

LSC Redbook

Analysis of the Executive Budget Proposal

Department of Education

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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. 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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ATTACHMENTS:

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

Department of Education

- Establishes new school funding formulas
- Provides increases of 6.5% and 4.2% in FY 2014 and FY 2015, respectively, in GRF and lottery spending
- Creates \$300 million Straight A competitive grant program
- Funds implementation of new generation of student assessments
- Expands eligibility for EdChoice Scholarships

OVERVIEW

Agency Overview

The Ohio Department of Education (ODE) oversees a public education system consisting of 612 public school districts, 49 joint vocational school districts, and approximately 370 public community schools. This system enrolls approximately 1.8 million students in grades kindergarten through 12 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 750 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.

Staffing Levels

As of the end of February 2013, ODE has 523 full-time permanent employees. This staffing level is 85 below February 2011, when the number of such employees was 608. Currently, ODE also has 43 intermittent employees and nine interns.

Appropriation Overview

Appropriations by Fund Group

The executive budget provides a total appropriation of \$11.63 billion in FY 2014 and \$11.96 billion in FY 2015 for ODE. Table 1 and Chart 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

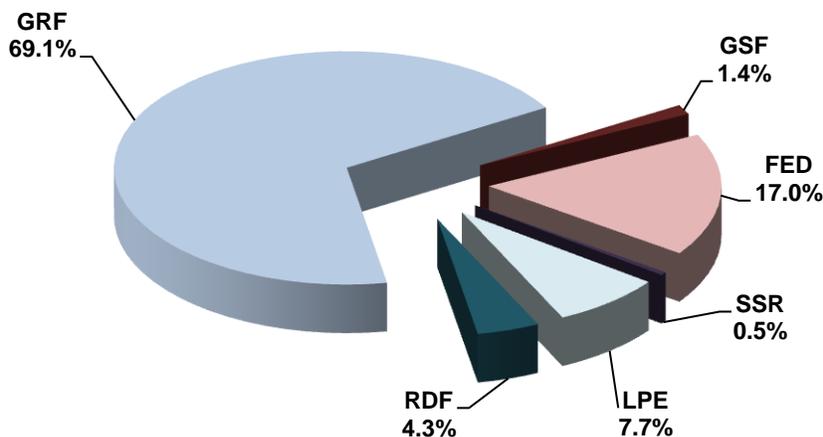
funding for the biennium at 76.8%. Federal funds account for the next largest portion at 17.0%. Appropriations from the Revenue Distribution Fund (RDF) Group, which provide direct reimbursements to school districts and joint vocational school districts for property tax losses due to utility deregulation and the phase-out of the business tangible personal property tax, account for 4.3% of ODE's funding for the biennium. The State Special Revenue Fund (SSR) Group and the General Services Fund (GSF) Group account for the remaining 1.9%. The large increase in the GSF Group is due to a new fund proposed by the executive that will pool a portion of state aid funds to be used to cover school reimbursements for exceptional costs associated with some special education students. The increase in the Lottery Profits appropriation is a result of projected increases in lottery profits due largely to the expansion of video lottery terminals (VLTs).

Table 1. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015

Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Revenue	\$7,633,946,944	\$8,031,983,496	5.2%	\$8,275,446,651	3.0%
General Services	\$40,779,026	\$153,330,854	276.0%	\$166,613,677	8.7%
Federal Special Revenue	\$2,051,977,739	\$2,038,044,998	-0.7%	\$1,977,403,455	-3.0%
State Special Revenue	\$52,797,135	\$53,996,635	2.3%	\$54,149,635	0.3%
Lottery Profits	\$696,700,000	\$841,000,000	20.7%	\$974,500,000	15.9%
Revenue Distribution	\$510,000,000	\$510,000,000	0.0%	\$510,000,000	0.0%
TOTAL	\$10,986,200,844	\$11,628,355,983	5.8%	\$11,958,113,418	2.8%
GRF and Lottery	\$8,330,646,944	\$8,872,983,496	6.5%	\$9,249,946,651	4.2%

*FY 2013 figures represent estimated expenditures.

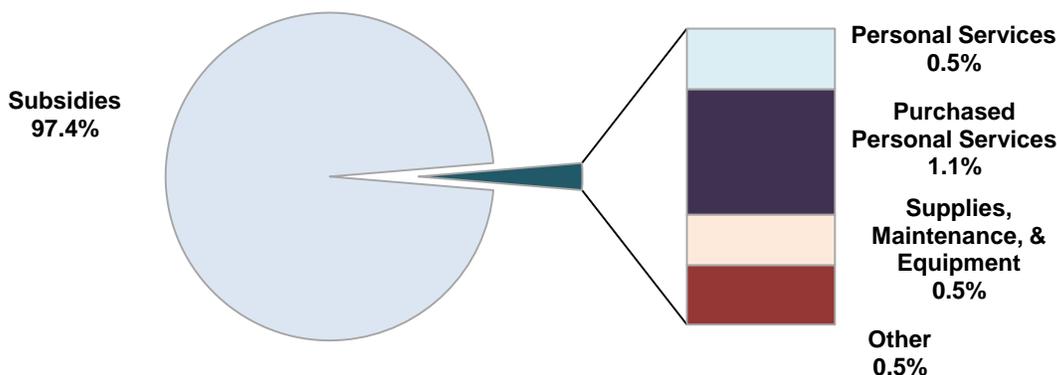
Chart 1: Biennial Executive Budget Recommendations by Fund Group, FY 2014-FY 2015



Appropriations by Object of Expense

Chart 2 shows the executive recommended appropriations by object of expense. Over 97% of ODE's budget is paid out as subsidies, mainly to traditional school districts, but also to joint vocational school districts, community schools, educational service centers, chartered nonpublic schools, and other education providers.

Chart 2: Biennial Executive Budget Recommendations by Object of Expense, FY 2014-FY 2015



ODE retains approximately \$498.7 million (2.1%) 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 \$127.6 million (25.6%) of these funds expended at the state level. Purchased personal services accounts for approximately \$264.6 million (53.1%) of these funds. Over half of the purchased personal services appropriations, \$148.7 million, are for contracts to run the state's assessment system.

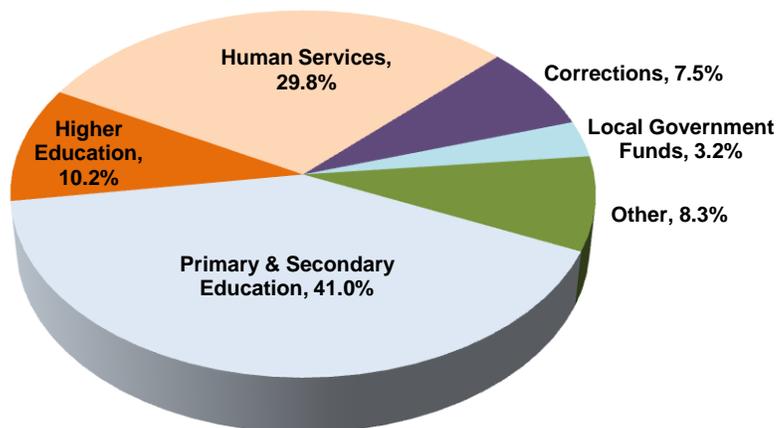
Primary and Secondary Education's Share of the State GRF Budget²

The four major spending areas of the state budget are: primary and secondary education, human services, higher education, and corrections. The executive GRF budget recommendations total \$46.03 billion for the FY 2014-FY 2015 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

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.

executive budget, spending on primary and secondary education continues to be the largest spending area at 41.0% of the executive recommendations. The proportions for the other areas of spending are: 29.8% for human services, 10.2% for higher education, 7.5% for corrections, 3.2% for local government funds, and 8.3% for all other areas.

