation payments support the participation of public school students in the Post-Secondary Enrollment Options (PSEO) Program. The PSEO Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. Participating students are counted in their resident district's ADM and a deduction is made and transferred to the college or university attended by the students. Under current law, the maximum deduction is \$5,732 in

FY 2010 and FY 2011. The executive proposal decreases this maximum to \$5,653 in FY 2012 and FY 2013.

Pupil Transportation (200502)

This line item supports the operating costs of transporting students to and from school. This includes bus driver training and transportation of regular and special education students. The state requires that districts provide transportation to the district's students as well as to certain community school students and nonpublic students who reside in the district. State transportation requirements only apply to students in grades kindergarten through eight who live more than two miles from the school. However, historically, the state has funded transportation service for high school students and for students who live between one and two miles from the school in addition to the transportation services required by the state. The executive proposal retains the current pupil transportation formula, but notwithstanding it for FY 2012 and FY 2013. Instead, the appropriation, less specific earmarks, is combined with 200550 and 200612 to fund state aid payments as described in the **Overview** section.

The executive budget proposes a decrease of \$24.6 million (5.3%) in FY 2012 and an increase of \$3.9 million (0.9%) in FY 2013 for pupil transportation.

200502, Pupil Transportation			
Earmarks	FY 2012		FY 2013
Bus Driver Training	\$	838,930	\$ 838,930
Special Education Transportation	\$	60,469,220	\$ 60,469,220
Nontraditional School Transportation	\$	650,000	\$ 650,000
Remainder – Pupil Transportation	\$	376,290,786	\$ 380,155,377

Bus Driver Training

These funds are used by ODE to contract with seven educational service centers and one vocational agency to administer and complete the Ohio Preservice Driver Training Program. This activity provides driver training for about 3,000 new bus drivers and recertification training for about 3,000 veteran bus drivers each year. In addition to this training, annual in-service training is provided to more than 10,000 drivers across the state. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Special Education Transportation

This funding is provided to school districts and county boards of developmental disabilities to assist them in providing required transportation services to students with disabilities. In FY 2011, 40,282 special education students were transported at a total

cost of approximately \$209.5 million. The state reimbursed about 28.9% of this cost. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Nontraditional School Transportation

This funding is used to partially reimburse school districts for the costs of providing transportation services to community and chartered nonpublic schools when those schools are open on a day the school district is not scheduled to be open. This is a new earmark, presumably this reimbursement was made from the appropriation remainder in previous years.

Remainder – Pupil Transportation

A new transportation formula was approved by the State Board in June 2006 and enacted in H.B. 1 of the 128th General Assembly. In FY 2010 and FY 2011, the new formula is used for allocation purposes and the total statewide allocation is adjusted to stay within the appropriated amount, with a supplement for districts with relatively low wealth and low density. According to data collected by ODE, in FY 2010, 846,000 students were transported at a total cost of \$695.1 million. The state provided funding of \$384.7 million (55%). The executive budget proposes to notwithstanding the current formula for FY 2012 and FY 2013 and instead provide state aid based on funding per pupil for each district in FY 2011. A description of the executive budget plan is provided in the **Overview** section of this Redbook.

Community Schools and Choice Programs (200455)

This line item is used by ODE to provide oversight and evaluation of community school sponsors. ODE has created a framework that provides ongoing evaluations for every sponsor. The executive budget also permits this item to be used for the operation of other school choice programs. Additionally, a portion of the amount appropriated for this line item may be used by ODE to develop and conduct training for community schools, current and prospective sponsors of community schools, and other schools participating in school choice programs. In developing the training sessions, ODE is directed to collect and disseminate examples of best practices used by sponsors of independent charter schools in Ohio and other states. The executive budget increases funding in this line item by \$1.2 million (120.0%) in FY 2012 and provides flat funding in FY 2013.

Career-Technical Education Grants (200416 and 200621)

The federal funds appropriated in 200621 support the development of academic, vocational, and technical skills of secondary and post-secondary students who enroll in vocational and technical programs. A majority of these funds flow as entitlement grants to JVSs and school districts based on census population, particularly the percentage of the population in poverty. Revenue from this grant is expected to

increase 3.5% in FY 2012 and remain flat in FY 2013. Funds appropriated in 200416 provide the dollar for dollar required state match for the administrative portion of the federal grant. The executive budget proposes flat funding in FY 2012 and FY 2013 for this GRF appropriation.

Individuals with Disabilities Education Act (200680 and 200699)

The federal Individuals with Disabilities Education Act (IDEA) requires that school districts provide a free and appropriate education to all children with disabilities from the age of three to the age of 21. These federal funds are provided to school districts, county developmental disabilities boards, the Ohio State School for the Blind, the Ohio School for the Deaf, the Department of Youth Services, community schools, and chartered nonpublic schools to assist in the provision of this mandated education. The American Recovery and Reinvestment Act (ARRA) provided supplemental IDEA funding for FY 2010 and FY 2011. Funds remaining from this supplement are appropriated in item 200699. Although the funding provided in 200680 is expected to increase by \$8.5 million (2.0%) in FY 2012 and remain flat in FY 2013, with the inclusion of IDEA federal stimulus funds, total funding is expected to decrease by \$188.5 million (28.8%) in FY 2012 and \$21.9 million (4.7%) in FY 2013.

ESEA Title I (200623 and 200642)

This federal funding is distributed based on a federal formula to school districts in Ohio. Nearly all Ohio districts receive basic grants, which are based on the state per pupil education expenditure and the number of school-age children from low-income families. Three other types of grants are targeted to districts with high concentrations of poor students. One percent of the grant award is used by ODE to administer the program. Schools use the money they receive to provide educational services to disadvantaged students. Districts who have not made the federal designation of "adequate yearly progress" (AYP) for two years in a row are required to use up to 20% of their allocation to provide transportation to students from failing schools that choose to attend a school in the district that is not failing. After three years of failing to make AYP, districts are required to use up to 20% of their allocation to provide transportation as before and to provide supplemental services to children in failing schools. ARRA provided supplemental Title I funding for FY 2010 and FY 2011. Funds remaining from this supplement are appropriated in item 200642. The funding provided in 200623 is expected to decrease by \$18.0 million (3.3%) in FY 2012 and remain flat in FY 2013, with the inclusion of Title I federal stimulus funds, total funding is expected to decrease by \$185.7 million (25.3%) in FY 2012 and \$18.6 million (3.4%) in FY 2013.

Education Jobs Fund (200658)

The federal Education Jobs Fund was created to save education jobs in the 2010-2011 or 2011-2012 school years. Ohio was awarded \$361.2 million in FY 2011 and has

allocated this funding to school districts and community schools based on the state's primary funding formula as it is defined under the ARRA.

Half-Mill Maintenance Equalization (200626)

School districts participating in the Ohio School Facilities Commission's (SFC) School Building Assistance Program are required to levy one-half mill to help pay for the maintenance costs of their new or renovated buildings. Funds from this line item are used to provide payments to districts for which the per pupil tax revenues from this half-mill levy are less than the state average. The payments are equal to the difference between the district's yield per pupil and the state average yield per pupil at the time the district enters into the project agreement with SFC. This program is funded through the transfer of excess funds from the School District Property Tax Replacement Fund (Fund 7053) that are not needed to make reimbursement payments to school districts for tax losses incurred as a result of the deregulation of electric and gas utilities as described in the discussion on the next category of line items, Property Tax Reimbursements. If the funds are not needed for the Half-Mill Equalization Program, they are used for the School Building Assistance Program. This program began in FY 2007. The executive budget proposes increases of \$0.7 million (4.2%) in FY 2012 and FY 2013.

Property Tax Reimbursements

This category of appropriations includes reimbursements to school districts for property tax losses due to state tax policy.

Governor's Recommended Amounts for Property Tax Reimbursements				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200901	Property Tax Allocation – Education	\$ 1,086,500,000	\$ 1,095,000,000
General Revenue Fund Subtotal			\$ 1,086,500,000	\$ 1,095,000,000
Revenue Distribution Fund (RDF)				
7047	200909	School District Property Tax Replacement – Business	\$ 722,000,000	\$ 475,000,000
7053	200900	School District Property Tax Replacement – Utility	\$ 34,000,000	\$ 30,000,000
Revenue Distribution Fund Subtotal			\$ 756,000,000	\$ 505,000,000
Total Funding: Property Tax Reimbursements			\$ 1,842,500,000	\$ 1,600,000,000

Property Tax Allocation – Education (200901)

The state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners, thus decreasing property taxes paid by individual property tax payers in Ohio. This provision is often referred to as property tax "rollbacks." This line item funds the rollback reimbursements for school districts and JVSJs. This line item also funds the portion of the Homestead Exemption Program for the elderly and disabled payable to school districts. The Homestead Exemption Program includes all homeowners who are 65 years of age or older or who are disabled, regardless of income. Each homeowner receives an exemption equal to \$8,750 of taxable value (\$25,000 true value). Under the executive budget, reimbursements paid to districts are expected to increase by \$35.8 million (3.4%) in FY 2012 and \$8.5 million (0.8%) in FY 2013.

School District Property Tax Replacement – Business (200909)

Am. Sub. H.B. 66 of the 126th General Assembly started to phase out the tax on general business tangible personal property. This phase-out began in tax year (TY) 2006 and the tax was completely phased out by TY 2011. The lost property tax for each district was determined by the Department of Taxation. Starting in FY 2011, the tax loss is \$1.1 billion for one year. Districts were compensated for this loss partially through an increase in state aid (the state education aid offset).⁹ H.B. 66 also created the

⁹ When a district's taxable property value decreases, its local share of foundation funding, which was 22 mills (2.2%) of its taxable property value in FY 2011, also decreases. This decrease in the local share is made up by increases in the state share. The resulting increase in

commercial activity tax (CAT). Under current law, 70% of the revenues from the CAT is deposited into RDF Fund 7047. The executive budget phases out the percentage of the CAT deposited into Fund 7047 by FY 2021. The funds provide direct reimbursements to districts for the value of the loss above the increase in state aid. Under current law, the direct reimbursements are scheduled to begin to be phased out beginning in TY 2014. The executive budget proposes to accelerate the phase-out of the direct reimbursements for many districts and base the phase-out for each district on the proportion of the district's state and local funding attributable to the current reimbursement. As a result of the phase-out acceleration for many districts, these reimbursements are expected to decrease by \$428.2 million (37.2%) in FY 2012 and \$247.0 million (34.2%) in FY 2013.

School District Property Tax Replacement – Utility (200900)

Am. Sub. S.B. 3 and Am. Sub. S.B. 287 of the 123rd General Assembly deregulated electric and natural gas utilities in Ohio, reduced the property tax assessment rates on utility property, and created new taxes on utility output. A portion of the revenues from these new taxes is deposited into RDF Fund 7053. The decrease in assessment rates decreased the property valuation and property tax receipts of school districts containing utility property. The lost property tax revenue for each district was determined by the Department of Taxation. In total, the tax loss was \$198 million for one year. Districts are compensated for this loss partially through an increase in state aid (the state education aid offset). These funds provide direct reimbursements to districts for the value of the loss above the increase in state aid. All school districts were completely reimbursed for these losses for five years, from FY 2002 to FY 2006. Starting in FY 2007, however, only districts whose tax loss, inflated to current dollars, is greater than their increase in state aid from FY 2002 continued to receive direct reimbursement payments. Also, all JVSDs continued to receive direct reimbursements. The executive budget proposes to accelerate the phase-out of the direct reimbursements for many districts and base the phase-out for each district on the proportion of the district's state and local funding attributable to the current reimbursement. As a result of the phase-out acceleration for many districts, these reimbursements are expected to decrease by \$57.1 million (62.7%) in FY 2012 and \$4.0 million (11.8%) in FY 2013.

state aid is called the state education aid offset. Under the executive proposal, the state education and offset in FY 2012 and FY 2013 is equal to the offset in FY 2011.

Educational Enhancements

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

Governor's Recommended Amounts for Educational Enhancements				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200425	Tech Prep Consortia Support	\$ 260,542	\$ 260,542
GRF	200540	Special Education Enhancements	\$ 135,820,668	\$ 135,820,668
GRF	200545	Career-Tech Educational Enhancements	\$ 8,802,699	\$ 8,802,699
General Revenue Fund Subtotal			\$ 144,883,909	\$ 144,883,909
General Services Fund (GSF)				
5960	200656	Ohio Career Information System	\$ 529,761	\$ 529,761
General Services Fund Subtotal			\$ 529,761	\$ 529,761
Federal Special Revenue Fund (FED)				
3090	200601	Neglected and Delinquent Education	\$ 2,168,642	\$ 2,168,642
3690	200616	Career-Technical Education Federal Enhancement	\$ 5,000,000	\$ 5,000,000
3700	200624	Education of Exceptional Children	\$ 1,905,000	\$ -
3AF0	200603	Schools Medicaid Administrative Claims	\$ 639,000	\$ 639,000
3D20	200667	Math Science Partnerships	\$ 9,500,001	\$ 9,500,001
3DG0	200630	Federal Stimulus - McKinney Vento Grants	\$ 330,512	\$ -
3DL0	200650	IDEA Preschool - Federal Stimulus	\$ 670,000	\$ -
3DM0	200651	Title IID Technology -- Federal Stimulus	\$ 1,195,100	\$ -
3EH0	200620	Migrant Education	\$ 2,645,905	\$ 2,645,905
3EJ0	200622	Homeless Children Education	\$ 1,759,782	\$ 1,759,782
3S20	200641	Education Technology	\$ 9,487,397	\$ 9,487,397
3Y80	200639	Rural and Low Income Technical Assistance	\$ 1,500,000	\$ 1,500,000
Federal Special Revenue Fund Subtotal			\$ 36,801,339	\$ 32,700,727
Total Funding: Educational Enhancements			\$ 182,215,009	\$ 178,114,397

Special Education Enhancements (200540)

The executive budget recommends flat funding in FY 2012 and FY 2013 for this line item. This item includes the earmarks listed in the following table.

200540, Special Education Enhancements		
Earmarks	FY 2012	FY 2013
Home Instruction	\$ 2,206,875	\$ 2,206,875
Special Education for DD Boards and Institutions	\$ 45,282,959	\$ 45,282,959
Parent Mentoring Programs	\$ 1,333,468	\$ 1,333,468
School Psychology Interns	\$ 2,537,824	\$ 2,537,824
Preschool Special Education	\$ 84,459,542	\$ 84,459,542

Home Instruction

This funding reimburses districts for half the cost of providing one hour of home instruction to students with orthopedic impairments, other health impairments, and severe behavioral handicaps for each day they are absent from school due to these disabilities. This program assists in providing home instruction to about 4,000 students in 264 districts. The executive budget recommends flat funding in FY 2012 and FY 2013 for these reimbursements.

School Psychology Interns

This funding supports school psychology interns who spend one year in the schools serving students with disabilities and receiving supervised on-the-job training prior to obtaining licensure as school psychologists. The executive budget recommends flat funding in FY 2012 and FY 2013 for school psychology interns.

Parent Mentoring

This funding supports parent mentors who offer support and information to other parents and help them to become more involved in their children's education. The executive budget recommends flat funding in FY 2012 and FY 2013 for parent mentors.

Special Education for DD Boards and Institutions

This funding is provided to county boards of developmental disabilities and state institutions operated by the Department of Health, the Department of Rehabilitation and Correction, and the Department of Youth Services to fund special education and related services provided by these entities. Prior to FY 2010, funding was distributed based on the base cost formula amount and the same weights used for special education students educated in school districts and community schools. For FY 2010 and FY 2011, the per pupil amount received by each board and institution in the previous year was increased by 0.75% and that amount was provided for each student served by the board or institution in each of those years. The executive budget recommends maintaining the per pupil amount received by each board and institution in FY 2011 and providing that amount for each student served by the board or institution in both FY 2012 and FY 2013.

Preschool Special Education Units

The State Preschool Special Education Program serves children with disabilities, ages three through five. Districts are mandated under federal law to provide a free and appropriate public education to these students. State funding for preschool special education and related services provided by school districts, educational service centers, and county boards of developmental disabilities are distributed through units, which are based on the minimum number of students per class, teacher degree, and teacher

experience. According to ODE, the executive proposal will allow about 2,050 units to be funded in FY 2012 and FY 2013, the same as in FY 2011. Although actual funding depends on the funded teacher's level of education and experience, funding is about \$43,000 per unit on average. ODE also estimates that an additional 1,600 units are in operation, but not funded by the state. The executive budget proposes flat funding for this earmark in FY 2012 and FY 2013.

Tech Prep Consortia Support (200425)

These funds provide support to maintain a quality Tech Prep system in Ohio that includes 23 consortia (including 23 community and technical colleges and 91 career-technical education planning districts). Tech Prep programs allow students to enroll in a seamless career-technical program that begins in high school and continues through an associate's degree in college and beyond. In Ohio, Tech Prep students have a graduation rate of 99% compared to 83% for the state as a whole. The executive budget proposes to decrease this support by \$1.0 million (79.3%) in FY 2012 and provide flat funding in FY 2013. Tech Prep Expansion grants, however, receive increased funding in FY 2012 through line item 200545, as described below.

Career-Technical Education Enhancements (200545)

The executive budget recommends an increase of \$1.0 million (12.8%) in FY 2012 and flat funding in FY 2013 for this line item. This item is used to fund career-technical units at institutions as well as other programs and initiatives related to career-technical education. The item's earmarks are listed in the following table.

200545, Career-Technical Education Enhancements			
Earmarks		FY 2012	FY 2013
Institution Career-Technical	\$	2,563,568	\$ 2,563,568
Tech Prep Expansion Grants	\$	2,838,281	\$ 2,838,281
High Schools That Work	\$	3,100,850	\$ 3,100,850
Agriculture 5th Quarter Project	\$	300,000	\$ 300,000

Institution Career-Technical

These funds support career-based intervention programs at institutions. Incarcerated students are provided instructional programming in work and family literacy, career-based intervention, and workforce development. Support is provided to 47 secondary job training programs and 64 correlated academic classes within 29 institutions operated by either the Department of Youth Services or the Department of Rehabilitation and Correction. The executive budget recommends flat funding for this earmark in FY 2012 and FY 2013.