**Chart 3: State Appropriations by Program Area,
FY 2014-FY 2015 Biennium**



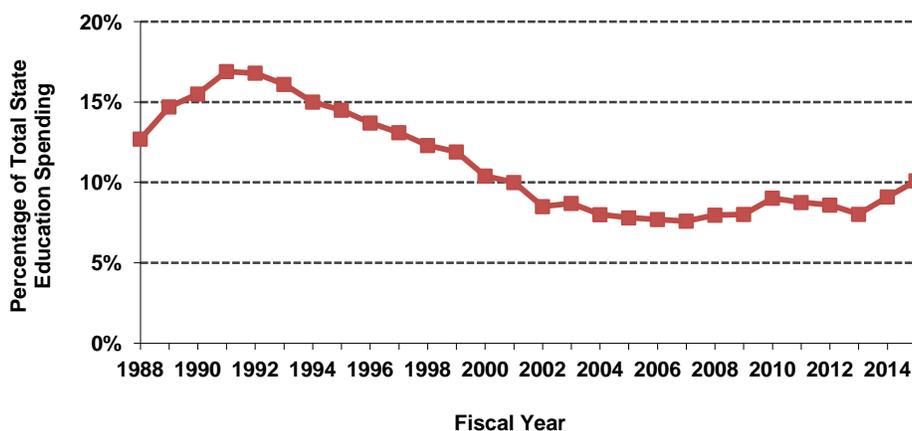
Lottery Profits and State Spending on Education

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. In FY 2012, the Ohio Lottery began regulating video lottery terminals (VLTs) at Ohio horse racetracks (racinos). Generally, lottery profits have been 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. Since then, this percentage has decreased each year, falling to an estimated 8.0% in FY 2013. The percentage is expected to increase in each year of the upcoming biennium, reaching 10.1% in FY 2015, due to the emergence of VLTs at Ohio racinos. Since reaching a high of \$718.7 million in FY 1999, the annual dollar amount of lottery profits accounted for in the budget fell to \$637.9 million in FY 2007 before rising to a new high of \$745.0 million in FY 2010. The budgeted commitment of lottery profit transfers since then has been below this amount, with FY 2013 lottery

profit commitments estimated at \$696.7 million. From FY 1988 to FY 2012, total state GRF and lottery spending on primary and secondary education increased by \$4.91 billion (142.5%). Of this growth, \$281.9 million (5.7%) was provided by the lottery. The executive budget reflects estimated increases in lottery profits spending of \$144.3 million in FY 2014 and \$133.5 million in FY 2015, again due to anticipated revenues associated with VLTs at Ohio racinos.

Chart 4: Lottery Profits as a Percentage of Total State GRF and Lottery Spending for K-12 Education, FY 1988-FY 2015



Traditional School District Funding

The executive budget proposes a new school funding formula to be used to determine the amount and allocation of state aid for traditional school districts. For FY 2012 and FY 2013, funding has been allocated to school districts under a bridge formula that is largely based on the funding received by each district in FY 2011.³ For FY 2010 and FY 2011, funding was determined under a formula called the evidence-based model (EBM) and prior to FY 2010, funding was determined under a formula called the building blocks model.⁴ The following discussion describes the new formula proposed in the executive budget.

³ The "Overview" section of the Greenbook for the Department of Education for H.B. 153 of the 129th General Assembly contains a detailed description of the bridge formula.

⁴ Detailed descriptions of these two funding models may be found on the LSC web site in the State Funding portion of the "School Funding Complete Resource" document. The EBM is described in the 2011 version of that document and the building blocks model is described in the 2008 version.

Average Daily Membership

Average daily membership (ADM) is the measure of the number of students in each district. Under continuing law, schools generally are only required to provide kindergarten students with half-day services. However, under current law, all kindergarten students are counted as one full-time equivalent (FTE) student whether they receive full-day or half-day services. Prior to FY 2010, all kindergarten students were counted as one-half FTE and additional funding was provided to districts with higher than average levels of economically disadvantaged students that provided full-day kindergarten services. The executive proposal mostly retains the current method of calculating ADM, except it counts kindergarten students as a true FTE. In other words, each kindergarten student is counted based on the portion of the day the student receives educational services. So, a kindergarten student receiving half-day services is counted as 0.5 FTE and a kindergarten student receiving full-day services is counted as 1.0 FTE. Under continuing law, the ADM is based on a count of students made once per year for one week in October.

Two ADM calculations are used in the funding formula – total ADM and formula ADM. Total ADM is the count as described above of all students who reside in the district. Some students may not be educated by their district of residence, for example, students attending another district through open enrollment, a community school, a nonpublic school with a voucher, or a joint vocational school district (JVSD). Generally, students are counted in their district of residence for funding purposes and then funding for the student is deducted from the resident district's state aid and transferred to the educating school or district. The exception to that practice is for students attending a JVSD. JVSDs are paid according to a similar, but separate, formula instead of through a deduction. So that these students are not double counted, formula ADM only counts 20% of the JVSD ADM. The 20% is intended to assist the resident district with administrative costs associated with having students attend a JVSD. This adjustment was also made under the previous school funding formulas. The calculation of formula ADM is summarized below.

Formula Average Daily Membership (ADM)
Formula ADM = Total ADM - 80% x JVSD ADM
Where total ADM is the October count of all students residing in the district

State Core Foundation Funding

The executive budget computes state core foundation funding for each district. The following table lists the seven components of core funding and the approximate share each component has of the total core funding amount. These shares are based on estimated funding for FY 2014. A description of the calculation of each component follows the table. Final foundation funding is determined by adjusting the calculated core

funding based on guarantees and caps, which are also described below. Two components of previous state aid formulas, transportation and career-technical additional funding, are funded outside of the formula under the executive proposal. The calculation of the funding for these two components is described later in this overview.

State Core Funding Components for Traditional Districts		
Component	Estimated Funding FY 2014	Approximate Share of Core Funding
Opportunity grant	\$3,835.3 million	65.7%
Targeted assistance	\$599.9 million	10.3%
Additional special education aid	\$711.2 million	12.2%
Limited English proficiency funds	\$17.7 million	0.3%
Economically disadvantaged funds	\$488.8 million	8.4%
Early childhood access funds	\$96.6 million	1.7%
Gifted funds	\$85.2 million	1.5%
Total core funding before caps and guarantees	\$5,834.8 million	100%

Opportunity Grant

The opportunity grant is the largest part of core funding, comprising approximately 65.7% of the total. The opportunity grant is based on a district's taxable property valuation per pupil, providing more funding to lower wealth districts than higher wealth districts. The executive proposal uses a three-year average of a district's taxable property valuation. Real property values are reappraised or updated every three years, generally resulting in large changes in those years. By using a three-year average, changes in the valuation are much smoother. Under the building blocks model recognized valuation was used, which also smoothed out valuation changes. Under the EBM, a mixture of recognized valuation and one year valuation were used depending on the characteristics of the individual district. The calculation of a district's valuation per pupil is summarized below.

Valuation Per Pupil
District valuation per pupil = Average of last 3 years' taxable property valuation / Total ADM
State valuation per pupil = Sum of the 3-year average of all districts' taxable property valuation / Sum of all districts' total ADM

In FY 2014,⁵ the state valuation per pupil is approximately \$140,000. This represents the average over all students statewide. This measure varies widely, however, among school districts. Approximately 24 districts have valuations per pupil

⁵ Estimates for FY 2014 are based on valuations in tax year (TY) 2010, TY 2011, and projections made by the Department of Taxation for TY 2012.

above \$250,000, while another 25 districts have valuations per pupil below \$70,000. Each mill levied by a district with property valuation per pupil of \$250,000 raises \$250 per student ($\$250,000 \times 0.001$), whereas the same mill levied by a district with a property valuation per pupil of \$70,000 raises only \$70 per student ($\$70,000 \times 0.001$). The opportunity grant equalizes the first 20 mills of district property taxes to a valuation per pupil of \$250,000. This valuation is at about the 96th percentile of all districts, meaning that 96% of districts have valuations per pupil lower than this amount. The equation used to calculate the opportunity grant is provided below.

Opportunity Grant
Opportunity grant per pupil = $(\$250,000 - \text{District valuation per pupil}) \times 0.02$
Opportunity grant = Opportunity grant per pupil \times Formula ADM
If this calculation is negative, the opportunity grant is zero