Tech Prep Expansion Grants

These funds are used for competitive grants to support Tech Prep enrollment expansion and new Tech Prep programming. Eligible grantees include school districts, post secondary entities, and other eligible recipients. The Ohio Board of Regents and ODE co-administer the program. The executive budget proposes to increase this support by \$0.7 million (32.7%) in FY 2012 and provide flat funding in FY 2013.

High Schools That Work

High Schools That Work (HSTW) and Making Middle Grades Work are school improvement initiatives designed to accelerate learning and raise standards through rigorous course work, counseling, parental and community involvement, and teacher collaboration. Currently, 100 comprehensive high schools, 37 career centers, and 87 middle schools participate in the initiative. The executive budget increases funding for this activity by \$0.3 million (10.7%) in FY 2012 and provides flat funding in FY 2013. According to ODE, at this level of funding an additional 40 schools will be able to participate.

Agricultural 5th Quarter Project

The Agricultural 5th Quarter Project provides students in an agricultural education program with a supervised agricultural experience during the summer months. School districts apply to receive either \$2,000 or \$4,000 per instructor per year, depending on how many additional school days the program includes. In FY 2011, 57 school districts and 87 instructors are participating, and 5,639 students are receiving supervised instruction relative to their projects in agriculture, food, and natural resources. The executive budget recommends flat funding for this activity in FY 2012 and FY 2013.

Ohio Career Information System (200656)

The Ohio Career Information System (OCIS) is a computer-based career information delivery system that provides access to current labor market and post secondary educational and training information, scholarships, employability skills information, and classroom career integration activities. OCIS includes an online tool called the Individual Academic and Career Plan (IACP) where students can store information, customize their plan and create a résumé. OCIS also has Internet links to other employment and education-related sites. This funding is provided through site license fees from 1,100 participating sites. The executive budget recommends a 35.2% increase in funding for this activity in FY 2012 and flat funding in FY 2013.

Neglected and Delinquent Education (200601)

This federal grant provides financial assistance to state or local institutions that serve neglected and delinquent children to help meet their needs. Funding for this

grant is expected to decrease slightly in FY 2012 and remain flat in FY 2013. Funding for this line item decreases by 74.2% in FY 2012 due to the elimination of a separate federal grant that was paid out of this fund in FY 2011.

Career-Technical Education Federal Enhancements (200616)

This federal funding is provided to the 23 Tech Prep consortia based on enrollment. The funds are used for the development and operation of four-year Tech Prep education programs leading to a two-year associate's degree or a two-year certificate. This funding is expected to be flat in FY 2012 and FY 2013.

Education of Exceptional Children (200624)

This funding is from federal State Personnel Development Grants which are used to support the Ohio Improvement Process Program through the development of district and building leadership teams focused on the district-wide improvement of instructional practice and student performance for all students, including students with disabilities. This program directly involves 48 school districts through the regional delivery system. Funding for this grant is expected to be \$1.9 million in FY 2012, which is the last year of the grant.

Total funding for this line item is expected to decrease 18.1% in FY 2012 because two other federal grants that also were paid out of this item ended in FY 2011.

School Medicaid Administrative Claims (200603)

This federal program provides districts with reimbursement for administrative services associated with providing services to Medicaid-eligible students. This funding is expected to remain flat in FY 2012 and FY 2013.

Math Science Partnerships (200667)

This grant provides funding to increase student achievement in mathematics and science by improving the skills and knowledge of teachers through partnerships between institutions of higher education; science, technology, engineering and mathematics faculty; and high-need school districts. This funding is expected to increase by \$2.5 million (36.0%) in FY 2012 and remain flat in FY 2013.

Homeless Children (200622 and 200630)

This federal grant ensures access to a free and appropriate education for homeless school-age children and youth. The grant award is estimated at \$1.8 million each fiscal year. Item 200630 is remaining funding for homeless children education from the ARRA that will be disbursed in FY 2012.

IDEA Preschool – Federal Stimulus (200650)

These funds are remaining from a federal ARRA grant for preschool special education. These remaining funds are expected to be disbursed in FY 2012.

Migrant Education (200620)

This federal grant supports educational opportunities for migratory children to help reduce the educational disruptions and other problems that result from repeated moves. This funding is expected to decrease by 3.0% in FY 2012 and remain flat in FY 2013.

Education Technology (200641 and 200650)

This federal program funds Enhancing Education Through Technology (EETT) grants. This program contains both formula and competitive grants. The grants are used for hardware, software, professional development, curriculum management tools, and other resources that assist districts in integrating technology into their language arts and mathematics curricula in grades kindergarten through eight. This funding is expected to remain flat in FY 2012 and FY 2013. Item 200650 is remaining funding for education technology from the ARRA that will be disbursed in FY 2012.

Rural and Low Income Technical Assistance (200639)

These federal grants are provided to rural and low-income districts to help them attract qualified teachers and to provide professional development appropriate for teaching low-income students. This funding is expected to decrease by \$0.5 million (25.0%) in FY 2012 and remain flat in FY 2013.

Nonpublic School Support

This category of appropriations includes funding to support chartered nonpublic schools. There are approximately 800 chartered nonpublic schools in Ohio.

Governor's Recommended Amounts for Nonpublic School Support				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200511	Auxiliary Services	\$ 113,547,099	\$ 115,250,305
GRF	200532	Nonpublic Administrative Reimbursement	\$ 51,550,684	\$ 52,323,944
General Revenue Fund Subtotal			\$ 165,097,783	\$ 167,574,249
State Special Revenue Fund (SSR)				
5980	200659	Auxiliary Services Reimbursement	\$ 1,328,910	\$ 1,328,910
State Special Revenue Fund Subtotal			\$ 1,328,910	\$ 1,328,910
Total Funding: Nonpublic School Support			\$ 166,426,693	\$ 168,903,159

Auxiliary Services (200511)

This line item funds services for chartered nonpublic schools and includes an earmark, which is shown in the following table. The executive budget proposes increases of \$1.6 million (1.4%) in FY 2012 and \$1.7 million (1.5%) in FY 2013 for this line item.

200511, Auxiliary Services		
Earmarks	FY 2012	FY 2013
Post-Secondary Enrollment Options	\$ 1,789,943	\$ 1,789,943
Remainder – Auxiliary Services	\$ 111,757,156	\$ 113,460,362

Post-Secondary Enrollment Options Program

The Post-Secondary Enrollment Options Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. These funds are used to pay the costs of the program for participants from nonpublic schools. In FY 2010, there were 1,260 nonpublic students that participated. The executive budget proposes flat funding in FY 2012 and FY 2013 for this Program.

Remainder – Auxiliary Services

This funding, which is distributed on a per pupil basis, supports secular services provided to chartered nonpublic schools. Services include health, counseling, special education, standardized testing, and test scoring. Funds may also be used to purchase secular textbooks, materials, and equipment. In FY 2011, the average per pupil amount of these auxiliary funds was about \$660.

Nonpublic Administrative Cost Reimbursement (200532)

Chartered nonpublic schools are required by the state to perform some administrative and clerical activities. These funds reimburse the schools for the costs of these mandated activities. The reimbursement is based on the actual costs from the prior year with a maximum reimbursement rate of \$300 per pupil. In FY 2011, the average per pupil amount of these reimbursements was about \$295. The executive budget proposes an increase of \$0.7 million (1.4%) in FY 2012 and \$0.8 million (1.5%) in FY 2013 for this item.

Auxiliary Services Reimbursement (200659)

These funds are used to replace and repair mobile units that are used to provide auxiliary services, and can also be used to fund early retirement or severance pay for employees paid from line item 200511. The revenue for these expenses comes from transfers of cash from the Auxiliary Services Personnel Unemployment Compensation Fund that is estimated to be in excess of the amount needed to pay unemployment claims. The executive budget proposes flat funding in FY 2012 and FY 2013.

School Operations Support

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

Governor's Recommended Amounts for School Operations Support				
Fund	ALI	Title	FY 2010	FY 2011
General Revenue Fund (GRF)				
GRF	200422	School Management Assistance	\$ 2,950,521	\$ 3,250,521
GRF	200426	Ohio Educational Computer Network	\$ 18,383,000	\$ 18,383,000
GRF	200505	School Lunch State Match	\$ 9,100,000	\$ 9,100,000
General Revenue Fund Subtotal			\$ 30,433,521	\$ 30,733,521
General Services Fund (GSF)				
5H30	200687	School District Solvency Assistance	\$ 25,000,000	\$ 25,000,000
General Services Fund Subtotal			\$ 25,000,000	\$ 25,000,000
Federal Special Revenue Fund (FED)				
3670	200607	School Food Services	\$ 6,803,472	\$ 6,959,906
3L60	200617	Federal School Lunch	\$ 327,516,539	\$ 337,323,792
3L70	200618	Federal School Breakfast	\$ 87,596,850	\$ 90,224,756
3L80	200619	Child/Adult Food Programs	\$ 100,850,833	\$ 103,876,359
3T40	200613	Public Charter Schools	\$ 14,291,353	\$ 14,291,353
Federal Special Revenue Fund Subtotal			\$ 537,059,047	\$ 552,676,166
State Special Revenue Fund (SSR)				
4550	200608	Commodity Foods	\$ 24,000,000	\$ 24,000,000
State Special Revenue Fund Subtotal			\$ 24,000,000	\$ 24,000,000
Total Funding: School Operations Support			\$ 616,492,568	\$ 632,409,687

School Management Assistance (200422)

The executive budget recommends a decrease of \$0.3 million (8.7%) in FY 2012 and an increase of \$0.3 million (10.2%) in FY 2013 for this item. This item includes the earmarks listed in the following table.

200422, School Management Assistance			
Earmarks		FY 2012	FY 2013
State Auditor		\$ 1,000,000	\$ 1,300,000
Remainder – School Management Assistance		\$ 1,950,521	\$ 1,950,521

State Auditor

These funds are earmarked to be used by the Auditor of State to conduct performance audits of school districts in fiscal caution, fiscal watch, or fiscal emergency. Although appropriated to ODE, these funds are passed directly to the Auditor for expenses associated with performing these audits. The executive budget proposes a

decrease of \$0.5 million (33.3%) in FY 2012 and an increase of \$0.3 million (30.0%) in FY 2013 for this earmark.

Remainder – School Management Assistance

This funding allows ODE to provide technical assistance and in-service education for school district management personnel to assist in managing their fiscal resources. It also funds ODE's administrative expenses related to districts in fiscal caution, fiscal watch, or fiscal emergency. The executive budget proposes an increase of \$0.2 million (12.7%) in FY 2012 and flat funding in FY 2013 for this item.

Ohio Educational Computer Network (200426)

The executive budget recommends an decrease of \$2.0 million (10%) in FY 2012 and flat funding in FY 2013 for this item. This item includes the earmarks listed in the following table.

200426, Ohio Educational Computer Network			
Earmarks	FY 2012		FY 2013
Building Connectivity	\$	10,705,569	\$ 10,705,569
INFOhio	\$	1,440,000	\$ 1,440,000
Information Technology Centers	\$	5,220,000	\$ 5,220,000
Remainder – Ohio Educational Computer Network	\$	1,017,431	\$ 1,017,431

Building Connectivity

This funding is used to support the connection of public school buildings and participating chartered nonpublic schools to the state education network. Schools receive a per-building subsidy for this purpose. Costs of connectivity may include operating and upgrading network connections, Internet service provider charges, Internet 2, which is a private network connecting schools and universities across the country, and the backup site for the state network. The executive budget proposes a decrease of \$1.2 million (10.0%) in FY 2012 and flat funding in FY 2013.

INFOhio

This funding supports the INFOhio Network and the Union Catalog. INFOhio works with Ohio's other state-funded library networks, OPLIN (public libraries) and OhioLINK (universities), to provide resources and information access to Ohio's kindergarten through twelfth grade students. It includes electronic resources specifically geared toward the primary and secondary school student, such as the *Encyclopedia Britannica*, and resources supporting the teaching of state academic content standards. According to ODE, over the last decade usage of INFOhio resources has increased 921%, and as of FY 2010, 67% of districts automate their entire library collections through INFOhio. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources. The executive budget proposes a decrease of \$0.2 million (12.5%) in FY 2012 and flat funding in FY 2013 for this item.

Information Technology Centers (ITC)

This funding supports the 23 ITCs that provide computer support, software products, and information services to their member districts, including all but three school districts (Akron, Cleveland, and Columbus), community schools, joint vocational school districts, and educational service centers (ESCs). Funds also support the administration and collection of data for school districts and for providing front-line customer support related to data reporting. Distribution of funds to ITCs is provided through a per pupil formula based on the enrollments of ITC member districts and software usage. According to ODE, ITCs host 800 web sites, support 280,000 e-mail accounts and 1.2 million parent access accounts, host 3,000 professional development events, and process 1.2 million help desk tickets and 5.5 million paychecks annually. The executive budget proposes a decrease of \$0.6 million (10.0%) in FY 2012 and flat funding in FY 2013 for this earmark.

Remainder – Ohio Educational Computer Network

This funding supports the development and maintenance of administrative software that school districts use for accounting, payroll, scheduling, grade reporting, and inventory. In the FY 2012-FY 2013 biennium funds will be used to update the

software to meet new federal and state reporting requirements and to run a customer service help desk to answer questions related to data reporting. The executive budget proposes a decrease of \$0.1 million (10.0%) in FY 2012 and flat funding in FY 2013 for this activity.

School District Solvency Assistance (200687)

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

The executive proposal increases this appropriation by \$7.0 million to \$25.0 million in each fiscal year and specifies that \$20.0 million is for the shared resources account and \$5.0 million for the catastrophic expenditures account. The executive proposal also permits the Controlling Board to authorize a transfer of lottery profits from the Lottery Profits Reserve Fund (Fund 7018) to the School District Solvency Assistance Fund (Fund 5H30), if the cash in Fund 5H30 is insufficient to provide the needed assistance. The transferred cash is appropriated to appropriation item 200670, School District Solvency Assistance – Lottery. The executive budget also continues to permit the transfer of cash from the GRF or any other fund used by ODE to Fund 5H30, if necessary.

School Lunches (200505 and 200617)

These items support the federal National School Lunch Program, which provides over one million meals per day at over 4,000 sites including public and nonprofit private schools, camps, and institutions. State funds from 200505 serve as the required match for receiving the federal funds in 200617. If appropriation remains after the match is met, these funds may also be used to partially reimburse schools that are required by the state to have a school breakfast program. The executive budget proposes flat funding in FY 2012 and flat funding in FY 2013 for the GRF portion of this funding. Federal funding is expected to increase by 2.9% in each fiscal year.

Federal School Breakfast (200618)

This federal funding allows more than 40 million breakfasts to be served for low-income students at more than 2,000 sites including public and nonprofit private schools,

camps, and institutions. Under state law, districts must participate in the school breakfast program if 20% of their students are eligible for free or reduced price lunches unless they opt out for financial reasons. This funding is expected to increase by 3.0% in both FY 2012 and FY 2013.

Child/Adult Food Programs (200619)

This federal funding provides reimbursements for nutritious snacks, as well as breakfast, lunch, and dinner, to children or adults enrolled in participating day care centers, after-school programs, or adult day care centers. This funding is expected to increase by 3.0% in both FY 2012 and FY 2013.

School Food Services (200607)

This federal funding is used by ODE for administrative support and monitoring of federally funded school food programs. States are required to meet a minimum level of state investment to receive federal funds. Funding levels are expected to increase by 3.4% in FY 2012 and 2.3% in FY 2013.

Commodity Foods (200608)

This funding supports school food programs by contracting with commercial food processors to convert bulk or raw USDA commodities into more convenient ready-to-use end products at a reduced cost for school districts participating in the school lunch and school breakfast programs. In this program, ODE obtains the donated food from the USDA and charges school districts for the processing and handling. In FY 2010, commodity foods were distributed to 1,100 participating schools and agencies. Funding levels are expected to be flat in both FY 2012 and FY 2013.

Public Charter Schools (200613)

These federal funds are used to finance grants that are awarded to community schools to assist them in the planning, development, and initial implementation of their programs. More than 200 community schools in Ohio have received this federal grant funding. Funding under the grants can reach up to \$450,000 per school disbursed in their first three years of operation. These funds also support evaluation of community schools' effects on students, staff, and parents. This funding is expected to be flat in both FY 2012 and FY 2013.

Academic Achievement

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

Governor's Recommended Amounts for Academic Achievement				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200421	Alternative Education Programs	\$ 7,403,998	\$ 7,403,998
General Revenue Fund Subtotal			\$ 7,403,998	\$ 7,403,998
Federal Special Revenue Fund (FED)				
3780	200660	Learn and Serve	\$ 619,211	\$ 619,211
3AN0	200671	School Improvement Grants	\$ 20,400,000	\$ 20,400,000
3AX0	200698	Improving Health and Educational Outcomes of Young Peopl	\$ 630,954	\$ 630,954
3D10	200664	Drug Free Schools	\$ 1,500,000	\$ -
3DP0	200652	Title I School Improvement - Federal Stimulus	\$ 48,500,000	\$ 30,000,000
3F00	200665	Race to the Top	\$ 100,000,000	\$ 100,000,000
3FE0	200669	Striving Readers	\$ 180,000	\$ 100,000
3Y20	200688	21st Century Community Learning Centers	\$ 43,720,462	\$ 45,906,485
3Y70	200689	English Language Acquisition	\$ 8,373,995	\$ 8,373,995
Federal Special Revenue Fund Subtotal			\$ 223,924,622	\$ 206,030,645
Total Funding: Academic Achievement			\$ 231,328,620	\$ 213,434,643

Alternative Education Programs (200421)

This funding is used to provide grants for 115 alternative education programs in Ohio's 21 urban school districts and approximately 479 rural and suburban districts to implement successful innovative practices in alternative education for students with behavioral problems including truancy. According to ODE, about 8,000 students participated in long-term alternative education programs in FY 2009, and approximately 85% of the program's participants achieved at least one of the following positive outcomes: completed the school year, advanced a grade level, graduated with a high school diploma, met personal and program objectives, or successfully transitioned back to their home school. Many more students participate in short-term alternative education programs. According to ODE, between FY 2006 and FY 2010, about 59% of the short-term participants were able to return successfully to their home school, and did not need to return to the alternative education program.