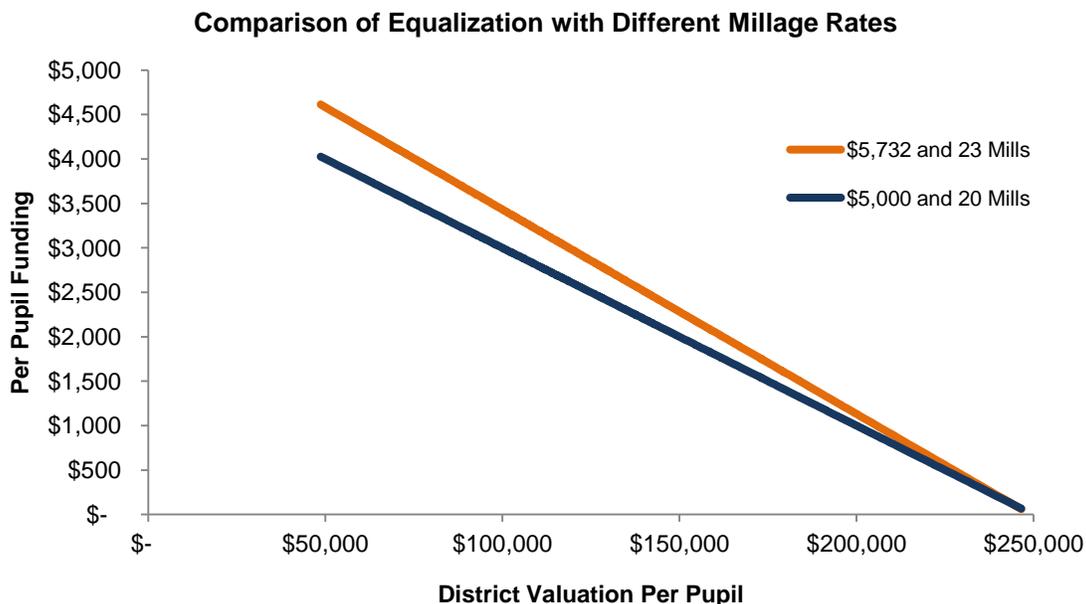
To understand better how this formula works, consider three hypothetical districts of varying wealth. The first has a valuation per pupil of \$70,000, the second \$140,000, and the third \$210,000. The differences between these valuations and \$250,000 are \$180,000 ($\$250,000 - \$70,000$), \$110,000 ($\$250,000 - \$140,000$), and \$40,000 ($\$250,000 - \$210,000$), respectively. The corresponding opportunity grants per pupil are \$3,600 ($\$180,000 \times 0.02$), \$2,200 ($\$110,000 \times 0.02$), and \$800 ($\$40,000 \times 0.02$). The first district raises \$1,400 per pupil locally with the first 20 mills of property tax ($\$70,000 \times 0.02$), the second raises \$2,800 ($\$140,000 \times 0.02$), and the third raises \$4,200 ($\$210,000 \times 0.02$). These local property tax revenues from the first 20 mills, when combined with the opportunity grant, raise \$5,000 per pupil in all three districts ($\$3,600 + \$1,400 = \$2,200 + \$2,800 = \$800 + \$4,200 = \$5,000 = \$250,000 \times 0.02$). One can say, therefore, that the opportunity grant equalizes the first 20 mills of school district property taxes up to a valuation per pupil of \$250,000. For those first 20 mills at \$5,000 per pupil, lower wealth districts receive a greater share from the state than higher wealth districts. In this example, the first district receives 72.0% ($\$3,600/\$5,000$), the second receives 44.0% ($\$2,200/\$5,000$), and the third receives 16.0% ($\$800/\$5,000$). The following table summarizes this example.

Example of Opportunity Grant Equalization					
Valuation Per Pupil	Difference from \$250,000	Opportunity Grant Per Pupil	Local Property Tax Per Pupil with 20 Mills	Per Pupil Local Revenues with 20 Mills Plus Opportunity Grant	Percentage of \$5,000 Paid by State
\$70,000	\$180,000	\$3,600	\$1,400	\$5,000	72.0%
\$140,000	\$110,000	\$2,200	\$2,800	\$5,000	44.0%
\$210,000	\$40,000	\$800	\$4,200	\$5,000	16.0%

The opportunity grant works similarly to the base cost formula under the building blocks model. The base cost formula started with a per pupil formula amount (\$5,732 in FY 2009) and equalized 23 mills. Thus, the base cost formula in FY 2009 equalized the first 23 mills of school district property taxes up to a valuation per pupil of about \$249,000 ($\$5,732/0.023$). Following the example of the three hypothetical districts given above, on average the local share of base cost funding would have been \$1,610 for the first district ($\$70,000 \times 0.023$), \$3,220 for the second ($\$140,000 \times 0.023$), and \$4,830 for the third ($\$210,000 \times 0.023$). On average, base cost funding for the first district would have been \$4,122 ($\$5,732 - \$1,610$), for the second, \$2,512 ($\$5,732 - \$3,220$), and for the third, \$902 ($\$5,732 - \$4,830$). Although the total amount is higher, the base cost formula results in very similar percentages paid by the state. For the first district the percentage is 71.9% ($\$4,122/\$5,732$), the second 43.8% ($\$2,512/\$5,732$) and the third 15.7% ($\$902/\$5,732$). These results are summarized in the following table.

Example of Base Cost Funding Equalization				
Valuation Per Pupil	Local Property Tax Per Pupil with 23 Mills (Average Local Share)	Average Base Cost Funding Per Pupil	Per Pupil Local Revenues with 23 Mills Plus Base Cost Funding	Percentage of \$5,732 Paid by State
\$70,000	\$1,610	\$4,122	\$5,732	71.9%
\$140,000	\$3,220	\$2,512	\$5,732	43.8%
\$210,000	\$4,830	\$902	\$5,732	15.7%

This comparison is further illustrated in the following chart. The chart plots the average per pupil funding paid by the state for each district according to its FY 2014 valuation per pupil for both the base cost at \$5,732 per pupil and 23 mills and the opportunity grant at \$5,000 per pupil and 20 mills. As can be seen from the chart, the state aid per pupil under the \$5,732/23-mill formula diverges from the state aid per pupil under the \$5,000/20-mill formula, becoming higher as per pupil property values decrease. This difference grows from very little difference for the district with the highest property valuation per pupil to over \$580 per pupil for the districts with the lowest property valuation per pupil. The cost to the state of the \$5,732/23-mill formula is therefore higher, costing about \$545.5 million more in FY 2014.



Targeted Assistance

The targeted assistance component of the executive recommended formula equalizes additional millage above the 20 mills equalized under the opportunity grant. Targeted assistance is based on a combination of a district's valuation per pupil and the district's income per pupil. Valuation is computed as the three-year average, as for the opportunity grant. Income is computed as the three-year average of federally adjusted gross income (FAGI). A district's wealth per pupil is 1/2 its valuation per pupil and 1/2 its income per pupil. This calculation is summarized below.

Wealth Per Pupil
$\text{District wealth per pupil} = \frac{(\text{Average of last three years' taxable property valuation} \times 0.5) / \text{Formula ADM} + (\text{Average of last three years' FAGI} \times 0.5) / \text{Formula ADM}}{2}$
$\text{State wealth per pupil} = \frac{(\text{Sum of the average of all districts' taxable property valuation} \times 0.5) / \text{Sum of all districts' formula ADM} + (\text{Sum of the average of all districts' FAGI} \times 0.5) / \text{Sum of all districts' formula ADM}}{2}$

Targeted assistance is provided to the 489 districts with the lowest wealth per pupil. Additional millage is equalized to the wealth per pupil of a threshold district, which is the district with the 490th lowest wealth per pupil. In FY 2014, the threshold district's wealth per pupil is approximately \$177,000. The additional millage equalized by targeted assistance varies depending on the wealth per pupil of the district. The formula calculates a wealth index for each district that is equal to the state wealth per pupil divided by the district's wealth per pupil. So, if a district's wealth per pupil is average (equal to the state's) then the wealth index is 1.0. If a district's wealth per pupil is greater than average, its wealth index will be less than 1.0 and if it is lower than

average, its index will be greater than 1.0. In FY 2014, state wealth per pupil is approximately \$148,000 and the wealth indexes of the 489 districts eligible for targeted assistance vary from about 0.84 to about 2.62. The wealth index of each district is multiplied by a target millage rate to get the additional mills equalized for the district. The target millage rate is 6 mills in FY 2014 and 7 mills in FY 2015. As a result, the additional mills equalized by targeted assistance in FY 2014 ranges from about 5 mills (6 mills x 0.84) to almost 16 mills (6 mills x 2.62). In FY 2015, with a target millage rate of 7 mills, the additional equalized millage ranges from almost 6 mills to about 18 mills. The calculation of a district's additional equalized millage is summarized below.

Additional Millage Equalized by Targeted Assistance
District wealth index = State wealth per pupil / District wealth per pupil
District additional millage in FY 2014 = 0.0006 x District wealth index District additional millage in FY 2015 = 0.0007 x District wealth index

Targeted assistance is not credited to or deducted from a district for its resident e-school or Educational Choice (EdChoice) scholarship students. The calculation of targeted assistance is given below.