In addition to the grants, this funding is used to provide professional development and technical assistance to the schools that receive alternative education grants. Services include monitoring, engaging in oversight, conducting regional summits, and creating links with other state initiatives and other state agencies. The executive budget recommends a decrease of \$0.5 million (6.5%) in FY 2012 and flat funding in FY 2013 for this program.

Learn and Serve (200660)

These federal funds are for Learn and Serve America grants, which are awarded to programs for at-risk youth that combine classroom instruction and community service. Annually, about 35 grants are funded, serving over 30,000 youth. Funding for this grant is expected to decrease by 45.5% in FY 2012 and to remain flat in FY 2013.

School Improvement Grants (200671 and 200652)

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

Improving Health & Education Outcomes of Young People (200698)

This five-year federal grant, which began in FY 2010, is being used for the coordination of school health, physical activity, nutrition, and tobacco prevention programs in schools and districts.

Drug Free Schools (200664)

This federal grant provides funds to all districts in Ohio, as well as community schools and nonpublic schools. The funds are used to prevent violence in and around schools; strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs; involve parents in schools; and foster collaboration among various efforts and resources. The federal government is proposing to combine this and six other formula grants into one larger competitive grant. As Ohio's award, if any, under this new competitive grant is uncertain, the FY 2012 appropriation of \$1.5 million is to expend carryover funds from the prior grant award.

Race to the Top (200665)

Ohio was one of twelve states awarded a federal Race to the Top (RttT) competitive grant. Ohio's award totals \$400 million over four years. A little over half of the grant flows directly to the 483 RttT participating schools and districts. These schools and districts must use the funds for specific school improvement activities that were outlined in their applications. The remaining funds are to be used at the state level. About 46% of the state level funds are being used to accelerate reforms that are already underway in Ohio. Another 45% are being used for new school improvement initiatives. The remaining 9% are being used to reinforce the infrastructure needed to support Ohio's education reform goals.

Ohio's RttT goals include increasing high school graduation rates, reducing graduation rate and performance gaps by 50%, reducing the gap between Ohio and the best-performing states by 50%, and increasing in college enrollment. Federally required areas of focus include standards, assessments, and graduation requirements; data systems; great teachers and leaders; turning around low-achieving schools; partnerships; and STEM initiatives.

Striving Readers (200669)

This federal grant was first awarded in FY 2011. The funds support a State Literacy Team's efforts to develop a comprehensive literacy plan for Ohio. The plan is to advance literacy skills for students from birth to grade 12 by focusing on literacy development and education.

21st Century Community Learning Centers (200688)

This federal grant provides opportunities for communities to establish or expand activities in community learning centers that provide for academic enrichment. The program increases time-on-task outside the regular school day for students and engages them in additional academic tasks to increase mathematics and reading skills. Funds are distributed competitively to selected grantees for a five-year period, with a maximum of \$200,000 per year. This grant is expected to increase by 5.0% in both FY 2012 and FY 2013.

English Language Acquisition (200689)

These federal funds provide assistance to school districts in meeting the special language needs of national origin minority and LEP students. This funding is expected to increase by 2.8% in FY 2012 and remain flat in FY 2013.

Early Childhood Education

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

Governor's Recommended Amounts for Early Childhood Education				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200408	Early Childhood Education	\$ 23,268,341	\$ 23,268,341
GRF	200442	Child Care Licensing	\$ 877,140	\$ 877,140
General Revenue Fund Subtotal			\$ 24,145,481	\$ 24,145,481
Federal Special Revenue Fund (FED)				
3C50	200661	Early Childhood Education	\$ 14,554,749	\$ 14,554,749
3H90	200605	Head Start Collaboration Project	\$ 225,000	\$ 225,000
Federal Special Revenue Fund Subtotal			\$ 14,779,749	\$ 14,779,749
Total Funding: Early Childhood Education			\$ 38,925,230	\$ 38,925,230

Early Childhood Education (200408)

This line item funds the early childhood education program in school districts, JVSDs, and ESCs. The executive budget recommends flat funding in FY 2012 and FY 2013 for this line item, which contains the earmark listed in the following table.

200408, Early Childhood Education		
Earmarks	FY 2012	FY 2013
Early Childhood Support and Technical Assistance	\$ 465,367	\$ 465,367
Remainder – Early Childhood Education Grants	\$ 22,802,974	\$ 22,802,974

Early Childhood Support and Technical Assistance

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

Early Childhood Education Grants

This funding supports early childhood education programs that provide educational services for three and four-year-old children from families with incomes below 200% of the federal poverty level. Under the executive proposed level of funding, approximately 5,700 children will be served at an average cost of \$4,000 per

child in FY 2012 and FY 2013, the same as in FY 2011. This number of children represents about 5.3% of the estimated number of eligible children in the state. A district may self-operate or may contract with a Head Start agency, a chartered nonpublic school, or a licensed child care provider to provide Early Childhood Education services. These programs must align their curricula to the early learning program guidelines developed by ODE, administer diagnostic assessments prescribed by ODE, require all teachers to attend at least 20 hours of professional development every two years, and report child progress in meeting the program guidelines. The executive budget proposes to modify the standard schedule for the program from 2.5 hours per day to 12.5 hours per week. This change may give providers more flexibility in their schedules. Under the current program, as continued by the executive proposal, providers are permitted to request a waiver if they want to use an alternate schedule.

Child Care Licensing (200442)

These funds are used by ODE to license and inspect preschool and school-age child care programs operated by school districts, chartered nonpublic schools, Head Start agencies, and county boards of developmental disabilities. The executive budget proposes flat funding in FY 2012 and FY 2013 for this earmark.

Early Childhood Education (200661)

These federal funds are distributed to districts to support special education and related services to children with disabilities between the ages of three and five. Districts are mandated under federal law to provide a free and appropriate public education to these children and are required to develop Individualized Education Plans (IEPs) for them. These federal grant funds are provided as supplemental funding in addition to the preschool special education unit funding provided by state funds. Funds are distributed based on 1997 service levels with adjustments for total population and poverty. Federal funding for this program is expected to remain flat in FY 2012 and FY 2013.

Head Start Collaboration Project (200605)

This federal grant provides funding for the coordination of federal, state, and local policies to support a coordinated early childhood education and child care system. Funds are used to support federal Head Start and child care providers in increasing services to families. Activities funded include the dissemination of information, the support of partnerships between Head Start and child care providers, and leadership services. Federal funding for this grant is expected to remain flat in FY 2012 and FY 2013.

Educator Quality

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

Governor's Recommended Amounts for Educator Quality				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200448	Educator Preparation	\$ 786,737	\$ 786,737
General Revenue Fund Subtotal			\$ 786,737	\$ 786,737
General Services Fund (GSF)				
4L20	200681	Teacher Certification and Licensure	\$ 8,147,756	\$ 8,147,756
General Services Fund Subtotal			\$ 8,147,756	\$ 8,147,756
Federal Special Revenue Fund (FED)				
3CG0	200646	Teacher Incentive Fund	\$ 1,925,881	\$ -
3EC0	200653	Teacher Incentive Fund - Federal Stimulus	\$ 7,500,000	\$ 7,500,000
3Y60	200635	Improving Teacher Quality	\$ 101,900,000	\$ 101,900,000
Federal Special Revenue Fund Subtotal			\$ 111,325,881	\$ 109,400,000
State Special Revenue Fund (SSR)				
5BB0	200696	State Action for Education Leadership	\$ 231,300	\$ -
State Special Revenue Fund Subtotal			\$ 231,300	\$ -
Total Funding: Educator Quality			\$ 120,491,674	\$ 118,334,493

Educator Preparation (200448)

These funds are used primarily to support the work of the Educator Standards Board, established by S.B. 2 of the 125th General Assembly, which is responsible for the development and implementation of statewide standards for Ohio's teachers and principals. The executive budget proposes a decrease of \$0.5 million (40.8%) in FY 2012 and flat funding in FY 2013 for this item.

Teacher Certification and Licensure (200681)

This program provides funds for the processing of licensure applications, technical assistance related to licensure, and the administration of the teacher disciplinary process. Funding for this item is provided by licensure fees that are deposited into GSF Fund 4L20. Fees were increased in February 2008 from \$12 to \$40 per year on an annualized basis. The executive budget proposes an increase of \$0.6 million (7.6%) in FY 2012 and flat funding in FY 2013.

Approximately 100,000 licenses are issued annually. In FY 2007 a new electronic system, Connected Ohio Records for Educators (CORE), began operation. This system allows educators to apply and pay for licenses electronically. According to ODE, about

630 cases of educator misconduct are investigated annually, with an average of 243 cases resulting in disciplinary action. In addition to conducting these investigations and hearings, ODE also provides products and services that improve stakeholder awareness, understanding, and practice of professional conduct.

Teacher Incentive Fund (200646 and 200653)

These federal funds are used to develop and implement performance-based teacher and principal compensation systems, based primarily on increases in student achievement in high-needs schools. The original Ohio Teacher Incentive Fund (OTIF) is a partnership of ODE, Cincinnati, Cleveland, Columbus, and Toledo city schools, and the National Institute for Excellence in Teaching. The original grant has ended, but Ohio has been awarded a new five-year grant under the ARRA. This new grant will involve Battelle for Kids as well as 24 school district partners. Funding for the original grant is appropriated through item 200646. Funding for these two items combined is expected to increase by \$3.8 million (66.8%) in FY 2012 and decrease by \$1.9 million (20.4%) in FY 2013.

Improving Teacher Quality (200635)

Most of this federal grant (95%) is passed through directly to school districts based on a federal formula that considers enrollment and poverty in each district. Districts must use the funds for professional development and educator quality purposes. The remainder of the grant is used by ODE for administration (1%) and to support partnerships between districts and institutions of higher education in developing educator training activities (4%). This funding is expected to increase slightly in FY 2012 and remain flat in FY 2013.

State Action for Education Leadership (200696)

These funds were provided through a grant awarded by the Wallace Foundation. They are used for three main purposes: (1) to develop leadership programs in the big eight major urban districts in Ohio, (2) to create the Ohio Superintendent Evaluation System, and (3) to develop urban principal and teacher leader licensure endorsements. Funding for this grant has ended; the appropriation for FY 2012 will allow expenditure of remaining funds.

Curriculum, Assessment, and Accountability

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

Governor's Recommended Amounts for Curriculum-Assessment-Accountability				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200424	Policy Analysis	\$ 361,065	\$ 361,065
GRF	200427	Academic Standards	\$ 4,414,979	\$ 3,752,732
GRF	200437	Student Assessment	\$ 55,954,648	\$ 55,954,648
GRF	200439	Accountability/Report Cards	\$ 3,769,279	\$ 3,769,279
GRF	200446	Education Management Information System	\$ 6,833,070	\$ 6,833,070
GRF	200447	GED Testing	\$ 879,551	\$ 879,551
General Revenue Fund Subtotal			\$ 72,212,592	\$ 71,550,345
Federal Special Revenue Fund (FED)				
3BK0	200628	Longitudinal Data Systems	\$ 500,000	\$ 250,000
3ENO	200655	State Data Systems - Federal Stimulus	\$ 2,500,000	\$ 2,500,000
3Z20	200690	State Assessments	\$ 11,882,258	\$ 11,882,258
Federal Special Revenue Fund Subtotal			\$ 14,882,258	\$ 14,632,258
State Special Revenue Fund (SSR)				
4540	200610	Guidance and Testing	\$ 1,050,000	\$ 1,050,000
5U20	200685	National Education Statistics	\$ 300,000	\$ 300,000
State Special Revenue Fund Subtotal			\$ 1,350,000	\$ 1,350,000
Total Funding: Curriculum-Assessment-Accountability			\$ 88,444,850	\$ 87,532,603

Policy Analysis (200424)

This line item supports research and data collection related to education policy analysis. ODE staff supported by this item are responsible for developing reports, analyses, and briefings to inform education policymakers of current trends in educational practices, efficient and effective use of resources, and evaluations of programs to improve educational results. The executive budget recommends flat funding for this item in FY 2012 and FY 2013.

Academic Content Standards (200427)

This funding supports the development and dissemination of the state academic content standards and model curricula. Academic content standards describe what the state expects all students to know and be able to do at each grade level. Model curricula are resources that schools can use to develop courses of study that are aligned to the academic content standards.

Am. Sub. H.B. 1 of the 128th General Assembly required ODE to develop new standards and model curricula. The state board adopted the Common Core State

Standards for the subjects English/language arts and mathematics in June 2010. The Common Core State Standards were developed by stakeholders in the various states whose efforts were coordinated by the National Governors Association Center for Best Practices and the Council of Chief State School Officers. The board also adopted revised standards in science and social studies. The revised model curricula in these four core subjects were adopted in March 2011. The standards and model curricula can be accessed from ODE's web site: www.ode.state.oh.us by following the links for "teaching" then "instruction." H.B. 1 also requires new standards and model curricula in computer literacy, fine arts, foreign languages, and financial literacy and entrepreneurship. The executive budget recommends decreases of \$0.9 million (16.7%) in FY 2012 and \$0.7 million (15.0%) in FY 2013 for this item.

Student Assessment (200437 and 200690)

This funding supports the development, printing, distribution, collection, scoring, and reporting of state assessments. Federal funding for assessments, appropriated in item 200690, State Assessments, is expected to decrease by \$1.8 million (12.9%) in FY 2012 and remain flat in FY 2013. The executive budget recommends a decrease of \$0.7 million (1.3%) in FY 2012 and flat funding in FY 2013 for GRF item 200437. This item includes one earmark as listed in the following table.

200437, Student Assessment		
Earmarks	FY 2012	FY 2013
Kindergarten Readiness Assessment	\$ 95,000	\$ 95,000
Remainder – Student Assessments	\$ 55,859,648	\$ 55,859,648

Kindergarten Readiness Assessment

This assessment is used to determine the literacy skills of children entering kindergarten. Approximately 135,000 children are assessed each year. These funds are used to produce documents for teachers and parents regarding the assessment and the preparation of children for kindergarten.

Remainder – Student Assessment

These funds support all other state assessments. H.B. 1 requires replacement of the reading and writing assessments with an English/language arts assessment, the alignment of all assessments to the revised standards, and the reduction of the number of skill levels that indicate a student's performance on an assessment from five levels to three levels (advanced, proficient, and limited). H.B. 1 also requires that the Ohio Graduation Test (OGT) be replaced with a new system of high school level assessments. This new system includes three parts: a nationally standardized college readiness assessment, a series of end-of-course exams, and a senior project.

In addition to supporting the development of new assessments, the funding in this item also supports the current assessments. The current assessments are described below.

Achievement Assessments and Ohio Graduation Tests (OGT)

The achievement assessments and OGT test each student's achievement of the knowledge and skills delineated in the academic content standards. There are achievement assessments in reading and mathematics in each of grades three through eight; in writing in grades four and seven; and in science and social studies in grades five and eight. For FY 2010 and FY 2011, H.B. 1 suspended the achievement assessments in writing and social studies. The executive budget continues this suspension for FY 2012 and FY 2013. The OGT assesses student achievement at the 10th grade level in reading, writing, mathematics, science, and social studies.

Certain students with special needs are given alternate assessments that are developed by ODE. In addition, English language learners are given the Ohio Test of English Language Acquisition (OTELA). ODE estimates that in FY 2010, over two million achievement assessments, 46,000 alternate assessments, and 39,000 OTELA were distributed, collected, scored, and reported. In addition, funding supported the production of about 84,300 special versions of these assessments and other resource materials for approximately 1.2 million parents. The \$11.9 million in each fiscal year from federal Fund 3Z20 appropriation item 200690, State Assessments, is used to support the federally-mandated achievement assessments in reading and mathematics in grades three through eight and the OGT.

Accountability/Report Cards (200439)

These funds are used to produce local report cards for 610 school districts and 4,000 public school buildings, including community schools. These report cards present data on the state's performance indicators as well as descriptive and financial data. They indicate the extent to which the performance indicators established by the State Board of Education are met and the resulting designation of the district or building as "excellent with distinction," "excellent," "effective," "in need of continuous improvement," "in academic watch," or "in academic emergency." The state report card presents results for the state as a whole. Report cards and report card data are available on ODE's web site. The executive budget permits a portion of this appropriation to be used to train teachers and other educators in the use of value-added data to improve classroom instruction and student achievement. The executive budget proposes a slight decrease in FY 2012 and flat funding in FY 2013 for this item.

Education Management Information System (200446)

These funds support the Education Management Information System (EMIS). EMIS is ODE's primary system for collecting student, staff, course, program, and financial data from Ohio's public schools. The data collected via EMIS are used to determine both state and federal performance accountability designations, to produce the local report cards, to calculate and administer state funding to school districts, to determine federal funding allocations, and to meet federal reporting requirements. The executive budget proposes a decrease of \$5.1 million (42.7%) in FY 2012 and flat funding in FY 2013 for this item. Most of this decrease is due to the elimination of a per pupil subsidy provided to schools and other entities that report data through EMIS that totaled \$5.0 million in FY 2011. This line item includes the earmark listed in the following table.

200446, Education Management Information System			
Earmarks	FY 2012		FY 2013
Information Technology Center Subsidy	\$	729,000	\$ 729,000
Remainder – Education Management Information System	\$	6,104,070	\$ 6,104,070

Information Technology Center Subsidy

These funds are earmarked for distribution to the 23 information technology centers (ITCs) for costs related to processing, storing, and transferring data for the effective operation of EMIS. The costs include: personnel, hardware purchases, software development, communications connectivity, professional development, support services, and the provision of services related to the State Education Technology Plan. Among other things, these 23 centers help all school districts (except Akron, Cleveland, and Columbus), community schools, JVSs, and educational service centers electronically transmit required EMIS data. Funds are distributed to the 23 information technology centers using a per pupil formula based on the enrollments of member districts. The executive budget recommends a decrease of \$90,000 (11.1%) in FY 2012 and flat funding in FY 2013 for this earmark.