Targeted Assistance
Targeted assistance per pupil = (Wealth per pupil of 490th lowest wealth district - District wealth per pupil) x Target millage x District wealth index
Targeted assistance = Targeted assistance per pupil x (Formula ADM - e-school ADM - EdChoice ADM)
If this calculation is negative, targeted assistance is zero
Target millage is 0.006 in FY 2014 and 0.007 in FY 2015

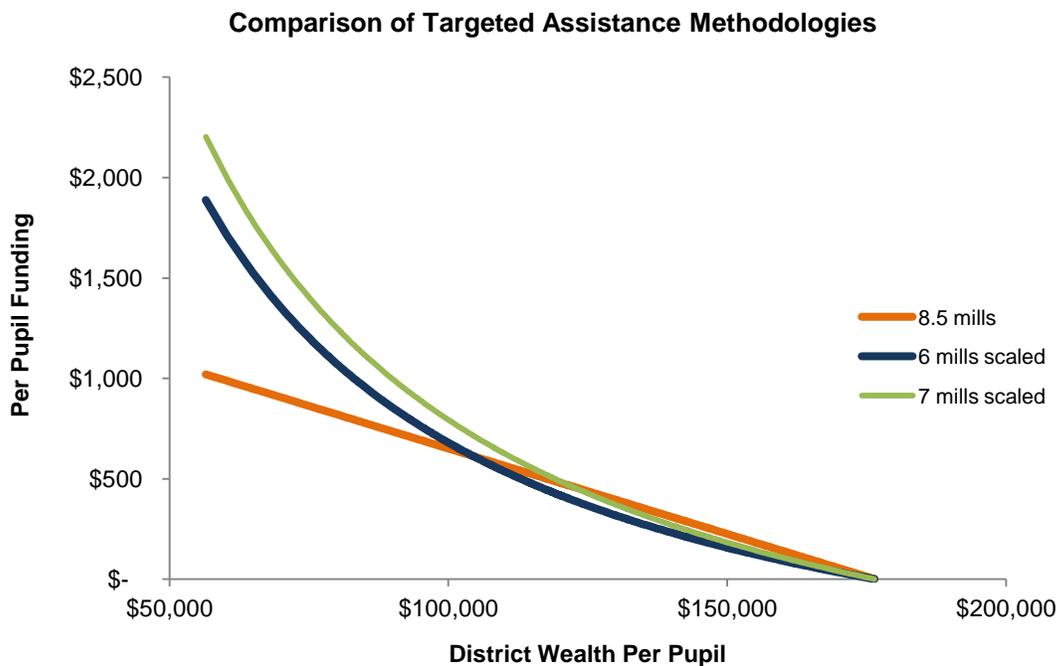
The calculation of targeted assistance is similar to the calculation of parity aid under the building blocks model. Parity aid also equalized additional mills (above the 23 mills equalized by base cost funding) to the wealth per pupil of the 490th lowest wealth district. Unlike targeted assistance, the wealth measure used by parity aid weighted valuation more heavily than income. Parity aid wealth per pupil was 2/3 valuation per pupil and 1/3 income per pupil. Also, parity aid did not scale the target millage rate by a district's wealth index. In FY 2009, the target millage rate was 8.5 mills. Finally, although originally all districts below the 490th lowest wealth district were eligible for parity aid, the number of eligible districts began to be reduced in FY 2008. In FY 2009, only the 367 lowest wealth districts were eligible.

The following table provides an example, similar to the one above, that compares for three hypothetical districts with differing wealth per pupil, the per pupil aid under a policy of 6 mills scaled by the wealth index, 7 mills scaled by the wealth index, and a uniform 8.5 mills. As can be seen from the table, the low wealth district receives more per pupil using the scaled millage rate, whereas the district with closer to average

wealth per pupil receives slightly more under the 8.5 uniform millage rate. The high wealth district does not qualify under any of the scenarios because its wealth per pupil is above the threshold district's.

Examples of Scaled Millage Rate and Straight Millage Rate					
Wealth Per Pupil	Positive Difference from Threshold District (\$177,000)	Wealth Index	Aid Per Pupil with Scaled 6 Mills	Aid Per Pupil with Scaled 7 Mills	Aid Per Pupil with Straight 8.5 Mills
\$70,000	\$107,000	2.11	\$1,357	\$1,584	\$910
\$140,000	\$37,000	1.06	\$235	\$274	\$315
\$210,000	\$0	0.70	\$0	\$0	\$0

This comparison is further illustrated by the following chart, which plots the average per pupil funding paid by the state for each district according to its FY 2014 wealth per pupil, using the targeted assistance definition of that term, for a straight 8.5 mills, 6 mills scaled by the wealth index, and 7 mills scaled by the wealth index. As can be seen from the chart, the scaled millage results in much higher per pupil funding for the lowest wealth districts, but slightly lower per pupil funding for the higher wealth districts than the straight millage. The scaled 6 mills also distributes about \$30.9 million more than the straight 8.5 mills. The scaled 7 mills, as proposed for FY 2015, distributes about \$130.8 million more than the straight 8.5 mills.



Special Education Additional Aid

The executive proposal provides additional funding to school districts based on the ADM of students with disabilities. As in the past, there are six categories of disability for funding purposes. The executive proposal multiplies the ADM in each category by a set dollar amount and then provides a percentage of that amount to each district. The special education categories table at the end of this section describes the six categories as well as the additional cost proposed under the executive formula. The percentage provided by the state is based on the district's valuation per pupil, which was described above under the opportunity grant section of this analysis. The executive proposal computes a valuation index for each district by dividing the state valuation per pupil by the district valuation per pupil and then scales the valuation index of each district according to the formula summarized below, subject to the caveats that no district's state share index is greater than 95% or less than 5%. On average, in FY 2014, about 37.3% and in FY 2015, about 33.4%, of the special education calculated cost is provided by the state.

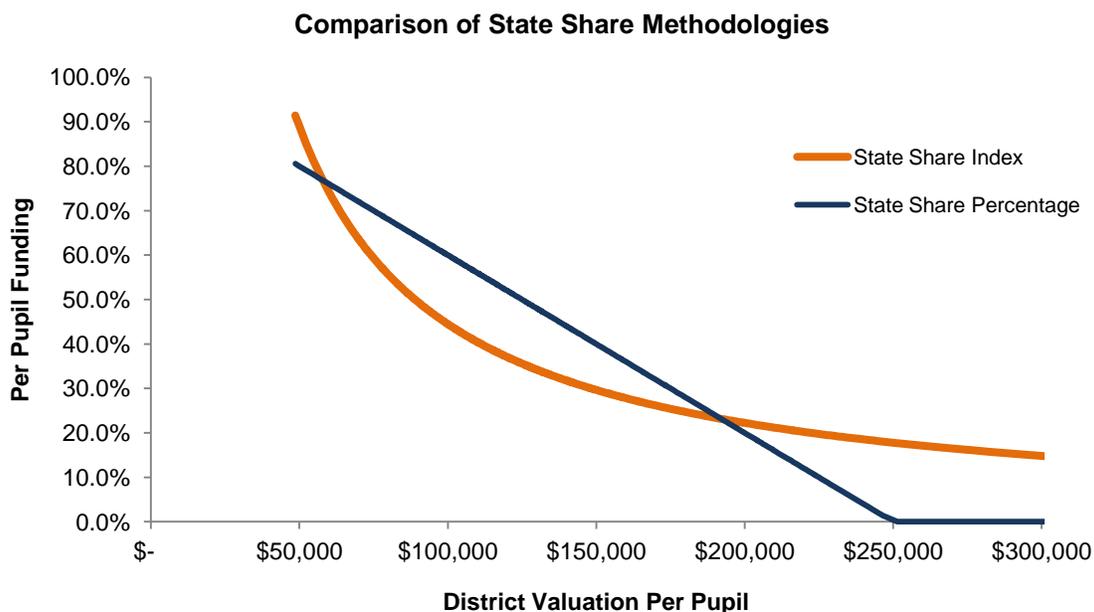
State Share Index
District valuation index = State valuation per pupil / District valuation per pupil
District state share index = $0.1 \times (\text{District valuation index} \times (\text{Maximum valuation index of all districts} - \text{Minimum valuation index of all districts}) / 0.9)$
Where the minimum state share index is 5% and the maximum state share index is 95%

Both the building blocks model and the EBM provided additional funding for special education based on six categories. Under these models, the ADM in each category was multiplied by a weight. Under the building blocks model, the weighted ADM was multiplied by the base cost formula amount (\$5,732 in FY 2009). The percentage of this amount provided by the state was essentially the same as the percentage of base cost funding provided by the state. On average, in FY 2009, this percentage was 46.3%. Additional funding was also provided for speech therapists (\$11.4 million in FY 2009). Under the EBM, the weighted ADM was used to determine a number of special education teachers and special education teacher aides, based on a 20:1 weighted ADM to teacher ratio and a 40:1 weighted ADM to aide ratio. The numbers of teachers and aides was then multiplied by a compensation amount, which varied according to each district's educational challenge factor (ECF).⁶ The portion of this provided by the state was determined by summing this amount together with the other components of the model and subtracting a local share equal to 22 mills of each

⁶ The ECF was an index that targeted more funding to districts with relatively low wealth per pupil, high poverty rates, and low adult educational attainment.

district's property value. On average, the state provided about 50.5% of the calculated cost in FY 2011.

The following chart compares a straight state share percentage and the state share index methodology used in the executive proposal. The blue line is the state share based on taking the percentage of the opportunity grant paid for by the state. This methodology is similar to the one used under the building blocks model. Under this methodology, the state share is zero for all districts with valuations per pupil above \$250,000, since these districts do not receive an opportunity grant. For lower wealth districts, the state share percentage increases in a relatively straight line. The orange curved line is the state share index as calculated under the executive proposal. This methodology results in higher state shares for districts with valuations per pupil greater than about \$192,000 and less than about \$57,000, but lower state shares for districts with valuations per pupil between those two amounts.



The following table provides the per pupil amount for each special education category provided under the executive proposal as well as the per pupil amount under the building blocks model in FY 2009, and an average amount provided under the EBM in FY 2011. As noted above, the per pupil amount under the EBM varied by district as a result of the ECF, so the numbers provided in the table are averages. As can be seen from the table, the per pupil amounts under the executive proposal in each category are higher than the amounts in FY 2009 and FY 2011. However, as mentioned above, the average percentage paid by the state is lower under the executive proposal than in those two years. Also, when compared to the building blocks model in FY 2009, the base amount per pupil is lower under the executive proposal. For example, the total cost for

a student in category 6 in FY 2009 is \$5,732 plus \$24,423, whereas in FY 2014 under the executive proposal, it is \$5,000 plus \$30,896.

Special Education Categories			
Category	Executive Proposal Per Pupil	Building Blocks Per Pupil FY 2009	EBM Per Pupil Average FY 2011
1 Speech only	\$1,902	\$1,492	\$1,387
2 Specific learning disabled, developmentally disabled, other health – minor	\$4,827	\$1,904	\$3,537
3 Hearing impaired, severe behavior disabled	\$11,596	\$9,128	\$8,638
4 Vision impaired, other health – major	\$15,475	\$12,198	\$11,398
5 Orthopedically disabled, multi-disabled	\$20,959	\$16,059	\$15,502
6 Autism, traumatic brain injury, both visually and hearing impaired	\$30,896	\$24,423	\$21,402

The calculation of special education additional aid under the executive proposal is summarized below.

Special Education Additional Aid
Special education additional aid = (Category 1 ADM x \$1,902 + Category 2 ADM x \$4,827 + Category 3 ADM x \$11,596 + Category 4 ADM x \$15,475 + Category 5 ADM x \$20,959 + Category 6 ADM x \$30,896) x State share index

Limited English Proficiency Funding

The executive proposal provides additional funding to school districts based on the ADM of students with limited English proficiency (LEP) in a manner similar to the funding provided for special education. Limited English proficient ADM is divided into four categories, based on the amount of time the student has been enrolled in schools in the United States. The executive proposal multiplies the ADM in each category by a set dollar amount and then provides a percentage of that amount to each district. The following table describes the four categories as well as the additional cost applied under the executive formula. The percentage provided by the state is equal to the state share index as described above in the special education additional funding section.

Limited English Proficiency Categories	
Category	Executive Proposal Per Pupil
1 LEP students in U.S. schools for no more than 180 days and not previously exempted from spring English assessments	\$1,500
2 LEP students in U.S. schools more than 180 days or previously exempted from spring English assessments	\$1,125
3 LEP students in a Trial-Mainstream period	\$750
4 LEP students not in the other three categories, but whose main language is not English	\$375

The calculation of limited English proficiency funds is summarized below.

Limited English Proficiency Funds
Limited English proficiency funds = (Category 1 ADM x \$1,500 + Category 2 ADM x \$1,125 + Category 3 ADM x \$750 + Category 4 ADM x \$375) x State share index

Both the EBM and the building blocks model provided funding for LEP students. Neither of these two models split LEP students into categories as does the executive proposal. Under the EBM, the LEP ADM was used to determine a number of LEP teachers, based on a 100:1 LEP ADM to teacher ratio. As with special education teachers and aides, as described above, the number of LEP teachers was then multiplied by a compensation amount, which varied according to each district's ECF. The portion of this amount provided by the state was determined by summing this amount together with the other components of the model and subtracting a local share equal to 22 mills of each district's property value. On average, the state provided about 46.6% of the calculated cost in FY 2011. Under the building blocks model in FY 2009, funding for LEP students was only provided to districts with above average concentrations of poverty students and a concentration of LEP students of at least 2%. The formula provided a per LEP ADM amount that was higher for districts with higher concentrations of poverty. In FY 2009, the per pupil amount varied from \$502 to \$1,003. The state paid the full cost of this component.

Economically Disadvantaged Aid

The executive proposal provides additional funding to school districts based on the number and concentration of economically disadvantaged students in the district. In order to provide more funding to districts with higher concentrations of economically disadvantaged students, the formula calculates an economically disadvantaged index that equals the percentage of students in the district that are economically disadvantaged divided by the percentage of students in the state that are economically disadvantaged. This index is estimated to range from 2.1 (a district with more than twice the concentration of economically disadvantaged students as the state's concentration) to zero (a district with no economically disadvantaged students). Calculation of the index is summarized below.

Economically Disadvantaged Index
% Economically disadvantaged = Economically disadvantaged ADM / Total ADM
Economically disadvantaged index = District % economically disadvantaged / State % economically disadvantaged

The formula provides \$500 times the district's economically disadvantaged index for each student in the district's ADM who is identified as economically disadvantaged. So, the per economically disadvantaged pupil amount ranges from zero to \$1,050 (\$500 x 2.1). This calculation is summarized below.

Economically Disadvantaged Aid
Economically disadvantaged aid = \$500 x District economically disadvantaged index x District economically disadvantaged ADM

Both the building blocks model and the EBM provided additional funding for economically disadvantaged students. Under the EBM, districts with higher poverty rates had a higher ECF, which raised the total cost of many of the components of the model. Additionally, three of the components of the EBM were calculated based on the number of economically disadvantaged students. These were: supplemental teachers, family and community liaisons, and summer remediation programs. The building blocks model provided poverty-based assistance, which included the following components in FY 2009: all-day kindergarten, increased classroom learning opportunities, closing the achievement gap, intervention, LEP student intervention, teacher professional development, dropout prevention, and community outreach. The building blocks model used a measure of poverty that was much more concentrated in major urban districts than the measure used by the EBM and the executive proposal.

Early Childhood Access Funds

The executive proposal provides additional funding to school districts based on a district's kindergarten ADM per publicly funded preschool provider. The proposal calculates an early childhood access index by dividing the district's kindergarten ADM per preschool by the state's kindergarten ADM per preschool. For districts without any preschools, the kindergarten ADM and number of preschools for the county the district is primarily located in are used. The early childhood access index ranges from 0.23 to 5.39. This calculation is summarized below.

Early Childhood Access Index
If # of publicly funded preschools in district > 0, then Early childhood access index = (District kindergarten ADM / # of publicly funded preschools in district) / (State kindergarten ADM / # of publicly funded preschools in state)
If # of publicly funded preschools in district = 0, then Early childhood access index = (County kindergarten ADM / # of publicly funded preschools in county) / (State kindergarten ADM / # of publicly funded preschools in state)

Early childhood access funds are provided to districts with an economically disadvantaged index greater than 1.0 and an early childhood access index greater than 0.5. Approximately 211 districts qualify for funding in each fiscal year. Funding of \$600 times the district's early childhood access index is provided for two times the district's

kindergarten ADM. So, the per kindergarten ADM amount of this funding ranges from \$600 (2 x \$600 x 0.5) to about \$6,468 (2 x \$600 x 5.39). This calculation is summarized below.

Early Childhood Access Funds
If economically disadvantaged index > 1.0 and early childhood access index > 0.5, then Early childhood access funds = 2 x District kindergarten ADM x \$600 x District early childhood access index
If economically disadvantaged index <= 1.0 or early childhood access index <= 0.5, then Early childhood access funds = 0

Gifted Funds

The executive proposal provides funds for gifted identification and education at a flat rate of \$50 per formula ADM. This calculation is summarized below.

Gifted Funds
Gifted funds = \$50 x District formula ADM

The building blocks model provided unit funding for gifted education. With this methodology, districts and schools apply for funding and must show that they are employing a certain number of teachers and specialists to be approved. Under the EBM, \$5 per ADM was provided for gifted identification. In addition, funding was provided for a gifted coordinator for every 2,500 ADM and a gifted intervention specialist for every organizational unit.⁷ Finally, the EBM provided funding for professional development for gifted intervention specialists.

Guarantees and Caps

The budget adjusts the core aid calculated for each district by imposing the lesser of two caps. The first restricts the increase in core aid over the previous year's adjusted state aid to be no more than 25% of the previous year's adjusted state aid. The second restricts the increase in core aid over the previous year's adjusted state aid to be no more than 10% of the district's total local and state resources calculated for the fiscal year two years prior. This capped aid is further adjusted by guaranteeing all districts receive at least the prior year's adjusted state aid or the opportunity grant calculated for the current fiscal year, whichever is greater. The calculation of final core aid is summarized below.