Remainder – Education Management Information System

This funding is used to develop and support a common core of data definitions and standards as adopted by the Education Data Advisory Council, including the ongoing development and maintenance of the data dictionary and data warehouse. These funds are also used to support the development and implementation of data standards and the design, development, and implementation of a new data exchange system to improve the current EMIS. The newly redesigned EMIS system, known as EMIS-R, is being tested by users in at least two ITCs and should be ready for statewide use in October 2011. According to ODE, new features of EMIS-R include: a flexible

web-based interface, new system infrastructure, faster use and processing times, and flexibility for ODE to employ the system for additional data collection needs.

GED Testing (200447 and 200610)

The GED program provides a national test for Ohio adults without a high school diploma. Upon passing the GED, nongraduates receive an Ohio High School Equivalence Diploma. This funding is used for the administrative costs of the GED, which include the costs of scoring the test and providing transcripts and confirmations of GED testing to employers. ODE processes an average of 29,000 GED applications and 23,300 transcript requests per year. This funding also supports 99 GED testing centers. GRF funding is supplemented with application fee revenues that are deposited into SSR Fund 4540. In FY 2011, the application fee is \$40 for first-time test takers and \$10 per subject area for those retaking one or more of the subject tests.

Longitudinal Data Systems (200628 and 200655)

The federal State Longitudinal Data Systems (SLDS) grant is awarded competitively to states to enhance statewide longitudinal data systems. Ohio was awarded its second SLDS grant in 2009, which focused on enhancing the electronic exchange of student records between districts and other educational entities. Spending under this grant continues in FY 2012 and FY 2013. In addition, Ohio was one of only 20 states given an award in a new round of these grants that was made available under the America Reinvestment and Recovery Act (ARRA). For the ARRA SLDS grant, states must ensure their longitudinal data system includes the prescribed elements in the America COMPETES Act, including having linked P-20 systems, a teacher identification system that can be linked to students, college readiness test scores, post secondary remedial coursework data, and a data auditing system. According to ODE, development of SLDS will continue through 2014.

National Education Statistics (200685)

This federal funding is deposited into SSR Fund 5U20 to support the collection of education statistics at the state and local level to be reported to the National Center for Education Statistics (NCES) and to support the position of National Assessment of Education Progress (NAEP) state coordinator. The No Child Left Behind Act of 2001 requires states to participate in NAEP, which is a nationally representative student assessment. The executive budget anticipates flat funding for this item in FY 2012 and FY 2013.

State Administration

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

Governor's Recommended Amounts for State Administration				
Fund	ALI	Title	FY 2012	FY 2013
General Revenue Fund (GRF)				
GRF	200100	Personal Services	\$ 9,787,957	\$ 9,787,957
GRF	200320	Maintenance and Equipment	\$ 2,943,498	\$ 2,943,498
GRF	200420	Computer/Application/Network Development	\$ 4,541,296	\$ 4,541,296
General Revenue Fund Subtotal			\$ 17,272,751	\$ 17,272,751
General Services Fund (GSF)				
1380	200606	Computer Services - Operational Support	\$ 7,600,090	\$ 7,600,090
4520	200638	Miscellaneous Revenue - Educational Services	\$ 300,000	\$ 300,000
General Services Fund Subtotal			\$ 7,900,090	\$ 7,900,090
Federal Special Revenue Fund (FED)				
3ES0	200657	General Supervisory Enhancement Grant	\$ 500,000	\$ 500,000
3Z30	200645	Consolidated Federal Grant Administration	\$ 8,949,280	\$ 8,949,280
Federal Special Revenue Fund Subtotal			\$ 9,449,280	\$ 9,449,280
State Special Revenue Fund (SSR)				
4R70	200695	Indirect Operational Support	\$ 6,500,000	\$ 6,600,000
4V70	200633	Interagency Operational Support	\$ 1,117,725	\$ 1,117,725
6200	200615	Educational Improvement Grants	\$ 3,000,000	\$ 3,000,000
State Special Revenue Fund Subtotal			\$ 10,617,725	\$ 10,717,725
Total Funding: State Administration			\$ 45,239,846	\$ 45,339,846

Personal Services (200100)

This line item funds wages and benefits for ODE staff that are not funded through line items dedicated to specific programs. This includes the personnel involved in administrative functions not directly related to one program, such as human resources, accounting, board relations, policy analysis, and communications. Personal services expenses related to specific programs are funded in the line items that fund those programs. The executive proposal recommends a decrease of \$0.9 million (8.7%) in FY 2012 and flat funding in FY 2013 for this item. The decrease in FY 2012 is partly due to the elimination of an earmark of \$0.5 million for the Governor's Closing the Achievement Gap Initiative.

Maintenance and Equipment (200320)

This funding supports the maintenance and equipment needs of ODE's administrative centers. The executive budget proposes a decrease of \$0.2 million (6.4%) in FY 2012 and flat funding in FY 2013 for this item. As with personal services,

maintenance and equipment expenditures are also supported through other appropriation items.

Computer/Application/Network Development (200420)

This funding is used to develop and implement information technologies that meet the needs of the various business centers in ODE. These technologies include Internet and Intranet enhancements. ODE has several online applications such as the interactive local report card and interactive continuous improvement planning, which are supported with this funding. The executive budget proposes a decrease of \$0.3 million (7.0%) in FY 2012 and flat funding in FY 2013 for this item.

Computer Services – Operational Support (200606)

This funding supports information technology services and support for various ODE programs. This support includes development and maintenance of the network infrastructure and software, purchase of all computer hardware and software, project management, and programming services. The various programs pay fees for these services, which are deposited into Fund 1380. The executive budget recommends an increase of \$1.3 million (20.3%) in FY 2012 and flat funding in FY 2013.

Miscellaneous Revenue – Educational Services (200638)

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

Consolidated Federal Grant Administration (200645)

This federal funding represents a pool of state administrative funds from 11 federal grants. The funding is used to administer the various grants, to provide technical assistance to grant recipients, and to engage in state level activities related to the grants. The funding is expected to remain flat in both FY 2012 and FY 2013.

General Supervisory Enhancement Grant (200657)

This federal funding supports collaboration between ODE and the American Institutes for Research to develop assessments for certain special education students. Funding is expected to increase by 6.4% in FY 2012 and remain flat in FY 2013.

Educational Improvement Grants (200615)

This line item receives revenues from various grants from private donors for special projects, such as the Gates Partnership grant and the National Endowment for the Arts grant.

Indirect Operational Support (200695)

This funding is a consolidation of indirect administrative costs associated with ODE's management of federal grants and contracts. These indirect costs include such things as human resources and accounting costs. These indirect costs are combined into a single fund and recouped from the federal government. The executive budget expects increases of \$0.5 million (8.5%) in FY 2012 and \$0.1 million (1.5%) in FY 2013 for this item.

Interagency Operational Support (200633)

This line item is supported by funding from other state agencies for specific programs that require assistance from ODE. The executive budget anticipates an increase of \$0.6 million (113.4%) in FY 2012 and flat funding in FY 2013 for this item.

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Department of Education

General Revenue Fund

GRF 200100 Personal Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$10,965,857	\$10,534,214	\$9,874,737	\$10,723,972	\$9,787,957	\$9,787,957
	-3.9%	-6.3%	8.6%	-8.7%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.13; Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item provides for payroll and fringe benefits for employees of the Ohio Department of Education (ODE).

GRF 200320 Maintenance and Equipment

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$3,249,029	\$3,471,237	\$3,643,154	\$3,144,897	\$2,943,498	\$2,943,498
	6.8%	5.0%	-13.7%	-6.4%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.13; Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item provides funds for maintenance and equipment for ODE. Line items 200200, Maintenance, and 200300, Equipment, were collapsed into this line item in FY 2000.

Department of Education

GRF 200408 Early Childhood Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$26,300,099	\$34,173,592	\$24,117,882	\$23,268,341	\$23,268,341	\$23,268,341
	29.9%	-29.4%	-3.5%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.20 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item provides funds to help finance Early Childhood Education (ECE) programs provided by school districts and educational service centers for children at least age 3 as of the district entry date for kindergarten and not kindergarten age eligible. The programs are directed at those families with an income level at or below 200 percent of the federal poverty level. Families with incomes above 200 percent of the federal poverty level pay fees on a sliding scale to participate in these programs. Each ECE program must align its curriculum to early learning content standards developed by ODE, meet any child or program assessment requirements prescribed by ODE, require teachers to attend at least 20 hours of professional development every two years, and document and report child progress as prescribed by ODE.

GRF 200410 Educator Training

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$17,480,059	\$16,253,236	\$636,301	\$0	\$0	\$0
	-7.0%	-96.1%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item was used to fund a variety of professional development programs for school teachers and administrators. Funds were used to support National Board teacher certification, entry-year programs for beginning teachers and principals, and other programs.

Department of Education

GRF 200416 Career-Technical Education Match

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$2,222,373	\$2,217,140	\$2,232,562	\$2,233,195	\$2,233,195	\$2,233,195
	-0.2%	0.7%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.30 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 191 of the 112th G.A.)

Purpose: This line item supports ODE's administrative costs related to career-technical education. ODE initiates, reviews, and approves career-technical education programs; maintains standards for these programs; and maintains statistical, fiscal, and descriptive reports required by state and federal authorities. These funds provide career-technical administration matching funds required for federal funds for career-technical education, which are deposited in Fund 3690 to support line item 200616, Career-Technical Education Federal Enhancement.

GRF 200420 Computer/Application/Network Development

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,469,042	\$5,092,315	\$3,853,487	\$4,880,871	\$4,541,296	\$4,541,296
	-6.9%	-24.3%	26.7%	-7.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.30 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item supports development and implementation of information technology solutions designed to improve the performance and customer service of ODE.

Department of Education

GRF 200421 Alternative Education Programs

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$14,202,349	\$12,312,959	\$7,944,857	\$7,918,749	\$7,403,998	\$7,403,998
	-13.3%	-35.5%	-0.3%	-6.5%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.40 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

Purpose: This line item is primarily used to provide alternative education program grants to urban, rural, and suburban districts. These programs focus on youth who have been expelled or suspended, are at risk of dropping out of school, are habitually truant or disruptive, or are on probation or on parole from a Department of Youth Services facility. Funds are also provided for program administration, technical support, and evaluation.

GRF 200422 School Management Assistance

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$2,835,048	\$3,095,007	\$1,881,167	\$3,230,469	\$2,950,521	\$3,250,521
	9.2%	-39.2%	71.7%	-8.7%	10.2%

Source: General Revenue Fund

Legal Basis: ORC 3301.073 and 3316; Section 265.10.50 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. H.B. 1285 of the 112th G.A.)

Purpose: This line item is used for expenses incurred in the Auditor of State's role relating to districts in fiscal caution, fiscal watch, and fiscal emergency, for fiscal assistance and in-service education for school district management personnel, and to administer, monitor, and implement the fiscal caution, fiscal watch, and fiscal emergency provisions under Chapter 3316. of the Revised Code.

GRF 200424 Policy Analysis

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$553,530	\$493,260	\$266,219	\$361,065	\$361,065	\$361,065
	-10.9%	-46.0%	35.6%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.60 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: This line item is used to develop and maintain a system of administrative, statistical, and legislative education information to be used for policy analysis. ODE can also use these funds to contract for services that will assist in the provision and analysis of policy-related information.

Department of Education

GRF 200425 Tech Prep Consortia Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,877,773	\$2,022,218	\$1,143,881	\$1,260,542	\$260,542	\$260,542
	7.7%	-43.4%	10.2%	-79.3%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.10.60 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board in FY 2001 and modified by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item is used for state-level activities designed to support, promote, and expand tech prep programs. Activities funded under this line item include administration of grants, program evaluation, professional development, curriculum development, assessment development, program promotion, communications, and statewide coordination of tech prep consortia.

GRF 200426 Ohio Educational Computer Network

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$29,522,184	\$24,919,178	\$20,892,138	\$20,425,556	\$18,383,000	\$18,383,000
	-15.6%	-16.2%	-2.2%	-10.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.07; Section 265.10.70 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to maintain and provide technical assistance for a system of information technology throughout Ohio in support of the State Education Technology Plan. The bulk of funding is used to support connecting public and state-chartered nonpublic schools to the state's education network, to each other, and to the Internet. Funds from this line item are also distributed to information technology centers that provide Education Management Information System (EMIS) and other computer services to member school districts on a regional basis and to school districts to subsidize their costs related to EMIS. This line item also includes funds for the Union Catalog and InfOhio Network.

Department of Education

GRF 200427 Academic Standards

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$6,631,605	\$6,100,307	\$5,013,427	\$5,300,074	\$4,414,979	\$3,752,732
	-8.0%	-17.8%	5.7%	-16.7%	-15.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.079; Section 265.10.80 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to develop and disseminate academic standards, create curriculum models, and communicate these standards and curriculum models to school districts.

GRF 200431 School Improvement Initiatives

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$22,117,158	\$17,790,643	\$8,279,134	\$7,391,503	\$0	\$0
	-19.6%	-53.5%	-10.7%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item was used to support the continuous improvement planning initiative that provides technical assistance to academic watch and academic emergency school districts for the development of their continuous improvement plans and to school buildings not meeting the accountability measures established by the federal No Child Left Behind act of 2001. A portion of this line item was also used to support administrative activities associated with middle and high school reform programs.

GRF 200433 Literacy Improvement - Professional Development

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,887,598	\$16,720,499	\$360,926	\$0	\$0	\$0
	88.1%	-97.8%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item was used to fund various professional development programs designed to improve literacy instruction in public schools. The two major programs funded in this line item were: (1) the State Institutes for Reading Instruction that provided intensive, year-round training opportunities for teachers and (2) literacy professional development partnerships between ODE, higher education institutions, literacy networks, and school districts.

Department of Education

GRF 200437 Student Assessment

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$77,355,688	\$77,330,444	\$66,975,999	\$56,703,265	\$55,954,648	\$55,954,648
	0.0%	-13.4%	-15.3%	-1.3%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.0710, 3301.0711, 3301.0712, 3301.0715, and 3301.27; Section 265.20.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item is primarily used to develop, field test, print, distribute, score, and report results of Ohio proficiency tests, achievement assessments, diagnostic assessments, and the Ohio Graduation Test (OGT).

GRF 200439 Accountability/Report Cards

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,961,160	\$7,139,477	\$3,311,469	\$3,804,673	\$3,769,279	\$3,769,279
	19.8%	-53.6%	14.9%	-0.9%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3302.03; Section 265.20.20 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: This line item funds the development of an accountability system that includes the preparation and distribution of report cards for school districts, school buildings, and the state. Funds are also provided for the incorporation of a statewide pilot value-added progress dimension into performance ratings for school districts; and for training district and regional specialists in the use of the value-added progress dimension.

GRF 200442 Child Care Licensing

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,206,189	\$1,145,435	\$778,554	\$877,140	\$877,140	\$877,140
	-5.0%	-32.0%	12.7%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.52 through 3301.59; Section 265.20.20 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on October 16, 1995)

Purpose: This line item is used by ODE to license and inspect preschool and school-age child care programs.

Department of Education

GRF 200445 OhioReads Volunteer Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$200	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 1 and modified by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item was used to support volunteer coordinators in public school buildings, background checks for volunteers, program evaluation, as well as for the development, implementation, and support of literacy improvement activities and interventions for students in grades K-12.

GRF 200446 Education Management Information System

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$15,596,195	\$13,949,854	\$12,803,089	\$11,934,284	\$6,833,070	\$6,833,070
	-10.6%	-8.2%	-6.8%	-42.7%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.0714; Section 265.20.30 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item supports the collection and reporting of student participation and performance, staff, and financial information data through the Education Management Information System (EMIS). Much of the funding from this line item is distributed to the 23 information technology centers on a per pupil basis to assist them with costs relating to collecting, processing, storing, and transferring data for the effective operation of EMIS. Funds are also used to develop a common core of data definitions and standards as adopted by the Education Management Information System Advisory Board.

GRF 200447 GED Testing

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,705,269	\$1,383,216	\$865,842	\$988,553	\$879,551	\$879,551
	-18.9%	-37.4%	14.2%	-11.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3313.531; Section 265.20.40 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on January 8, 1990)

Purpose: This line item is used to provide General Educational Development (GED) testing and reimburse expenses incurred by testing centers.

Department of Education

GRF 200448 Educator Preparation

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,134,104	\$635,705	\$937,392	\$1,328,240	\$786,737	\$786,737
	-43.9%	47.5%	41.7%	-40.8%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.20.50 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to support the Educator Standards Board as it develops and recommends standards for educator training and leadership positions.

GRF 200455 Community Schools and Choice Programs

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,294,728	\$1,249,339	\$1,205,031	\$1,000,000	\$2,200,000	\$2,200,000
	-3.5%	-3.5%	-17.0%	120.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3314.11; Section 265.20.60 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item is used for ODE's costs related to school choice programs. ODE develops and conducts training sessions for community school sponsors and provides oversight of and technical assistance to community schools. Beginning in FY 2012, ODE may use these funds for training and assistance to schools participating in any school choice program.

GRF 200457 STEM Initiatives

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$7,030,632	\$7,376,963	\$8,078,291	\$5,000,000	\$0	\$0
	4.9%	9.5%	-38.1%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 119 of the 127th G.A.)

Purpose: This line item was used for initiatives that support innovative mathematics and science education and professional development for teachers, including on-site laboratories, job-embedded professional development, and mentoring and coaching.

Department of Education

GRF 200458 School Employees Health Care Board

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$250,094	\$790,000	\$0	\$0
	N/A	N/A	215.9%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Section 265.20.60 of Am. Sub. H.B. 1 of the 128th G.A.)