⁷ The organizational unit was a construct that provided funding based on a certain number of students in a "typical" school building.

Final Core Aid
Capped aid = the least of: 1. Adjusted prior year's state aid x 1.25 2. Adjusted prior year's state aid + Total resources two years prior x 0.1 3. Opportunity grant + Targeted assistance + Special education additional funding + LEP funding + Economically disadvantaged aid + Early childhood access funding + Gifted aid
Final core aid = the greatest of: 1. Adjusted prior year's state aid 2. Capped aid 3. Opportunity grant

The executive proposal provides transportation and additional career-technical education funding outside of the formula. These components have historically been included in the formula. The amounts for these components were last calculated separately in FY 2011. The state aid for FY 2013 used for the caps and guarantees in FY 2014 is adjusted by subtracting the FY 2011 funding for those two components from the actual FY 2013 state aid. Total resources includes actual state aid, property taxes and income taxes received by the district including property tax rollbacks and homestead exemption payments made by the state, and state direct reimbursements for operating property tax losses due to utility deregulation and the phase-out of the tax on tangible personal property.

Pupil Transportation Formula

The executive budget retains the pupil transportation formula in current law, but modifies it by replacing the state share percentage used in the current formula with the state share index as calculated by the new proposed funding formula. The results of the formula are prorated to fit within the appropriation. As mentioned previously, this funding is no longer part of the main formula under the executive proposal. As a result, it is no longer part of the main formula's guarantee or cap.

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 the building blocks formula 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, each JVSD was allocated the same level of state aid as the prior year. The executive budget proposes a new formula for JVSD funding that is parallel to that proposed for traditional school districts. JVSDs receive an opportunity grant, targeted assistance, additional special education aid, LEP funds, and gifted funds. The calculation of these amounts is basically the same as the calculations for traditional districts except for modifications to account for the higher valuation per pupil and lower property tax rates in a JVSD. These changes affect the calculation of the opportunity grant and targeted assistance.

Opportunity Grant

JVSDs combine territory of more than one traditional school district and typically educate students for the last two years of their high school careers. Since JVSDs are larger and they educate fewer students than traditional districts, their valuations per pupil are much higher and their average property tax rates and tax effort requirements are much lower than those of traditional districts. The executive proposal recognizes this by equalizing 0.5 mill to a valuation per pupil of \$10.0 million. Notice that this is the same per pupil level as for traditional districts ($\$10,000,000 \times 0.0005 = \$250,000 \times 0.02 = \$5,000$). The calculation of the opportunity grant for JVSDs is summarized below.

JVSD Opportunity Grant
Opportunity grant per pupil = $(\$10,000,000 - \text{JVSD valuation per pupil}) \times 0.0005$
Opportunity grant = Opportunity grant per pupil x Formula ADM
If this calculation is negative, the opportunity grant is zero

Targeted Assistance

Targeted assistance for JVSDs equalizes additional millage to the wealth per pupil of the 39th lowest wealth JVSD. The additional millage equalized in each year is equal to 2.5 mills times the JVSD's wealth index.

JVSD Targeted Assistance
Targeted assistance per pupil = $(\text{Wealth per pupil of 39th lowest wealth JVSD} - \text{JVSD wealth per pupil}) \times \text{Target millage} \times \text{JVSD wealth index}$
Targeted assistance = Targeted assistance per pupil x (Formula ADM)
If this calculation is negative, targeted assistance is zero
Target millage is 0.0025 in FY 2014 and FY 2015

Guarantees and Cap

JVSD funding is subject to the same two guarantees as are traditional districts, but they are only subject to the cap that is based on 25% of their prior year's state aid. The calculation of final core aid for a JVSD is summarized below.

Final Core Aid
Capped aid = the lesser of: 1. Adjusted prior year's state aid x 1.25 2. Opportunity grant + Targeted assistance + Special education additional funding + LEP funding + Economically disadvantaged aid + Gifted aid
Final core aid = the greatest of: 1. Adjusted prior year's state aid 2. Capped aid 3. Opportunity grant

Additional Career-Technical Education Funding

As with transportation, the executive proposal removes additional career-technical funding from the main funding formula. Under the executive proposal, this funding is allocated to career-technical planning districts (CTPDs) based on the career-technical FTE of their member schools (including community schools) and districts. The funding is then transferred to the educating school or district after the CTPD approves the school or district's career-technical program. The formula for calculating this funding separates career-technical FTEs into five categories and funds a per FTE amount for each category. These categories and the amounts are given in the table below.

Career-Technical Education Categories	
Category	Executive Proposal Per FTE
1 Workforce development programs in environmental and agricultural systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	\$2,900
2 Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, and transportation systems	\$2,600
3 Workforce development career-based intervention programs	\$1,650
4 Workforce development programs in arts and communications, education and training, marketing, workforce development academics, and career development	\$1,200
5 Family and consumer science programs	\$900

In addition, the lead district of each CTPD receives \$150 for each career-technical FTE in the CTPD's member schools and districts for associated services.

Deductions and Transfers

The executive proposal continues to count most students in the district where they reside. If a student is educated in a community school, STEM school, another district through open enrollment, or a chartered nonpublic school through a state scholarship program, or if students take college level courses through the revamped College Credit Plus Program (formerly the Post-Secondary Enrollment Options Program (PSEO)), funding for that student is generally deducted from the state aid allocated to the resident district and transferred to the educating school, district, or program. The executive proposal changes the way that many of these deductions and transfers are calculated.

Community and STEM Schools

The formula for the deductions and transfers for community schools follows the formula for traditional districts with some modifications. Since community schools do not have authority to levy taxes, their valuations per pupil are considered to be zero.

The school's per pupil opportunity grant is, therefore, \$5,000. This calculation is summarized below.

Community School Opportunity Grant
Opportunity grant per pupil = (\$250,000 - School valuation per pupil) x 0.02 = \$250,000 x 0.02 = \$5,000
Opportunity grant = \$5,000 x School ADM

A community school also receives targeted assistance for each student in its ADM that is equal to the per pupil targeted assistance amount for the resident district. However, e-schools do not receive targeted assistance.

For additional special education aid and LEP funding, a community school receives the full per pupil amount for the school's ADM in each category. This is the same as the calculation for traditional districts except a community school's state share index is 100%. Community schools also receive economically disadvantaged funds for each student identified as economically disadvantaged equal to \$500 x the student's resident district's economically disadvantaged index. For a student in kindergarten, a community school receives the per pupil amount of early childhood access funds computed for the student's resident district. However, as with targeted assistance, e-schools do not receive early childhood access funds. Finally, community schools receive \$50 per ADM as gifted funds. There are no guarantees or caps for community school funding. The formula for STEM school deductions and transfers is the same as that for community schools, except that STEM schools do not receive funds for early childhood access.

Jon Peterson Special Needs Scholarship Program

The executive proposal replaces the formula used to calculate deductions and scholarship payments for the Jon Peterson Program. Under continuing law, the amount is the least of the fees charged by the provider, \$20,000, or a calculation based on the special education category of the student. Under current law, this calculation is equal to \$5,704 plus additional special education weighted funds as calculated under the building blocks model in FY 2009. Under the executive proposal, the calculation is equal to the per pupil amount of the resident district's opportunity grant plus additional special education aid. As previously described, the per pupil amount of the opportunity grant cannot be more than \$5,000. In fact, in FY 2014, the greatest estimated per pupil opportunity grant is just a little more than \$4,000. The additional special education aid under the executive proposal is higher than the weighted aid under the building blocks model. This was illustrated in the special education category table in the section on traditional school district funding.

College Credit Plus

The executive proposal renames the Post-Secondary Enrollment Options Program (PSEO) as the College Credit Plus Program and changes the calculation of the deductions and transfers that help pay for the program. This program allows students to take courses for both high school and college credit without paying college tuition. Under the executive budget, generally all state institutions of higher education are required to participate and the Chancellor of the Board of Regents must develop an information packet to be distributed to students at secondary schools. Under current law, the deduction and transfer for PSEO is based on the amount of \$5,704 per student. Under the executive proposal, a certain percentage of the statewide average in-state tuition per credit hour for the type of institution attended is deducted and transferred. The institution is also permitted to charge the student for textbooks, materials, and other fees related to the student's coursework. The percentage of average tuition deducted depends on where the course is delivered and who teaches the course. For public institutions the percentage ranges from 50% for a course taught by college faculty at a college facility to 0% for a course taught by a qualified high school teacher at the high school. Public institutions may also count the student for purposes of receiving instructional funding from the state. The percentages for private colleges are higher as shown in the following table.

College Credit Plus Program: Percentage of Statewide Average In-State Tuition Deducted for the Type of College Attended			
Location	Instructor	Public College	Private College
College campus, a location operated by the college, or online	College faculty	50%	75%
Secondary school	College faculty	25%	50%
College campus, a location operated by the college, or online	Teacher employed by a secondary school	25%	50%
Secondary school	Teacher employed by the secondary school and accredited by the college	0%	25%

Open Enrollment

The executive budget does not change the way open enrollment deductions and transfers are calculated, which is based on a per pupil amount of \$5,704, but it does create a task force to review and make recommendations regarding open enrollment. These recommendations are due by December 31, 2013.

Other Scholarship Programs

The executive proposal does not change the calculation of deductions and transfers for the current Educational Choice or Autism scholarship programs. EdChoice scholarships are \$4,250 for students in kindergarten through eighth grade and \$5,000 for

students in ninth through twelfth grades. Autism scholarships are the lesser of \$20,000 or the tuition charged by the education provider.

Special Education Aid Pooling for Exceptional Costs

Under continuing law, districts and schools may apply for reimbursements when the costs of educating a special education student exceeds certain thresholds. Under current law these reimbursements are funded directly by the state through a GRF set aside (\$10.0 million in FY 2013). The executive budget proposes to deduct 15% of the additional special education aid paid to traditional districts and JVSDs less any of that aid that is transferred to another school or district as described in the deductions and transfers section above, and to deduct 15% of the additional special education aid transferred to community and STEM schools. This deducted aid is deposited into a newly created fund and pooled at the state level. Districts and schools may apply to the fund for reimbursements as under continuing law. The amount of funding available for these reimbursements is estimated to be much higher than the current \$10.0 million earmark, at \$111.6 million in FY 2014 and \$119.5 million in FY 2015.

Community School Facilities Funding

The executive proposal provides \$7.5 million in each fiscal year to assist brick and mortar community schools with offsetting the costs of facilities. Currently, community schools do not receive any additional funding for facilities costs beyond the transfers of state aid they receive from students' resident districts. Under the executive budget, each community school receives an amount equal to \$100 per student. These payments come directly from the state, not through a deduction from the state aid allocation of the resident district. The per pupil amount must be prorated if the appropriation is not sufficient.

Spending Restrictions

Special Education

In general, the state aid provided through the main funding formula proposed in the executive budget is unrestricted in its use by schools and districts. However, one exception that continues under current law is for the funds received for special education students. Under the executive proposal, these are calculated as the portion of the opportunity grant attributable to a district's special education ADM plus the additional special education aid paid to the district. These funds must be used for approved special education and related services expenses.

Student Subgroups

The executive proposal also requires districts and schools that fail to show "consistent progress," as determined by ODE, for a student subgroup for whom funds are allocated in the main formula (special education, LEP, economically disadvantaged,

and gifted) to partner with and pay the formula funds allocated for the subgroup to an organization that has a demonstrated ability to improve educational outcomes for students in the subgroup.

Capital and Maintenance Fund Set-Aside

The executive proposal revises the capital and maintenance fund set-aside requirement in current law to specify school districts set aside 3% of their opportunity grant, rather than 3% of the formula amount as under current law. All else being equal, this will lower the amount required to be set aside in each district's capital and maintenance fund.

Certification of Payments

Under continuing law, ODE is required to certify to school district treasurers the various amounts payable to school districts under the school funding formulas. The executive proposal requires that these certifications also include the amount payable to each school building for certain categories of students. The building-level reports are to be provided at a frequency determined by the Superintendent of Public Instruction.

Preschool Special Education Funding

Outside of the main funding formula, the state provides funding to school districts and some state institutions for the special education and related services they provide to preschool-aged children. Under current law, this funding is provided through a unit-based formula. Under the executive proposal, funding is equal to \$4,000 per preschool special education student plus the sum of the number of preschool students in each special education category times the per pupil amount for that category times the district's state share index times 0.5. The special education categories and amounts are the same as those used for primary and secondary students. The state share index for a state institution is the index for the student's resident district. This calculation is summarized in the following table.

Preschool Special Education Funding
Preschool special education funding = \$4,000 x preschool special education ADM + (Category 1 ADM x \$1,902 + Category 2 ADM x \$4,827 + Category 3 ADM x \$11,596 + Category 4 ADM x \$15,475 + Category 5 ADM x \$20,959 + Category 6 ADM x \$30,896) x State share index x 0.5

County Boards of Developmental Disabilities and State Institutions

The executive proposal modifies the calculation of state payments to county developmental disabilities (DD) boards and state institutions for educating primary and secondary students. The proposal discontinues the practice of counting a portion of the students enrolled in county DD boards in their resident district's ADM and instead provides all the funding directly from the state. For DD boards, the funding is

calculated as the per pupil amount of the opportunity grant of the resident district plus the amount for the student's special education category times the state share index of the resident district. In addition, the board receives the per pupil amount of the targeted assistance for the resident district.

For state institutions that educate primary and secondary students, the new proposed formula multiplies the institution's ADM in each special education category by the category amount and adds that to the sum of the students from each resident district times the resident district's per pupil amount of targeted assistance.

Straight A Program

The executive proposal establishes the Straight A Program, which provides \$100 million in FY 2014 and \$200 million in FY 2015 in competitive grants to schools, JVSs, ESCs, institutions of higher education, and private entities in order to implement projects that attempt to achieve one or more of the following goals: (1) student achievement, (2) spending reduction in the entity's five-year fiscal forecast, and (3) utilization of a greater share of resources in the classroom.

Assessments

Implementation of a New Generation of Assessments

The executive proposal provides \$20 million in additional GRF funding in FY 2015 to fully implement a new generation of assessments that will begin to be administered in the 2014-2015 school year. The new computer-based assessments will replace the current Ohio Achievement Assessments and will be aligned with the Common Core State Standards for English language arts and mathematics and the revised content standards in science and social studies. The new assessment system also includes the replacement of the Ohio Graduation Test with new high school level assessments, including a series of ten end-of-course exams in core high school subjects and a nationally standardized college readiness assessment (likely the ACT or SAT).

Ohio is part of the Partnership for the Assessment of Readiness for College and Careers (PARCC), a consortium of 22 states plus the U.S. Virgin Islands, which have been working together to develop the K-12 assessments in English language arts and mathematics. PARCC is conducting a survey of schools and districts to determine their technological capacity to deliver the new computer-based assessments. Through PARCC's Technology Readiness Tool, school districts will have multiple opportunities to submit information on their readiness for the new tests. ODE indicates that some districts may not have the technological capability to administer the new assessments by the 2014-2015 school year. These schools will have to show evidence of their inability to test online in order to qualify for paper and pencil assessments in the first year. Data

from the Technology Readiness Tool will be used to evaluate the evidence and inform ODE's decision making in these matters.

GED Testing

Starting in January 2014, administration of the General Educational Development (GED) test will shift from the state to a national testing service, Pearson VUE, which will use a revamped GED assessment. At that point, ODE expects that GED application fees will no longer be collected by the state, as the national testing service will be responsible for collecting the fees and reimbursing the testing centers. Fees associated with transcript processing will continue to be collected by the state.

The current GED test may be administered on computer or on paper. The fee for the complete paper-based test is \$40 while the complete computer-based test costs \$120; few students currently opt for the computer-based test. The revamped GED assessment debuting in January 2014 will be computer-based only and is expected to cost \$120 (though this amount is subject to change since the test is changing from five sections to four), the same as the computer-based test costs now. Growth in the test's cost is likely to result in an increase in the number of students taking the test ahead of the December 21, 2013 deadline. As part of the transition, paper records from the testing sites will need to be digitized to implement an electronic database of GED diplomas, work that ODE will oversee. Once the transition to Pearson VUE is complete, expected by July 2014, two ongoing ODE staff will be needed: an assistant director and an administrative professional to manage contractor and regional work.

Because the revamped assessment will no longer have a paper-based option, the executive budget provides up to \$2 million in funding each year to reimburse first-time online test takers for application/test fees in excess of \$40. This funding will enable up to 25,000 test takers to receive reimbursement each year. A third position in ODE's GED office will be needed to manage the process of reimbursing career-technical planning districts, who will actually make the payments to the test takers, pursuant to this provision.

School District and Building Operating Standards

The executive proposal makes statutory changes to the requirements for minimum operating standards for all elementary and secondary schools, the goal of which is to provide more flexibility for school districts in providing instructional programs. Further, the executive proposal requires the State Board to review and revise school operating standards by December 31, 2013, such that the standards are limited to the requirements to ensure the health and safety of students and to ensure each student has mastered a common knowledge base in order to graduate from high school.

The operating standards are comprised of 14 rules that prescribe the minimum standards to be applied to all schools for the purpose of requiring a general education of high quality. The rules cover a wide range of topics, including school administration, structure, staffing, curriculum, and school improvement. ODE staff has already begun looking into how the operating standards may be improved and refocused in the manner prescribed by the bill.