Purpose: This line item supported staff hired by the School Employees Health Care Board to provide administrative support to the Board as they investigate health care plan best practices, promote cost containment measures, and improve the health status of school district employees and their families. Prior to FY 2010 and after FY 2011, the support for the Board is funded in the Department of Administrative Services budget.

GRF 200502 Pupil Transportation

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$424,762,211	\$428,938,762	\$418,670,503	\$462,822,619	\$438,248,936	\$442,113,527
	1.0%	-2.4%	10.5%	-5.3%	0.9%

Source: General Revenue Fund

Legal Basis: ORC 3317.02, 3317.022, and 3317.024; Section 265.20.70 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to partially reimburse school districts and county boards of developmental disabilities for the operating costs of transporting public and nonpublic school students to and from school. Funding for transporting special education students is distributed based on rules and formulas adopted by the State Board of Education. Funding for other students is provided as part of the school foundation program.

Department of Education

GRF 200503 Bus Purchase Allowance

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,976,862	\$17,748,875	\$105,000	\$0	\$0	\$0
	97.7%	-99.4%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item. (originally established in ORC 3317.07)

Purpose: This line item was used to assist school districts, educational service centers, county boards of developmental disabilities, the Ohio State School for the Blind, and the Ohio School for the Deaf in purchasing school buses. A majority of the appropriation for this line item was distributed to school districts, on a per pupil basis, to purchase buses used to transport regular students. The remaining portion of the appropriation was earmarked for "handicapped and nonpublic" buses. Am. Sub. H.B. 66 of the 126th G.A. replaced the previous 100 percent reimbursement method for these buses with a per pupil-based distribution formula. Funding for county boards' school buses was previously provided in line item 200552, County MR/DD Boards Vehicle Purchases.

GRF 200505 School Lunch Match

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,721,172	\$8,560,740	\$9,100,273	\$9,100,000	\$9,100,000	\$9,100,000
	-1.8%	6.3%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3313.81 and 3317.024; Section 265.20.80 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to match federal funds deposited in Fund 3L60 line item 200617, Federal School Lunch. School districts use these funds for food service operations in an effort to lower the cost of lunches provided to students. A portion of this line item may also be used to partially reimburse school buildings within school districts that are required to have a school breakfast program.

Department of Education

GRF 200509 Adult Literacy Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,438,881	\$7,976,658	\$118,649	\$0	\$0	\$0
	-5.5%	-98.5%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item supported adult basic and literacy education programs (ABLE). These programs provide free instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages, and GED preparation. In addition, the funds supported the State Literacy Resource Center that provided support in the areas of professional development, curriculum development, technology, and data collection and reporting. The ABLE programs were also supported through federal funds deposited in Fund 3660, line-item 200604, Adult Basic Education. As directed by Am. Sub. H.B. 119 of the 127th G.A., funding for adult education has been moved to the budget of the Ohio Board of Regents.

GRF 200511 Auxiliary Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$131,763,597	\$128,800,394	\$111,939,528	\$111,979,388	\$113,547,099	\$115,250,305
	-2.2%	-13.1%	0.0%	1.4%	1.5%

Source: General Revenue Fund

Legal Basis: ORC 3317.024 and 3317.06; Section 265.20.90 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item provides assistance to chartered nonpublic elementary and secondary schools. These moneys may be used for health services, programs for the handicapped, transportation to services offered off-site, and the purchase of secular textbooks. Moneys may not be expended for any religious activities. Funds are distributed to school districts on a per nonpublic pupil basis to provide eligible services to chartered nonpublic school students. Funds are also set aside for payment of the Post-Secondary Enrollment Option Program for nonpublic students.

Department of Education

GRF 200514 Postsecondary Adult Career-Technical Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$17,854,650	\$10,660,968	\$0	\$0	\$0	\$0
	-40.3%	-100%	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item mainly provided funds for full-time and part-time adult career-technical training programs provided by school districts, joint vocational school districts, and other educational institutions, and for adult workforce education centers that served out-of-school youth and adults. As directed by Am. Sub. H.B. 119 of the 127th G.A., funding for adult education programs was moved to the budget of the Ohio Board of Regents.

GRF 200521 Gifted Pupil Program

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$46,923,339	\$47,198,690	\$111,083	\$0	\$0	\$0
	0.6%	-99.8%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item was used to assist school districts in establishing and maintaining programs for gifted and talented pupils. Gifted students are defined as superior in cognitive ability, specific academic ability, creative thinking ability, and visual/performing arts ability. Funds were distributed to school districts and educational service centers through a unit formula prescribed by law. This line item also included a supplement for gifted identification and an earmark for the Summer Honors Institute, including the Martin Essex Program. Beginning in FY 2010, gifted education is funded as a component of the school funding formula in GRF appropriation item 200550, Foundation Funding.

Department of Education

GRF 200532 Nonpublic Administrative Cost Reimbursement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$59,787,682	\$58,699,256	\$50,785,823	\$50,838,939	\$51,550,684	\$52,323,944
	-1.8%	-13.5%	0.1%	1.4%	1.5%

Source: General Revenue Fund

Legal Basis: ORC 3317.063; Section 265.30.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: This line item is used to reimburse chartered nonpublic schools for the mandated administrative and clerical costs they incurred during the preceding year. Mandated activities include the preparation, filing, and maintenance of forms, reports, or records related to state chartering or approval of the school, pupil attendance, transportation of pupils, teacher certification and licensure, and other education-related data. Beginning in FY 2010, the maximum reimbursement rate is the lesser of the actual cost or \$325 per pupil.

GRF 200536 Ohio Core Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$20,368,588	\$12,844,907	\$781,241	\$0	\$0	\$0
	-36.9%	-93.9%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Sub. H.B. 115 of the 126th G.A. and modified by Am. Sub. S.B. 311 of the 126th G.A.)

Purpose: This line item funded various initiatives that supported the purposes of the Ohio Core curriculum for high school students, which was established by Am. Sub. S.B. 311 of the 126th G.A. (the appropriation item was established under Am. Sub. H.B. 115 of the 126th G.A.). Major initiatives funded under this line item included the development and participation of alternative teacher licensure programs that supported teacher licensure in a laboratory-based science, advanced mathematics and foreign language; contractual services provided by institutions of higher education in mathematics, science, or foreign language for dual credit for high school students; and, beginning in FY 2009, supplemental post-secondary enrollment option participation grants to school districts. Beginning in FY 2010, funding for alternative licensure is provided in GRF appropriation item 200555, Teach Ohio.

Department of Education

GRF 200540 Special Education Enhancements

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$135,221,043	\$133,667,082	\$131,294,253	\$135,820,668	\$135,820,668	\$135,820,668
	-1.1%	-1.8%	3.4%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.20, 3317.201, 3317.05, and 3317.052; Section 265.30.20 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item is primarily used to fund special education and related services at county boards of developmental disabilities and state institutions for school-aged students and to fund preschool special education and related services at school districts, educational service centers, and county boards.

GRF 200545 Career-Technical Education Enhancements

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$9,428,283	\$8,494,826	\$6,621,011	\$7,802,699	\$8,802,699	\$8,802,699
	-9.9%	-22.1%	17.8%	12.8%	0.0%

Source: General Revenue Fund

Legal Basis: Section 265.30.30 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item is used to fund career-technical education at institutions. Prior to FY 2010, career-technical education at institutions was funded in units. This line item also funds other programs and initiatives related to career-technical education, such as High Schools that Work, tech prep consortia, and the Agriculture 5th Quarter Project.

Department of Education

GRF 200550 Foundation Funding

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,628,394,728	\$5,793,031,904	\$5,360,044,669	\$5,312,560,800	\$5,420,788,773	\$5,504,484,181
	2.9%	-7.5%	-0.9%	2.0%	1.5%

Source: General Revenue Fund

Legal Basis: ORC 3306; Sections 265.30.40, 265.30.50, and 265.50.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

Purpose: This line item, combined with 200502, Pupil Transportation, and 200612, Foundation Funding (Lottery); is the main source of state foundation payments to all school districts in the state. Allocations are based on the school foundation formulas, and are administered by ODE, with the approval of the Controlling Board. In FY 2010 and FY 2011, the amounts paid to each district are determined under guidelines contained in Chapter 3306. of the Revised Code and temporary law in the biennial budget bill. Prior to FY 2010, the amounts were determined under Chapter 3317. of the Revised Code. In addition to foundation funding for school districts, moneys in this line item are used for catastrophic special education, funding educational service centers, funding joint vocational school districts, and various other purposes.

GRF 200551 Foundation Funding - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$417,567,145	\$457,449,362	\$0	\$0
	N/A	N/A	9.6%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Section 265.30.40 of Am. Sub. H.B. 1 of the 128th G.A.)

Purpose: This line item received federal stimulus funding from the American Recovery and Reinvestment Act (ARRA) in FY 2010 and FY 2011. This line item, combined with 200502, Pupil Transportation; 200550, Foundation Funding; and 200612, Foundation Funding (Lottery); served as the source of state foundation payments to all school districts in the state for those years. Allocations were based on the school foundation formulas, and were administered by ODE, with the approval of the Controlling Board.

Department of Education

GRF 200566 Literacy Improvement - Classroom Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,139,406	\$10,811,766	\$1,127,386	\$0	\$0	\$0
	32.8%	-89.6%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 1 and modified by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item was used by ODE to provide grants to school districts, community schools, and educational service centers. These grants were used to support volunteer reading improvement efforts in public schools and were intended to close achievement gaps and improve reading outcomes in low-performing schools.

GRF 200578 Violence Prevention and School Safety

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$876,749	\$1,192,421	\$73,317	\$200,000	\$0	\$0
	36.0%	-93.9%	172.8%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Section 265.30.70 of Am. Sub. H.B. 1 of the 128th G.A.)

Purpose: This line item was used to support a safe school center to provide resources for parents and for school and law enforcement personnel.

GRF 200901 Property Tax Allocation - Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$858,073,763	\$939,469,238	\$1,057,127,330	\$1,050,655,157	\$1,086,500,000	\$1,095,000,000
	9.5%	12.5%	-0.6%	3.4%	0.8%

Source: General Revenue Fund

Legal Basis: ORC 319.301 and 323.151 through 323.157; Section 265.30.80 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to reimburse school districts for losses incurred as a result of the 10 percent and 2.5 percent “rollback” reductions in real property taxes and as a result of the “homestead exemption” reduction in real property taxes. Beginning in FY 2010, this line item may also reimburse school districts for tax revenue lost from class 2 real property and public utility tangible personal property as a result of passing a conversion levy.

Department of Education

GRF 200906 Tangible Tax Exemption-Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$21,635,474	\$10,817,736	\$0	\$0	\$0	\$0
	-50.0%	-100%	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (transferred from the Auditor of State by Controlling Board action in FY 1986)

Purpose: This line item reimbursed school districts for losses incurred by the creation of the \$10,000 tangible property tax exemption (the “small business” exemption) for both incorporated and unincorporated businesses. Am. Sub. H.B. 215 of the 122nd G.A. transferred authority of the program from the Department of Taxation to ODE. Am. Sub. H.B. 95 of the 125th G.A. began to phase out the state's reimbursements of the cost of this exemption over a 10-year period beginning in FY 2004. Am. Sub. H.B. 66 of the 126th G.A. accelerated this phase-out; the reimbursement was completely eliminated by FY 2010.

General Services Fund Group

1380 200606 Computer Services - Operational Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$6,014,921	\$5,582,830	\$4,665,134	\$6,317,280	\$7,600,090	\$7,600,090
	-7.2%	-16.4%	35.4%	20.3%	0.0%

Source: General Services Fund Group: Proceeds from the sale of technology services

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 20, 1961)

Purpose: This line item receives the proceeds from the sale of computer services to various offices in ODE and the sale of education directories and labels. The moneys are used to collect, process, and disseminate statistical information concerning schools, and to provide data-processing services to offices within ODE. Funds in this line item are also used to furnish statistical data about Ohio schools to various organizations, including government agencies.

Department of Education

4520 200638 Miscellaneous Educational Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$122,830	\$104,576	\$255,253	\$146,809	\$300,000	\$300,000
	-14.9%	144.1%	-42.5%	104.3%	0.0%

Source: General Services Fund Group: Registration fees for conferences sponsored by ODE; sale of publications; gifts and bequests

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on April 13, 1972)

Purpose: This line item receives the registration fees paid by those participating in conferences sponsored by ODE, and gifts or bequests made for specific purposes, such as environmental, consumer, and nutrition education. Moneys are used for materials and facilities for conferences and for the purposes specified by gifts and bequests. It also receives funds from the purchase of publications and other miscellaneous items.

4D10 200602 Ohio Prevention/Education Resource Center

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$191,108	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

Source: General Services Fund Group: Transfer from the Ohio Department of Alcohol and Drug Addiction Services (ODADAS)

Legal Basis: Discontinued line item (originally established by Controlling Board on September 21, 1992)

Purpose: This line item received funds from ODADAS that were passed through ODE to operate the Ohio Resource Network for Safe and Drug Free Schools and Communities (ORN), located at the University of Cincinnati. The center is the state clearinghouse for information, materials, and training about tobacco, alcohol, and other drugs, and violence prevention.

Department of Education

4L20 200681 Teacher Certification and Licensure

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,378,295	\$5,218,590	\$6,243,340	\$7,570,536	\$8,147,756	\$8,147,756
	-3.0%	19.6%	21.3%	7.6%	0.0%

Source: General Services Fund Group: Fees for certificates and licenses

Legal Basis: Section 265.30.90 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item receives the funds generated from fees, set by the State Board of Education, charged to teachers for their teaching certificates and licenses. On March 1, 2008, the fee increased to \$40 per year covered by the certificate or license. The funds are used to cover the costs of processing licensure applications, technical assistance related to licensure, and the administration of the teacher disciplinary process.

5960 200656 Ohio Career Information System

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$186,240	\$265,295	\$490,556	\$391,954	\$529,761	\$529,761
	42.4%	84.9%	-20.1%	35.2%	0.0%

Source: General Services Fund Group: Service fees

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item provides funding for a computer-based career information system, which contains national and state information on occupations, education, and financial aid for use by students, counselors, and the public. Educational institutions, libraries, agencies and others pay for their use of the system on a fee-for-service basis, with all fee revenues deposited in Fund 5960.

Department of Education

5H30 200687 School District Solvency Assistance

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$10,380,000	\$4,500,000	\$6,557,000	\$18,000,000	\$25,000,000	\$25,000,000
	-56.6%	45.7%	174.5%	38.9%	0.0%

Source: General Services Fund Group: FY 1998 GRF ending balance transfer and loan repayments

Legal Basis: ORC 3316.20; Section 265.30.90 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item supports two accounts: (1) the shared resource account, which is used to make interest-free advances to districts to enable them to remain solvent and to pay unforeseen expenses of a temporary or emergency nature; and (2) the catastrophic expenditures account, which is used to make grants to districts for unforeseen catastrophic events. Advances made to districts from the shared resource account must be repaid no later than the end of the second year following the fiscal year in which the advance was made. Grants from the catastrophic expenditures account do not need to be repaid, unless reimbursed by a third party. Am. Sub. H.B. 650 of the 122nd G.A. originally appropriated \$30 million from FY 1998 surplus GRF revenue to Fund 5H30 in FY 1999.

Federal Special Revenue Fund Group

3090 200601 Neglected and Delinquent Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$7,113,727	\$7,119,477	\$6,276,424	\$8,405,512	\$2,168,642	\$2,168,642
	0.1%	-11.8%	33.9%	-74.2%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.013, Title I Program for Neglected & Delinquent Children

Legal Basis: Section 265.10 of Am. Sub. H.B.1 of the 128th G.A. (originally established by Controlling Board on March 28, 1966)

Purpose: This line item contains a grant made under Title I of the Elementary and Secondary Education Act that is used to support state and local institutions that serve neglected and delinquent children.

Department of Education

3660 200604 Adult Basic Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$17,718,504	\$4,694,159	\$0	\$0	\$0	\$0
	-73.5%	-100%	N/A	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.002, Adult Education/State Grant Programs; Adult Education and Family Literacy Act, Title II of Public Law 105-220, the Workforce Investment Act of 1998

Legal Basis: Discontinued line item

Purpose: This line item funded local Adult Basic and Literacy Education (ABLE) programs, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participants of these programs are primarily adults and out-of-school youths aged 16 and older. Funding for adult education programs was transferred to the Board of Regents by Am. Sub. H.B. 119 of the 127th G.A.

3670 200607 School Food Services

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$4,773,354	\$4,722,250	\$4,071,831	\$6,577,695	\$6,803,472	\$6,959,906
	-1.1%	-13.8%	61.5%	3.4%	2.3%

Source: Federal Special Revenue Fund Group: CFDA 10.560, Child Nutrition; CFDA 10.574, Team Nutrition Grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on October 27, 1967)

Purpose: This line item supports team nutrition grants, which encourage nutritious school meals, nutrition education for children, and healthy school and community environments; and the state administration of child nutrition programs.

Department of Education

3680 200614 Veterans' Training

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$575,736	\$616,346	\$37,135	\$0	\$0	\$0
	7.1%	-94.0%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 64.124, All-Volunteer Force Educational Assistance

Legal Basis: Discontinued line item (originally established by Controlling Board on August 18, 1965)

Purpose: This line item contained funds reimbursed to the state by the Department of Veterans Affairs and used for the supervision and approval of schools, apprenticeships, and on-the-job training programs offering vocational, educational, and professional services to veterans and their eligible dependents. Beginning in FY 2010, this fund is being used by the Department of Veterans Services, and these moneys are appropriated in appropriation item 900614, Veterans Training.

3690 200616 Career-Technical Education Federal Enhancement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$4,256,622	\$4,661,376	\$4,219,438	\$5,000,000	\$5,000,000	\$5,000,000
	9.5%	-9.5%	18.5%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.243, Tech-Prep Education

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on September 23, 1964)

Purpose: This line item provides funds to the 23 Tech Prep consortia of school districts and post-secondary institutions. The funds are used to develop and operate programs that lead to a two-year associate's degree or a two-year certificate in a specific career field in addition to a high school diploma.

3700 200624 Education of Exceptional Children

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$3,223,785	\$2,192,326	\$1,421,764	\$2,325,000	\$1,905,000	\$0
	-32.0%	-35.1%	63.5%	-18.1%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.323, Special Education-State Personnel Development

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on May 9, 1968)

Purpose: This line item is used to pilot the Ohio Improvement Process, which develops district and building leadership teams focused on improving instruction for and performance of students with disabilities.

Department of Education

3740 200647 Troops to Teachers

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$64,989	\$57,943	\$3,157	\$0	\$0	\$0
	-10.8%	-94.6%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.215, Fund for the Improvement of Education

Legal Basis: Discontinued line item (originally established by Controlling Board in FY 1976)

Purpose: This line item was used to recruit eligible military personnel into the teaching profession. Beginning in FY 2010, this fund is being used by the Department of Veterans Services, and these moneys are appropriated in appropriation item 900606, Troops to Teachers.

3780 200660 Learn and Serve

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$590,893	\$612,694	\$663,837	\$1,135,864	\$619,211	\$619,211
	3.7%	8.3%	71.1%	-45.5%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 94.004, Learn and Serve America

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 29, 1985)

Purpose: This line item funds programs that combine classroom instruction and community service for at-risk youth. Grants are awarded to local education agencies that engage K-12 students in opportunities to help communities address education, public safety, human, and environmental needs.

Department of Education

3AF0 200603 Schools Medicaid Administrative Claims

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$406,992	\$91,371	\$339,203	\$639,000	\$639,000	\$639,000
	-77.5%	271.2%	88.4%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 93.778, Medical Assistance Program

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on September 22, 2003)

Purpose: This line item receives federal reimbursements of the costs of Medicaid administrative activities performed in schools. The costs include enrolling eligible children in the Medicaid program and assisting children who are already enrolled to access the benefits available to them. ODE administers the program, receiving the claims and financial reports and then submitting the claims to the Ohio Department of Job and Family Services.

3AN0 200671 School Improvement Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$10,373,787	\$6,372,108	\$17,936,675	\$20,400,000	\$20,400,000
	N/A	-38.6%	181.5%	13.7%	0.0%

Source: Federal Special Revenue Fund Group: CFDA: 84.377, School Improvement Grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on April 7, 2008)

Purpose: This line item provides comprehensive professional development and technical assistance to schools and districts that are not making adequate yearly progress (AYP). Funds may also be used for sustainable school improvement activities that increase the likelihood that students learn challenging academic content and achieve proficiency.

Department of Education

3AX0 200698 Improving Health and Educational Outcomes of Young People

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$388,596	\$549,095	\$630,954	\$630,954	\$630,954
	N/A	41.3%	14.9%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA: 93.938, Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on May 5, 2008)

Purpose: This line item is used for the coordination of school health programs, physical activity, nutrition, and tobacco prevention programs. The programs are funded by the U.S. Department of Health and Human Services, Centers for Disease Control.

3BK0 200628 Longitudinal Data Systems

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$2,215,850	\$2,074,761	\$855,382	\$1,282,650	\$500,000	\$250,000
	-6.4%	-58.8%	50.0%	-61.0%	-50.0%

Source: Federal Special Revenue Fund Group: CFDA 84.372, Statewide Longitudinal Data Systems

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on January 9, 2006)

Purpose: This line item is used to continue development of the state's longitudinal data system by enhancing the electronic exchange of student records between schools and other education entities.

3BV0 200636 Character Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$623,690	\$662,857	\$377,171	\$0	\$0	\$0
	6.3%	-43.1%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.215, Fund for the Improvement of Education

Legal Basis: Discontinued line item (originally established by Controlling Board on September 25, 2006)

Purpose: This line item was used to provide grant coordination, program implementation, and evaluation for the Ohio Partnerships in Character Education Project.

Department of Education

3C50 200661 Early Childhood Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$15,527,118	\$15,415,301	\$14,442,174	\$14,554,749	\$14,554,749	\$14,554,749
	-0.7%	-6.3%	0.8%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.173, Special Education Preschool Grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on November 11, 1986)

Purpose: This line item is used to provide funding for special education and related services to districts and other providers that serve preschool-aged children.

3CF0 200644 Foreign Language Assistance

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$45,715	\$297,374	\$78,184	\$0	\$0	\$0
	550.5%	-73.7%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.293, Foreign Language Assistance

Legal Basis: Discontinued line item (originally established by Controlling Board on December 4, 2006)

Purpose: This line item provided grant coordination and program development, implementation, and evaluation for the Ohio Foreign Language Assistance program, and the K-6 Mandarin Chinese curriculum. The objectives of this program were to develop a content based elementary Chinese curriculum.

Department of Education

3CG0 200646 Teacher Incentive Fund

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$2,690,248	\$5,081,699	\$4,374,021	\$2,857,276	\$1,925,881	\$0
	88.9%	-13.9%	-34.7%	-32.6%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.374, Teacher Incentive Fund

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on December 4, 2006)

Purpose: This line item is used to develop and implement performance based teacher and principal compensation systems, based primarily on increases in student achievement in high-needs schools. The Ohio Teacher Incentive Fund is a partnership of ODE, Cleveland, Columbus, Cincinnati, and Toledo city schools, and the National Institute for Excellence in Teaching. It provides funding for the implementation of the Teacher Advancement Program (TAP) in Cincinnati and Columbus Public Schools, the expansion of the TAP in Toledo Public Schools, and the implementation of the Promoting Educator Advancement program in Cleveland (PEAC).

3D10 200664 Drug Free Schools

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,891,238	\$8,580,824	\$7,403,336	\$13,347,966	\$1,500,000	\$0
	-3.5%	-13.7%	80.3%	-88.8%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.186, Safe and Drug Free Schools & Communities

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on May 4, 1987)

Purpose: This line item supports drug free schools. Most of these funds (93%) are distributed to school districts based on a federal formula. These funds are used by the districts for drug and violence prevention activities, which are coordinated with other school and community-based services and programs to foster a safe and drug-free learning environment that supports academic achievement, prevents or reduces violence, prevents or reduces the use, possession, and distribution of illegal drugs, and creates a well disciplined environment conducive to learning. The other seven percent of the funds is used for related ODE administrative and state level activities.

Department of Education

3D20 200667 Math Science Partnerships

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$6,536,976	\$9,888,317	\$6,295,953	\$6,985,000	\$9,500,001	\$9,500,001
	51.3%	-36.3%	10.9%	36.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.366, Mathematics and Science Partnerships

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on April 20, 1987)

Purpose: This line item is used to provide Mathematics and Science Partnership grants to improve the academic achievement of students in mathematics and science through projects that involve organizations representing preschool through higher education. These projects promote strong teaching skills for elementary and secondary school math and science teachers and integrate teaching methods based on scientifically-based research and technology into the curriculum.

3DC0 200625 Federal Stimulus - School Lunch Cafeteria Equipment

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$2,948,008	\$2,481	\$0	\$0
	N/A	N/A	-99.9%	-100%	N/A

Source: Federal Special Revenue Fund Group: CFDA 10.579, Child Nutrition Discretionary Grants

Legal Basis: Discontinued line item (originally established by Section 311.10 of Am. Sub. H.B. 2 of the 128th G.A.)

Purpose: This line item received American Recovery and Reinvestment Act funds to provide competitive grants to schools for the purchase of school lunch equipment. Priority for the grants was given to schools in which at least 50% of the students were eligible for free or reduced - priced meals.

Department of Education

3DG0 200630 Federal Stimulus - McKinney Vento Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$632,093	\$1,322,048	\$330,512	\$0
	N/A	N/A	109.2%	-75.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.387, Education for Homeless Children and Youth, Recovery Act

Legal Basis: Section 311.10 of Am. Sub. H.B. 2 of the 128th G.A.

Purpose: This line item receives American Recovery and Reinvestment Act funds that, in conjunction with funds the state receives annually under the McKinney - Vento Act, support a free and appropriate education for homeless children and youth. Schools may use these funds to offer supplemental tutoring, early childhood, or other education programs to homeless children and youth.

3DJ0 200699 IDEA Part B - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$210,511,124	\$218,868,026	\$21,886,803	\$0
	N/A	N/A	4.0%	-90.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.391, Special Education Grants to States, Recovery Act

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item receives American Recovery and Reinvestment Act funds that, in conjunction with funds from appropriation item 200680, Individuals with Disabilities Education Act, supports the provision of education and related services to students with disabilities.

3DK0 200642 Title IA - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$141,670,481	\$186,336,737	\$18,633,673	\$0
	N/A	N/A	31.5%	-90.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.389, Title I Grants to Local Educational Agencies, Recovery Act

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item receives American Recovery and Reinvestment Act funds that are used to supplement funds from appropriation item 200623, ESEA Title IA, to provide grants to school districts.

Department of Education

3DL0 200650 IDEA Preschool - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$6,071,322	\$6,679,679	\$670,000	\$0
	N/A	N/A	10.0%	-90.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.392, Special Education - Preschool Grants, Recovery Act

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item receives federal American Recovery and Reinvestment Act funds that are used to supplement funds in appropriation item 200661, Early Childhood Education, to provide special education and related services to preschool-aged children.

3DM0 200651 Title IID Technology - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$3,514,113	\$11,951,000	\$1,195,100	\$0
	N/A	N/A	240.1%	-90.0%	-100%

Source: Federal Special Revenue Fund Group: CFDA 84.386, Education Technology State Grants, Recovery Act

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used, in conjunction with funds from appropriation item 200641, Education Technology, to support both a formula grant program based on the number of Title I students served and the Twenty-First Century Learning Environments Technology Program, a competitive grant program operated jointly with the eTech Ohio Commission. This competitive grant program is focused on using professional development to enable teachers to create technology-enabled learning environments and to integrate technology into the curriculum.

3DP0 200652 Title I School Improvement - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$54,221,000	\$48,500,000	\$30,000,000
	N/A	N/A	N/A	-10.6%	-38.1%

Source: Federal Special Revenue Fund Group: CFDA 84.388, School Improvement Grants, Recovery Act

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to provide grants of \$50,000 to \$2.0 million per year over a three year period to the lowest performing schools in the state. These schools must use the funds to implement one of four intervention models designated by the U.S. Department of Education.

Department of Education

3EC0 200653 Teacher Incentive - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$2,792,778	\$7,500,000	\$7,500,000
	N/A	N/A	N/A	168.5%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.385, Teacher Incentive Fund, Recovery Act

Legal Basis: Established by the Controlling Board on December 14, 2009.

Purpose: This line item receives American Recovery and Reinvestment Act funds that are used to develop and implement performance based teacher and principal compensation systems, based primarily on increases in student achievement in high-needs schools.

3EF0 200694 National School Lunch Program - Equipment

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$744,157	\$0	\$0
	N/A	N/A	N/A	-100%	N/A

Source: Federal Special Revenue Fund Group: CFDA 10.579, Child Nutrition Discretionary Grants

Legal Basis: Discontinued line item (originally established by Controlling Board on March 22, 2010)

Purpose: This line item was used to purchase equipment for schools that improves the quality of school food service meals, the safety of food served in school meals programs, and the overall energy efficiency of school food service operations, and supported expanded participation in school meals programs.

3EH0 200620 Migrant Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$2,728,897	\$2,645,905	\$2,645,905
	N/A	N/A	N/A	-3.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA: 84.011 Migrant Education State Grants

Legal Basis: Established by Controlling Board on July 19, 2010

Purpose: This line item is used for migrant education to help ensure that migrant children are provided with appropriate educational services. Prior to FY 2011, this federal grant was deposited into Fund 3090.

Department of Education

3EJ0 200622 Homeless Children Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$2,372,125	\$1,759,782	\$1,759,782
	N/A	N/A	N/A	-25.8%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.196 Education for Homeless Children and Youth

Legal Basis: Established by the Controlling Board on July 19, 2010

Purpose: This line item is used for the education of homeless children to help ensure access to a free, appropriate education for homeless children and youth. Prior to FY 2011, this federal grant was deposited into Fund 3090.

3EM0 200643 Byrd Scholarship

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$1,549,225	\$0	\$0
	N/A	N/A	N/A	-100%	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.185, Byrd Honors Scholarships

Legal Basis: Discontinued line item (originally established by Controlling Board on July 19, 2010)

Purpose: This line item was used to provide Byrd Scholarships, which were merit scholarships of \$1,500 per year for four year that were awarded to exceptional students to be used for study at an institution of higher education.

3EN0 200655 State Data Systems - Federal Stimulus

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$250,000	\$2,500,000	\$2,500,000
	N/A	N/A	N/A	900.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.384 State Data Systems, Recovery Act

Legal Basis: Established by Controlling Board on October 25, 2010

Purpose: This line item is used for the state's longitudinal data system. The federal grant mandates that states ensure their longitudinal data system includes the prescribed elements in the America COMPETES Act, including having linked P-20 systems; a teacher identification system that can be linked to students; college readiness test scores; postsecondary remedial coursework data, and a data auditing system.

Department of Education

3ES0 200657 General Supervisory Enhancement Grant

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$470,000	\$500,000	\$500,000
	N/A	N/A	N/A	6.4%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.324 Research in Special Education

Legal Basis: Established by Controlling Board on September 27, 2010

Purpose: This line item is used to support a collaboration between ODE and the American Institutes for Research to develop assessments for certain special education students.

3ET0 200658 Education Jobs Fund

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$361,179,690	\$300,000,000	\$50,000,000
	N/A	N/A	N/A	-16.9%	-83.3%

Source: Federal Special Revenue Fund Group: 84.410 Education Jobs Fund

Legal Basis: Established by Controlling Board on September 27, 2010

Purpose: This line is used to allocated Ohio's federal Education Jobs Fund award to school districts and community schools based on the state's primary funding formula as it is defined under the federal American Recovery and Reinvestment Act (ARRA). These funds are to be used to save education jobs in the 2010-2011 or 2011-2012 school years.

3FD0 200665 Race to the Top

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$100,000,000	\$100,000,000	\$100,000,000
	N/A	N/A	N/A	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.395 State Fiscal Stabilization Fund Race to the Top Incentive Grants, Recovery Act

Legal Basis: Established by Controlling Board on November 22, 2010

Purpose: This line item is for grants to schools and districts and for state level activities related to school improvement. A little over half of the grant flows directly to the 483 Race to the Top (RttT) participating schools and districts. These schools and districts must use the fund for specific school improvement activities that were outlined in their applications. The remaining funds are used at the state level. Federally required areas of focus include standards, assessments, and graduation requirements; data systems; great teachers and leaders; turning around low-achieving schools; partnerships; and STEM initiatives.

Department of Education

3FE0 200669 Striving Readers

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$0	\$0	\$283,852	\$180,000	\$100,000
	N/A	N/A	N/A	-36.6%	-44.4%

Source: Federal Special Revenue Fund Group: CFDA 84.371 Striving Readers

Legal Basis: Established by Controlling Board on December 13, 2010

Purpose: This line item is used to support a State Literacy Team to develop a comprehensive literacy plan for Ohio. The plan is to advance literacy skills for students from birth to grade 12 by focusing on literacy development and education.

3H90 200605 Head Start Collaboration Project

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$204,356	\$232,072	\$199,598	\$225,000	\$225,000	\$225,000
	13.6%	-14.0%	12.7%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 93.600, Head Start

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (authorized by the Human Services Amendment Act of 1994, Public Law 103-252)

Purpose: This line item provides funds to create partnerships in order to provide better coordination of Head Start programs for disadvantaged children and their families.

Department of Education

3L60 200617 Federal School Lunch

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$273,778,314	\$276,022,492	\$309,556,438	\$317,994,935	\$327,516,539	\$337,323,792
	0.8%	12.1%	2.7%	3.0%	3.0%

Source: Federal Special Revenue Fund Group: CFDA 10.555, School Lunch Program; CFDA 10.582 Fruit and Vegetable Consumption; CFDA 10.556 Special Milk Program; CFDA 10.559 Summer Food Program

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to provide subsidies to school districts to assist them in providing school lunch programs. State matching funds are provided through GRF appropriation item 200505, School Lunch Match. The line item also supports special milk programs, which provide free milk to qualifying children when school lunch and school breakfast programs are not available; summer food programs, which provide meals to children during the summer months when schools are not in session; and fruit and vegetable programs, which provide free fruits and vegetables to school age children.

3L70 200618 Federal School Breakfast

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$75,154,805	\$76,789,187	\$84,497,000	\$85,045,485	\$87,596,850	\$90,224,756
	2.2%	10.0%	0.6%	3.0%	3.0%

Source: Federal Special Revenue Fund Group: CFDA 10.553, School Breakfast Program

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to provide subsidies to school districts to assist them in providing school breakfast programs.

Department of Education

3L80 200619 Child/Adult Food Programs

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$77,927,338	\$84,018,974	\$86,629,050	\$97,913,431	\$100,850,833	\$103,876,359
	7.8%	3.1%	13.0%	3.0%	3.0%

Source: Federal Special Revenue Fund Group: CFDA 10.558, Child and Adult Care Food Program

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

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

3L90 200621 Career-Technical Education Basic Grant

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$44,653,541	\$45,264,626	\$44,293,259	\$46,852,365	\$48,466,864	\$48,466,864
	1.4%	-2.1%	5.8%	3.4%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.048, Career and Technical Education - Basic Grants to States

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item supports state leadership activities in career-technical education and in administration of the state plan for career-technical education, and provides formula grants to districts and post secondary institutions administering career-technical programs. State matching funds for this item are provided through GRF appropriation item 200416, Career-Technical Education Match.

Department of Education

3M00 200623 ESEA Title 1A

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$412,094,549	\$499,453,152	\$538,940,981	\$548,010,000	\$530,010,000	\$530,010,000
	21.2%	7.9%	1.7%	-3.3%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.010, Title I Grants to Local Educational Agencies

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provides funds to school districts based on a federal formula. Districts are to use the funds to provide additional academic support and learning opportunities to help low-achieving children meet state standards in core academic subjects. Funds are targeted to schools with large numbers or percentages of children from low-income families. Schools enrolling at least 40 percent of students from low-income families are eligible to use these funds for school wide programs that serve all children in the school. Otherwise, the services must be targeted to children who are failing, or most at risk of failing, to meet state academic standards. The No Child Left Behind (NCLB) Act of 2001 reauthorized ESEA. It holds districts receiving Title IA funds accountable for progress in student achievement through the adequate yearly progress (AYP) determination. Districts that fail to obtain AYP for a certain number of years must spend up to 20% of their Title IA allocations on school choice and supplemental services.

3M10 200678 Innovative Education

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$4,058,134	\$2,909,514	\$597,503	\$0	\$0	\$0
	-28.3%	-79.5%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.298, Innovative Education Program Strategies

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item was used to improve the quality of education for all students. Funding was used to support local education reform efforts, to implement promising education reform and school improvement programs based on scientifically based research, to provide library services and instructional and media material to students, and to develop and implement other programs to improve school, student, and teacher performance, including professional development activities and class-size reduction.

Department of Education

3M20 200680 Individuals with Disabilities Education Act

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$491,536,833	\$438,442,256	\$422,694,187	\$434,669,500	\$443,170,050	\$443,170,050
	-10.8%	-3.6%	2.8%	2.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.027, Special Education - Grants to States

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item supports the provision of education and services to students with disabilities. Most of these funds are distributed to school districts, county boards of developmental disabilities, community schools, the State School for the Blind, the School for the Deaf, the Department of Youth Services, and chartered and non-chartered nonpublic schools based on a formula prescribed by the U.S. Department of Education, including a base amount for each local education agency and additional population and poverty allocations. Districts use the funds to provide free and appropriate public education to children with disabilities, including special education and related services, as required by the federal Individuals with Disabilities Education Act. Approximately five percent of these funds may be used for administrative expenses.

3S20 200641 Education Technology

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,698,894	\$9,686,363	\$9,413,659	\$9,487,397	\$9,487,397	\$9,487,397
	11.4%	-2.8%	0.8%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.318, Education Technology State Grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on June 22, 1998)

Purpose: This federal program funds two types of Enhancing Education Through Technology (EETT) grants: formula and competitive. The grants are used for hardware, software, professional development, curriculum management tools, and other resources that assist districts in integrating technology into their language arts and mathematics curricula in grades kindergarten through eight. Two percent is used for state level activities and three percent for administration.

Department of Education

3T40 200613 Public Charter Schools

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$13,720,602	\$11,710,711	\$9,805,042	\$14,291,353	\$14,291,353	\$14,291,353
	-14.6%	-16.3%	45.8%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.282, Charter Schools

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on December 7, 1998)

Purpose: This line item assists in the planning, design, initial implementation, and dissemination of information on charter schools, known in Ohio as community schools. Grants are made for start-up costs in planning and early implementation phases of community school development. Funding also supports evaluation of community schools' effects on students, staff, and parents. Each community school funded through this program can qualify for a maximum of \$150,000 per year over a three-year period.

3Y20 200688 21st Century Community Learning Centers

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$25,997,234	\$25,250,285	\$34,797,829	\$41,638,535	\$43,720,462	\$45,906,485
	-2.9%	37.8%	19.7%	5.0%	5.0%

Source: Federal Special Revenue Fund Group: CFDA 84.287, 21st-Century Community Learning Centers

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item is used to provide grants to local educational agencies and to community and faith-based organizations to create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. The grant funds are used for remedial education activities and academic enrichment programs, tutorial and mentor services, after school activities emphasizing language skills, recreation activities for limited English proficient students, technology programs, and activities that promote parental involvement, drug prevention, arts and music education, mathematics and science education, violence prevention, and character education. Five percent of the funds are used by ODE for administrative expenses.

Department of Education

3Y40 200632 Reading First

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$19,976,156	\$15,191,897	\$17,809,670	\$9,300,000	\$0	\$0
	-23.9%	17.2%	-47.8%	-100%	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.357, Reading First

Legal Basis: Discontinued line item (originally established by Controlling Board on July 29, 2002)

Purpose: This line item supported the federal Reading First program. Approximately 80% of these funds were provided to school districts through competitive grants to assist in the establishment of research-based reading programs for students in kindergarten through third grade. The remaining funds were used by ODE for federal diagnostic tests; resource materials; program research, monitoring, and evaluation; and administration of the program. Reading First was a classroom- and teacher-based program and was available only for high poverty schools.

3Y60 200635 Improving Teacher Quality

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$93,926,689	\$103,111,518	\$101,476,006	\$101,778,400	\$101,900,000	\$101,900,000
	9.8%	-1.6%	0.3%	0.1%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.367, Improving Teacher Quality State Grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on August 12, 2002)

Purpose: This line item supports teacher quality. The bulk of the funds are distributed to school districts based on a federal formula that takes into account a district's enrollment and poverty rate. The districts must use these funds to recruit and retain highly qualified teachers and to provide professional development. Approximately 1% of the total funds is retained by ODE for administration of the program, and 4% is used to support partnerships between districts and higher education institutions in developing education training activities.

Department of Education

3Y70 200689 English Language Acquisition

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$6,744,789	\$7,347,373	\$7,581,026	\$8,142,299	\$8,373,995	\$8,373,995
	8.9%	3.2%	7.4%	2.8%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.365, English Language Acquisition

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item provides funds to school districts to improve the education of limited English proficient children by assisting the children to learn English and to meet the state's academic content and student achievement standards. Five percent of the funds are used by ODE for administration.

3Y80 200639 Rural and Low Income Technical Assistance

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,498,581	\$1,776,783	\$1,811,020	\$2,000,000	\$1,500,000	\$1,500,000
	18.6%	1.9%	10.4%	-25.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.358, Rural Education

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item is used to provide additional resources for increasing student achievement and reducing drop-out rates in rural and low income school districts. Funds are used to, among other things, help attract qualified teachers and provide professional development appropriate for teaching low income students.

3Z20 200690 State Assessments

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$11,208,740	\$13,905,904	\$8,617,597	\$13,644,611	\$11,882,258	\$11,882,258
	24.1%	-38.0%	58.3%	-12.9%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.369, State Assessments

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item supports the development, production, scoring, and reporting of state reading and mathematics achievement assessments in grades three through eight and in grade ten that are mandated by the federal No Child Left Behind Act of 2001. The funds in this line item are used in conjunction with funds from GRF appropriation item 200437, Student Assessments.

Department of Education

3Z30 200645 Consolidated Federal Grant Administration

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$8,842,418	\$7,791,964	\$7,710,624	\$8,949,280	\$8,949,280	\$8,949,280
	-11.9%	-1.0%	16.1%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: Various Federal Grant Programs

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on July 7, 2003)

Purpose: This line item is an administrative pool for 11 federal funds and is used for administration, to coordinate the programs with other federal programs, to establish and operate peer review mechanisms under the Elementary and Secondary Education Act (ESEA), to disseminate information regarding model programs and practices, to provide technical assistance, to engage in state level activities, and to train personnel engaged in monitoring activities.

3Z70 200697 General Supervisory Enhancement Grant

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$1,360,905	\$1,442,294	\$0	\$0	\$0
	N/A	6.0%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 84.373, Special Education - Technical Assistance on State Data Collection

Legal Basis: Discontinued line item (originally established by Controlling Board on January 28, 2008)

Purpose: The line item supported a collaborative effort of ODE, the Oregon and Minnesota departments of education, and the American Institutes for Research (AIR). The goal of the consortium is to share resources and expertise to develop assessments of modified academic achievement standards for a defined target population of students who may be hampered by significant learning disabilities and other cognitive limitations. ODE used the grant proceeds to fund personal service contracts for the development of a modified test for special education students identified in the target group.

Department of Education

State Special Revenue Fund Group

4540 200610 Guidance and Testing

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$388,015	\$384,797	\$609,859	\$900,000	\$1,050,000	\$1,050,000
	-0.8%	58.5%	47.6%	16.7%	0.0%

Source: State Special Revenue Fund Group: Sale of tests and test service proceeds

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established in 1929)

Purpose: This line item is used for the administrative costs of the GED, which includes the cost of scoring the test and providing transcripts and confirmations of GED testing to employers. The funds are provided through a fee charged for taking the test. In September 2009, ODE reduced this fee from \$65 to \$40 with an additional \$10 fee for those applicants required to retake any one section of the test.

4550 200608 Commodity Foods

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$17,953,139	\$18,520,174	\$21,281,058	\$24,000,000	\$24,000,000	\$24,000,000
	3.2%	14.9%	12.8%	0.0%	0.0%

Source: State Special Revenue Fund Group: Food processing and handling charges

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board in September 1978)

Purpose: This line item is supported by the processing and handling fees that are paid by school districts receiving the food. ODE uses these funds to obtain the food from the U.S. Department of Agriculture. The purpose of the program is to provide inexpensive quality food to schools and charitable institutions.

Department of Education

4R70 200695 Indirect Operational Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$5,252,847	\$5,438,725	\$4,763,866	\$5,990,000	\$6,500,000	\$6,600,000
	3.5%	-12.4%	25.7%	8.5%	1.5%

Source: State Special Revenue Fund Group: Indirect payment for ODE's role in running federal projects (allowed by the federal government)

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board in December 1993)

Purpose: This line item receives funds from all ODE line items (both GRF and Federal) that spend funds on personnel and maintenance. These funds are used for a variety of administrative purposes including accounting, human resources, grants management, and internal auditing functions. The rate is approved annually by the U.S. Department of Education.

4V70 200633 Interagency Operational Support

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,725,065	\$1,101,332	\$506,680	\$523,875	\$1,117,725	\$1,117,725
	-36.2%	-54.0%	3.4%	113.4%	0.0%

Source: State Special Revenue Fund Group: Funds received from the Department of Youth Services, the Department of Rehabilitation and Corrections, and the Department of Drug and Alcohol Addiction Services

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board in June 1995)

Purpose: This line item is supported by funding from other state agencies for specific programs (such as Training for At Risk Youth, Child Abuse Detection, Building Inspection, and the Commission on Fatherhood) that require ODE's assistance.

Department of Education

5980 200659 Auxiliary Services Reimbursement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,375,001	\$714,607	\$556,106	\$1,328,910	\$1,328,910	\$1,328,910
	-48.0%	-22.2%	139.0%	0.0%	0.0%

Source: State Special Revenue Fund Group: Funds transferred from the Auxiliary Services Personnel Unemployment Compensation Fund

Legal Basis: ORC 3317.064; Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 238 of the 116th G.A.)

Purpose: This line item is supported by moneys received from the Auxiliary Services Personnel Unemployment Compensation Fund that are deemed to be in excess of the amount needed to pay unemployment claims. The funds are used to replace and repair mobile units used in providing auxiliary services to state chartered nonpublic schools .

5BB0 200696 State Action for Education Leadership

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$960,564	\$1,797,212	\$1,179,687	\$600,000	\$231,300	\$0
	87.1%	-34.4%	-49.1%	-61.5%	-100%

Source: State Special Revenue Fund Group: Grants from the Wallace and the Bill and Melinda Gates Foundations

Legal Basis: ORC 3301.21; Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 16 of the 126th G.A.)

Purpose: This line item is used to develop leadership programs for the Big Eight school districts; to target training to teacher-leaders, principals, and union leaders; to develop a Teacher Leader and Urban Principal Endorsement; and to develop the Ohio Superintendent Evaluation System.

Department of Education

5BJ0 200626 Half-Mill Maintenance Equalization

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$15,221,933	\$16,267,684	\$16,713,131	\$16,600,000	\$17,300,000	\$18,000,000
	6.9%	2.7%	-0.7%	4.2%	4.0%

Source: State Special Revenue Fund Group: Excess funds from the School District Property Tax Replacement Fund (Fund 0530)

Legal Basis: ORC 3318 (F); Section 265.40.20 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used to equalize the half-mill levy that school districts participating in the School Facilities Commission's school building assistance program are required to levy to help pay for the maintenance costs of their state-assisted buildings. Districts with per pupil valuations that are less than the state average receive funds to equalize this half-mill levy to the state average. Funding can be used only to maintain school buildings constructed with state assistance.

5U20 200685 National Education Statistics

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$137,073	\$82,497	\$227,140	\$300,000	\$300,000	\$300,000
	-39.8%	175.3%	32.1%	0.0%	0.0%

Source: State Special Revenue Fund Group: Grant for NAEP

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Controlling Board on May 6, 2002)

Purpose: This line item funds the position of National Assessment of Educational Progress (NAEP) state coordinator as well as other specific data collection tasks associated with NAEP. The state coordinator position provides technical assistance to state and local education agencies on the collection of education statistics. The No Child Left Behind Act of 2001 requires states to participate in NAEP.

Department of Education

5W20 200663 Early Learning Initiative

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,223,295	\$1,867,769	\$687,966	\$155,996	\$0	\$0
	52.7%	-63.2%	-77.3%	-100%	N/A

Source: State Special Revenue Fund Group: Federal Title IV-A funds

Legal Basis: Discontinued line item (originally established by Section 41.19 of Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: This line item received federal Temporary Assistance to Needy Families (TANF) funds to support the Early Learning Initiative (ELI) that was established by Am. Sub. H.B. 66 of the 126th G.A. ELI provided early learning and child care services for families earning not more than 185% of the federal poverty level in FY 2008 and 200% of the federal poverty level in FY 2009. ELI was jointly administered by ODE and the Ohio Department of Job and Family Services (ODJFS). Beginning in FY 2008, this line item provided funds only for ODE's administrative costs. Actual ELI subsidies were disbursed by ODJFS. This program was eliminated beginning in FY 2010.

5X90 200911 NGA STEM

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$94,950	\$212,671	\$145,034	\$0	\$0	\$0
	124.0%	-31.8%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: Grant from National Governor's Association

Legal Basis: Discontinued line item (originally established by Controlling Board on September 10, 2007)

Purpose: This line item supported STEM (science, technology, engineering, and mathematics) programs in Ohio. These programs were intended to help Ohio students become STEM literate, to encourage students to achieve greater creativity, and to develop the ability to apply their knowledge and skills in multiple settings.

Department of Education

6200 200615 Educational Improvement Grants

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,737,240	\$654,234	\$328,599	\$305,000	\$3,000,000	\$3,000,000
	-62.3%	-49.8%	-7.2%	883.6%	0.0%

Source: State Special Revenue Fund Group: Miscellaneous education grants

Legal Basis: Section 265.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 282 of the 123rd G.A.)

Purpose: This line item receives funds from miscellaneous educational grants from private foundations for specified purposes, such as grants from the Jennings Foundation for innovative early childhood education and parental involvement initiatives.

6210 200910 Preschool Foreign Language

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$218,106	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

Source: State Special Revenue Fund Group: Grants from the Martha Holden Jennings Foundation, the Cleveland Foundation, and the Ohio State University

Legal Basis: Discontinued line item (originally established by Controlling Board on August 20, 2007)

Purpose: This line item created materials (through a contract with the Sesame Workshop) and professional development for preschool foreign language instruction in Mandarin Chinese. The program was a research pilot which involved preschool programs in the Cleveland Heights and University Heights school districts.

Department of Education

Lottery Profits/Education Fund Group

7017 200612 Foundation Funding

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$666,198,000	\$707,900,000	\$745,000,000	\$711,000,000	\$717,500,000	\$680,500,000
	6.3%	5.2%	-4.6%	0.9%	-5.2%

Source: Lottery Profits/Education Fund Group: Lottery Profits Education Fund

Legal Basis: Section 265.40.50 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item is used in conjunction with GRF line item 200550, Foundation Funding, to fund state foundation payments to school districts and joint vocational school districts. Also see the description for line item 200550, Foundation Funding.

7017 200682 Lease Rental Payment Reimbursement

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$22,702,000	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

Source: Lottery Profits/Education Fund Group: Lottery Profits Education Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provided funds to pay debt service incurred from special revenue bonds issued for the classroom facilities assistance program. Funds were transferred to the School Facilities Commission's (SFC) GRF appropriation item 230428, Lease Rental Payments. Before SFC was created, funds were transferred to ODE's GRF line item 200413, Lease Rental. All special revenue bonds were retired in FY 2008.

Department of Education

Revenue Distribution Fund Group

7047 200909 School District Property Tax Replacement-Business

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$620,818,733	\$799,471,496	\$1,041,352,123	\$1,150,207,366	\$722,000,000	\$475,000,000
	28.8%	30.3%	10.5%	-37.2%	-34.2%

Source: Revenue Distribution Fund Group: Transfers from the commercial activity tax

Legal Basis: ORC 5751.21; Section 265.40.80 of Am. Sub. H.B. 1 of the 128th G.A.

Purpose: This line item is used by ODE, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts. These payments, combined with increases in state education aid resulting from lower property values, compensate school districts and joint vocational school districts for their losses arising from the phase-out of general business tangible personal property taxes as a result of Am. Sub. H.B. 66 of the 126th G.A.

7053 200900 School District Property Tax Replacement-Utility

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$85,486,475	\$82,309,041	\$79,853,124	\$91,123,523	\$34,000,000	\$30,000,000
	-3.7%	-3.0%	14.1%	-62.7%	-11.8%

Source: Revenue Distribution Fund Group: Kilowatt-hour taxes on electricity and MCF taxes on natural gas

Legal Basis: ORC 5727.84 and 5727.85; Section 265.40.80 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. S.B. 3 of the 123rd G.A.)

Purpose: This line item is used by ODE, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts. These payments, combined with increases in state education aid resulting from lower property values, compensate school districts and joint vocational school districts for their losses of property tax revenues because of changes in public utility assessment rates as a result of Am. Sub. S.B. 3 and Am. Sub. S.B. 287 of the 123rd G.A.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
EDU Department of Education								
GRF	200100	Personal Services	\$ 9,874,737	\$ 10,723,972	\$ 9,787,957	-8.73%	\$ 9,787,957	0.00%
GRF	200320	Maintenance and Equipment	\$ 3,643,154	\$ 3,144,897	\$ 2,943,498	-6.40%	\$ 2,943,498	0.00%
GRF	200408	Early Childhood Education	\$ 24,117,882	\$ 23,268,341	\$ 23,268,341	0.00%	\$ 23,268,341	0.00%
GRF	200410	Educator Training	\$ 636,301	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200416	Career-Technical Education Match	\$ 2,232,562	\$ 2,233,195	\$ 2,233,195	0.00%	\$ 2,233,195	0.00%
GRF	200420	Computer/Application/Network Development	\$ 3,853,487	\$ 4,880,871	\$ 4,541,296	-6.96%	\$ 4,541,296	0.00%
GRF	200421	Alternative Education Programs	\$ 7,944,857	\$ 7,918,749	\$ 7,403,998	-6.50%	\$ 7,403,998	0.00%
GRF	200422	School Management Assistance	\$ 1,881,167	\$ 3,230,469	\$ 2,950,521	-8.67%	\$ 3,250,521	10.17%
GRF	200424	Policy Analysis	\$ 266,219	\$ 361,065	\$ 361,065	0.00%	\$ 361,065	0.00%
GRF	200425	Tech Prep Consortia Support	\$ 1,143,881	\$ 1,260,542	\$ 260,542	-79.33%	\$ 260,542	0.00%
GRF	200426	Ohio Educational Computer Network	\$ 20,892,138	\$ 20,425,556	\$ 18,383,000	-10.00%	\$ 18,383,000	0.00%
GRF	200427	Academic Standards	\$ 5,013,427	\$ 5,300,074	\$ 4,414,979	-16.70%	\$ 3,752,732	-15.00%
GRF	200431	School Improvement Initiatives	\$ 8,279,134	\$ 7,391,503	\$ 0	-100.00%	\$ 0	N/A
GRF	200433	Literacy Improvement - Professional Development	\$ 360,926	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200437	Student Assessment	\$ 66,975,999	\$ 56,703,265	\$ 55,954,648	-1.32%	\$ 55,954,648	0.00%
GRF	200439	Accountability/Report Cards	\$ 3,311,469	\$ 3,804,673	\$ 3,769,279	-0.93%	\$ 3,769,279	0.00%
GRF	200442	Child Care Licensing	\$ 778,554	\$ 877,140	\$ 877,140	0.00%	\$ 877,140	0.00%
GRF	200446	Education Management Information System	\$ 12,803,089	\$ 11,934,284	\$ 6,833,070	-42.74%	\$ 6,833,070	0.00%
GRF	200447	GED Testing	\$ 865,842	\$ 988,553	\$ 879,551	-11.03%	\$ 879,551	0.00%
GRF	200448	Educator Preparation	\$ 937,392	\$ 1,328,240	\$ 786,737	-40.77%	\$ 786,737	0.00%
GRF	200455	Community Schools and Choice Programs	\$ 1,205,031	\$ 1,000,000	\$ 2,200,000	120.00%	\$ 2,200,000	0.00%
GRF	200457	STEM Initiatives	\$ 8,078,291	\$ 5,000,000	\$ 0	-100.00%	\$ 0	N/A
GRF	200458	School Employees Health Care Board	\$ 250,094	\$ 790,000	\$ 0	-100.00%	\$ 0	N/A
GRF	200502	Pupil Transportation	\$ 418,670,503	\$ 462,822,619	\$ 438,248,936	-5.31%	\$ 442,113,527	0.88%
GRF	200503	Bus Purchase Allowance	\$ 105,000	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200505	School Lunch Match	\$ 9,100,273	\$ 9,100,000	\$ 9,100,000	0.00%	\$ 9,100,000	0.00%
GRF	200509	Adult Literacy Education	\$ 118,649	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200511	Auxiliary Services	\$ 111,939,528	\$ 111,979,388	\$ 113,547,099	1.40%	\$ 115,250,305	1.50%

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
EDU Department of Education								
GRF	200521	Gifted Pupil Program	\$ 111,083	\$ 0	\$0	N/A	\$0	N/A
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 50,785,823	\$ 50,838,939	\$ 51,550,684	1.40%	\$ 52,323,944	1.50%
GRF	200536	Ohio Core Support	\$ 781,241	\$ 0	\$0	N/A	\$0	N/A
GRF	200540	Special Education Enhancements	\$ 131,294,253	\$ 135,820,668	\$ 135,820,668	0.00%	\$ 135,820,668	0.00%
GRF	200545	Career-Technical Education Enhancements	\$ 6,621,011	\$ 7,802,699	\$ 8,802,699	12.82%	\$ 8,802,699	0.00%
GRF	200550	Foundation Funding	\$ 5,360,044,669	\$ 5,312,560,800	\$ 5,420,788,773	2.04%	\$ 5,504,484,181	1.54%
GRF	200551	Foundation Funding - Federal Stimulus	\$ 417,567,145	\$ 457,449,362	\$ 0	-100.00%	\$ 0	N/A
GRF	200566	Literacy Improvement - Classroom Grants	\$ 1,127,386	\$ 0	\$0	N/A	\$0	N/A
GRF	200578	Violence Prevention and School Safety	\$ 73,317	\$ 200,000	\$ 0	-100.00%	\$ 0	N/A
GRF	200901	Property Tax Allocation - Education	\$ 1,057,127,330	\$ 1,050,655,157	\$ 1,086,500,000	3.41%	\$ 1,095,000,000	0.78%
	GRF - State		\$ 7,333,245,699	\$ 7,314,345,659	\$ 7,412,207,676	1.34%	\$ 7,510,381,894	1.32%
	GRF - Federal Stimulu		\$ 417,567,145	\$ 457,449,362	\$ 0	-100.00%	\$ 0	N/A
	General Revenue Fund Total		\$ 7,750,812,844	\$ 7,771,795,021	\$ 7,412,207,676	-4.63%	\$ 7,510,381,894	1.32%
1380	200606	Computer Services - Operational Support	\$ 4,665,134	\$ 6,317,280	\$ 7,600,090	20.31%	\$ 7,600,090	0.00%
4520	200638	Miscellaneous Educational Services	\$ 255,253	\$ 146,809	\$ 300,000	104.35%	\$ 300,000	0.00%
4L20	200681	Teacher Certification and Licensure	\$ 6,243,340	\$ 7,570,536	\$ 8,147,756	7.62%	\$ 8,147,756	0.00%
5960	200656	Ohio Career Information System	\$ 490,556	\$ 391,954	\$ 529,761	35.16%	\$ 529,761	0.00%
5H30	200687	School District Solvency Assistance	\$ 6,557,000	\$ 18,000,000	\$ 25,000,000	38.89%	\$ 25,000,000	0.00%
	General Services Fund Group Total		\$ 18,211,283	\$ 32,426,579	\$ 41,577,607	28.22%	\$ 41,577,607	0.00%
3090	200601	Neglected and Delinquent Education	\$ 6,276,424	\$ 8,405,512	\$ 2,168,642	-74.20%	\$ 2,168,642	0.00%
3670	200607	School Food Services	\$ 4,071,831	\$ 6,577,695	\$ 6,803,472	3.43%	\$ 6,959,906	2.30%
3680	200614	Veterans' Training	\$ 37,135	\$ 0	\$0	N/A	\$0	N/A
3690	200616	Career-Technical Education Federal Enhancement	\$ 4,219,438	\$ 5,000,000	\$ 5,000,000	0.00%	\$ 5,000,000	0.00%
3700	200624	Education of Exceptional Children	\$ 1,421,764	\$ 2,325,000	\$ 1,905,000	-18.06%	\$ 0	-100.00%
3740	200647	Troops to Teachers	\$ 3,157	\$ 0	\$0	N/A	\$0	N/A
3780	200660	Learn and Serve	\$ 663,837	\$ 1,135,864	\$ 619,211	-45.49%	\$ 619,211	0.00%
3AF0	200603	Schools Medicaid Administrative Claims	\$ 339,203	\$ 639,000	\$ 639,000	0.00%	\$ 639,000	0.00%
3AN0	200671	School Improvement Grants	\$ 6,372,108	\$ 17,936,675	\$ 20,400,000	13.73%	\$ 20,400,000	0.00%
3AX0	200698	Improving Health and Educational Outcomes of Young People	\$ 549,095	\$ 630,954	\$ 630,954	0.00%	\$ 630,954	0.00%

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
EDU Department of Education								
3BK0	200628	Longitudinal Data Systems	\$ 855,382	\$ 1,282,650	\$ 500,000	-61.02%	\$ 250,000	-50.00%
3BV0	200636	Character Education	\$ 377,171	\$ 0	\$ 0	N/A	\$ 0	N/A
3C50	200661	Early Childhood Education	\$ 14,442,174	\$ 14,554,749	\$ 14,554,749	0.00%	\$ 14,554,749	0.00%
3CF0	200644	Foreign Language Assistance	\$ 78,184	\$ 0	\$ 0	N/A	\$ 0	N/A
3CG0	200646	Teacher Incentive Fund	\$ 4,374,021	\$ 2,857,276	\$ 1,925,881	-32.60%	\$ 0	-100.00%
3D10	200664	Drug Free Schools	\$ 7,403,336	\$ 13,347,966	\$ 1,500,000	-88.76%	\$ 0	-100.00%
3D20	200667	Math Science Partnerships	\$ 6,295,953	\$ 6,985,000	\$ 9,500,001	36.01%	\$ 9,500,001	0.00%
3DC0	200625	Federal Stimulus - School Lunch Cafeteria Equipment	\$ 2,948,008	\$ 2,481	\$ 0	-100.00%	\$ 0	N/A
3DG0	200630	Federal Stimulus - McKinney Vento Grants	\$ 632,093	\$ 1,322,048	\$ 330,512	-75.00%	\$ 0	-100.00%
3DJ0	200699	IDEA Part B - Federal Stimulus	\$ 210,511,124	\$ 218,868,026	\$ 21,886,803	-90.00%	\$ 0	-100.00%
3DK0	200642	Title IA - Federal Stimulus	\$ 141,670,481	\$ 186,336,737	\$ 18,633,673	-90.00%	\$ 0	-100.00%
3DL0	200650	IDEA Preschool - Federal Stimulus	\$ 6,071,322	\$ 6,679,679	\$ 670,000	-89.97%	\$ 0	-100.00%
3DM0	200651	Title IID Technology - Federal Stimulus	\$ 3,514,113	\$ 11,951,000	\$ 1,195,100	-90.00%	\$ 0	-100.00%
3DP0	200652	Title I School Improvement - Federal Stimulus	\$ 0	\$ 54,221,000	\$ 48,500,000	-10.55%	\$ 30,000,000	-38.14%
3EC0	200653	Teacher Incentive - Federal Stimulus	\$ 0	\$ 2,792,778	\$ 7,500,000	168.55%	\$ 7,500,000	0.00%
3EF0	200694	National School Lunch Program - Equipment	\$ 0	\$ 744,157	\$ 0	-100.00%	\$ 0	N/A
3EH0	200620	Migrant Education	\$ 0	\$ 2,728,897	\$ 2,645,905	-3.04%	\$ 2,645,905	0.00%
3EJ0	200622	Homeless Children Education	\$ 0	\$ 2,372,125	\$ 1,759,782	-25.81%	\$ 1,759,782	0.00%
3EM0	200643	Byrd Scholarship	\$ 0	\$ 1,549,225	\$ 0	-100.00%	\$ 0	N/A
3EN0	200655	State Data Systems - Federal Stimulus	\$ 0	\$ 250,000	\$ 2,500,000	900.00%	\$ 2,500,000	0.00%
3ES0	200657	General Supervisory Enhancement Grant	\$ 0	\$ 470,000	\$ 500,000	6.38%	\$ 500,000	0.00%
3ET0	200658	Education Jobs Fund	\$ 0	\$ 361,179,690	\$ 300,000,000	-16.94%	\$ 50,000,000	-83.33%
3FD0	200665	Race to the Top	\$ 0	\$ 100,000,000	\$ 100,000,000	0.00%	\$ 100,000,000	0.00%
3FE0	200669	Striving Readers	\$ 0	\$ 283,852	\$ 180,000	-36.59%	\$ 100,000	-44.44%
3H90	200605	Head Start Collaboration Project	\$ 199,598	\$ 225,000	\$ 225,000	0.00%	\$ 225,000	0.00%
3L60	200617	Federal School Lunch	\$ 309,556,438	\$ 317,994,935	\$ 327,516,539	2.99%	\$ 337,323,792	2.99%
3L70	200618	Federal School Breakfast	\$ 84,497,000	\$ 85,045,485	\$ 87,596,850	3.00%	\$ 90,224,756	3.00%
3L80	200619	Child/Adult Food Programs	\$ 86,629,050	\$ 97,913,431	\$ 100,850,833	3.00%	\$ 103,876,359	3.00%
3L90	200621	Career-Technical Education Basic Grant	\$ 44,293,259	\$ 46,852,365	\$ 48,466,864	3.45%	\$ 48,466,864	0.00%
3M00	200623	ESEA Title 1A	\$ 538,940,981	\$ 548,010,000	\$ 530,010,000	-3.28%	\$ 530,010,000	0.00%

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
EDU Department of Education								
3M10	200678	Innovative Education	\$ 597,503	\$ 0	\$0	N/A	\$0	N/A
3M20	200680	Individuals with Disabilities Education Act	\$ 422,694,187	\$ 434,669,500	\$ 443,170,050	1.96%	\$ 443,170,050	0.00%
3S20	200641	Education Technology	\$ 9,413,659	\$ 9,487,397	\$ 9,487,397	0.00%	\$ 9,487,397	0.00%
3T40	200613	Public Charter Schools	\$ 9,805,042	\$ 14,291,353	\$ 14,291,353	0.00%	\$ 14,291,353	0.00%
3Y20	200688	21st Century Community Learning Centers	\$ 34,797,829	\$ 41,638,535	\$ 43,720,462	5.00%	\$ 45,906,485	5.00%
3Y40	200632	Reading First	\$ 17,809,670	\$ 9,300,000	\$ 0	-100.00%	\$ 0	N/A
3Y60	200635	Improving Teacher Quality	\$ 101,476,006	\$ 101,778,400	\$ 101,900,000	0.12%	\$ 101,900,000	0.00%
3Y70	200689	English Language Acquisition	\$ 7,581,026	\$ 8,142,299	\$ 8,373,995	2.85%	\$ 8,373,995	0.00%
3Y80	200639	Rural and Low Income Technical Assistance	\$ 1,811,020	\$ 2,000,000	\$ 1,500,000	-25.00%	\$ 1,500,000	0.00%
3Z20	200690	State Assessments	\$ 8,617,597	\$ 13,644,611	\$ 11,882,258	-12.92%	\$ 11,882,258	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$ 7,710,624	\$ 8,949,280	\$ 8,949,280	0.00%	\$ 8,949,280	0.00%
3Z70	200697	General Supervisory Enhancement Grant	\$ 1,442,294	\$ 0	\$ 0	N/A	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 2,111,000,137	\$ 2,773,372,627	\$ 2,310,389,566	-16.69%	\$ 2,011,315,739	-12.94%
4540	200610	Guidance and Testing	\$ 609,859	\$ 900,000	\$ 1,050,000	16.67%	\$ 1,050,000	0.00%
4550	200608	Commodity Foods	\$ 21,281,058	\$ 24,000,000	\$ 24,000,000	0.00%	\$ 24,000,000	0.00%
4R70	200695	Indirect Operational Support	\$ 4,763,866	\$ 5,990,000	\$ 6,500,000	8.51%	\$ 6,600,000	1.54%
4V70	200633	Interagency Operational Support	\$ 506,680	\$ 523,875	\$ 1,117,725	113.36%	\$ 1,117,725	0.00%
5980	200659	Auxiliary Services Reimbursement	\$ 556,106	\$ 1,328,910	\$ 1,328,910	0.00%	\$ 1,328,910	0.00%
5BB0	200696	State Action for Education Leadership	\$ 1,179,687	\$ 600,000	\$ 231,300	-61.45%	\$ 0	-100.00%
5BJ0	200626	Half-Mill Maintenance Equalization	\$ 16,713,131	\$ 16,600,000	\$ 17,300,000	4.22%	\$ 18,000,000	4.05%
5U20	200685	National Education Statistics	\$ 227,140	\$ 300,000	\$ 300,000	0.00%	\$ 300,000	0.00%
5W20	200663	Early Learning Initiative	\$ 687,966	\$ 155,996	\$ 0	-100.00%	\$ 0	N/A
5X90	200911	NGA STEM	\$ 145,034	\$ 0	\$0	N/A	\$0	N/A
6200	200615	Educational Improvement Grants	\$ 328,599	\$ 305,000	\$ 3,000,000	883.61%	\$ 3,000,000	0.00%
State Special Revenue Fund Group Total			\$ 46,999,127	\$ 50,703,781	\$ 54,827,935	8.13%	\$ 55,396,635	1.04%
7017	200612	Foundation Funding	\$ 745,000,000	\$ 711,000,000	\$ 717,500,000	0.91%	\$ 680,500,000	-5.16%
Lottery Profits/Education Fund Group Total			\$ 745,000,000	\$ 711,000,000	\$ 717,500,000	0.91%	\$ 680,500,000	-5.16%
7047	200909	School District Property Tax Replacement-Business	\$ 1,041,352,123	\$ 1,150,207,366	\$ 722,000,000	-37.23%	\$ 475,000,000	-34.21%
7053	200900	School District Property Tax Replacement-Utility	\$ 79,853,124	\$ 91,123,523	\$ 34,000,000	-62.69%	\$ 30,000,000	-11.76%

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency	FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
EDU Department of Education						
Revenue Distribution Fund Group Total	\$ 1,121,205,248	\$ 1,241,330,889	\$ 756,000,000	-39.10%	\$ 505,000,000	-33.20%
Department of Education Total	\$ 11,793,228,638	\$ 12,580,628,897	\$ 11,292,502,784	-10.24%	\$ 10,804,171,875	-4.32%