Educational Service Centers (ESCs)

The bill changes the definition of an ESC, eliminates future elections of ESC governing board members, modifies the relationship of ESCs and school districts, and eliminates some ESC funding mechanisms.⁸ The executive proposal eliminates a per pupil payment of \$6.50 and payments for supervisory units that are deducted from school districts and transferred to ESCs under current law. As a result, deductions and transfers for ESCs are limited to contractual agreements between the ESC and the school district. Under continuing law, traditional school districts with a student count of 16,000 or fewer must enter into an agreement for services from an ESC. The direct state payment to ESCs also is phased down. In FY 2014, the executive budget provides 77.5% of the direct state payment provided in FY 2013 and in FY 2015, the budget provides 72.3% of the payment provided in FY 2014.

EdChoice Scholarship Expansion

The executive proposal expands EdChoice eligibility to students whose family income is at or below 200% of the federal poverty guidelines (FPG), regardless of the academic rating of the school they would otherwise attend. Under the executive budget, EdChoice scholarship amounts remain the same as under current law (the lesser of the cost of tuition or \$4,250 for students in grades kindergarten through 8 and \$5,000 for students in grades 9 through 12). Students may qualify for EdChoice under the income criteria beginning in the 2013-2014 school year. The program uses a phased-in approach by qualifying only incoming kindergarteners in the first year and adding the next grade in each subsequent year. Unlike current law, students qualifying for EdChoice under the expansion are not first counted in their resident district's ADM for funding purposes and, accordingly, deductions are not taken from school districts to fund the scholarships. Instead, the scholarships are paid directly by the state. If the number of applications exceeds the number of scholarships that can be funded by the appropriation, the scholarships are awarded with priority first given to students who received the scholarship in the previous year, and then to students whose family

⁸ For a thorough description of these changes, see the LSC Bill Analysis for H.B. 59 As Introduced beginning on page 127.

income falls below 100% FPG. Students receiving scholarships under this expansion do not count toward the annual statewide 60,000 scholarship cap.

Transfer of eTech Ohio Commission Funding and Responsibilities

The executive budget abolishes the eTech Ohio Commission and transfers many of its educational television and grants administration responsibilities to ODE. The executive budget recommends that telecommunications and professional development responsibilities be transferred to the Ohio Board of Regents (BOR) and that a small portion be transferred to the Opportunities for Ohioans with Disabilities Agency (formerly the Rehabilitation Services Commission) for telephone and radio reading services. Of the appropriations transferred from eTech in the FY 2014-FY 2015 biennium, ODE receives 14.5% under the executive proposal while BOR receives 83.8% and the Opportunities for Ohioans with Disabilities Agency receives 1.7%. Under the executive budget, ODE has three new line items that were formerly administered by eTech: GRF appropriation item 200464, General Technology Operations, GRF appropriation item 200465, Technology Integration and Professional Development (both split between ODE and BOR), and SSR appropriation item 200668, Gates Foundation Grants.

Minimum School Year – Days to Hours

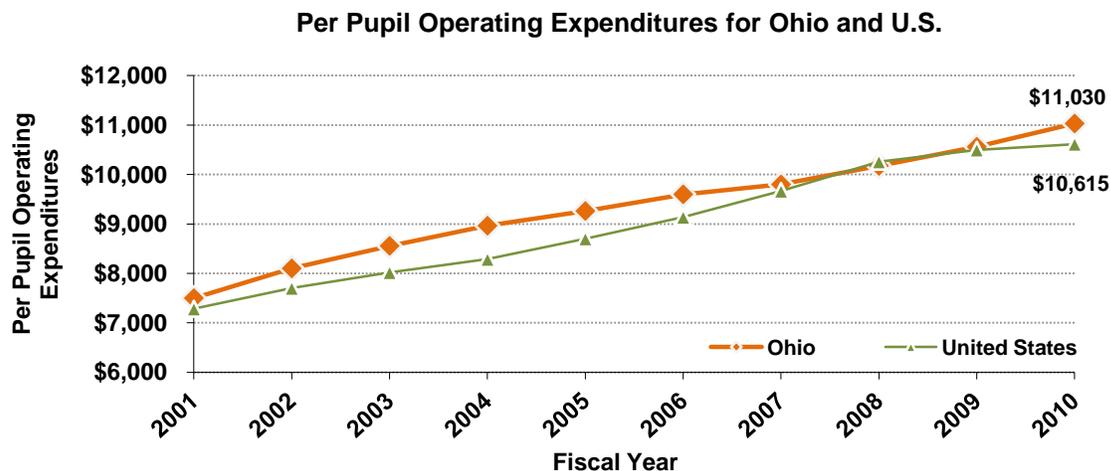
Beginning with the 2014-2015 school year, the executive proposal changes the minimum school year for school districts, STEM schools, and chartered nonpublic schools from 182 days to 455 hours for half-day kindergarten, 910 hours for all-day kindergarten and grades 1 through 6, and 1,001 hours for grades 7 through 12. This equals the number of hours specified under the current 182-day schedule. The executive proposes to eliminate the current law that permits these schools, without making up the lost time, to delay the start of a day or end a day early by up to two hours per day and be closed for up to five days due to public calamities. For schools currently operating for the minimum number of hours, elimination of five calamity days adds up to 25 hours for grades 1 to 6 and up to 27.5 hours for grades 7 through 12 to required instructional time.

Teachers and Nonteaching School Employees' Salary Schedules

The executive proposal eliminates provisions specifying minimum salary steps for teachers. It also eliminates provisions specifying salary schedule filing deadlines and the conditions upon which the salary schedules for nonteaching school employees must be based. Instead, the executive proposal generally requires a school district board to annually adopt salary schedules for teachers and nonteaching school employees.

FACTS AND FIGURES

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



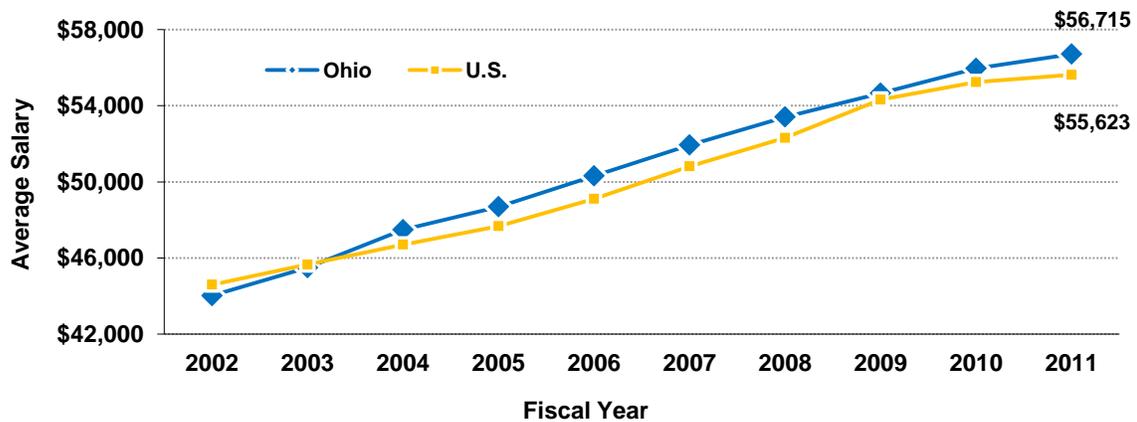
Source: United States Census Bureau

- In FY 2010, Ohio's public school per pupil operating expenditures were \$11,030, \$415 (3.9%) above the national average of \$10,615.
- Ohio's per pupil operating expenditures have exceeded the national average for two years in a row since falling slightly below the national average in FY 2008. Ohio's per pupil operating expenditures were also higher than the national average from FY 2001 to FY 2007.
- During the ten-year period from FY 2001 to FY 2010, Ohio's per pupil operating expenditures increased by \$3,531 (47.1%). The national average increased by \$3,331 (45.7%). During the same period, inflation, as measured by the consumer price index (CPI), was 23.8%.
- In FY 2010, Ohio's per pupil operating expenditures of \$11,030 ranked 18th among the 50 states. As shown in the table below, compared to its neighboring states, Ohio's per pupil operating expenditures were higher than Michigan, Indiana, and Kentucky, but lower than Pennsylvania and West Virginia.

Public School Per Pupil Operating Expenditures for Neighboring States, FY 2010		
Neighboring State	National Rank	Per Pupil Expenditures
Pennsylvania	11	\$12,995
West Virginia	16	\$11,527
Ohio	18	\$11,030
Michigan	22	\$10,644
Indiana	30	\$9,611
Kentucky	37	\$8,948

Ohio's Teacher Salaries Compared to the National Average

Average Teacher Salaries for Ohio and U.S.



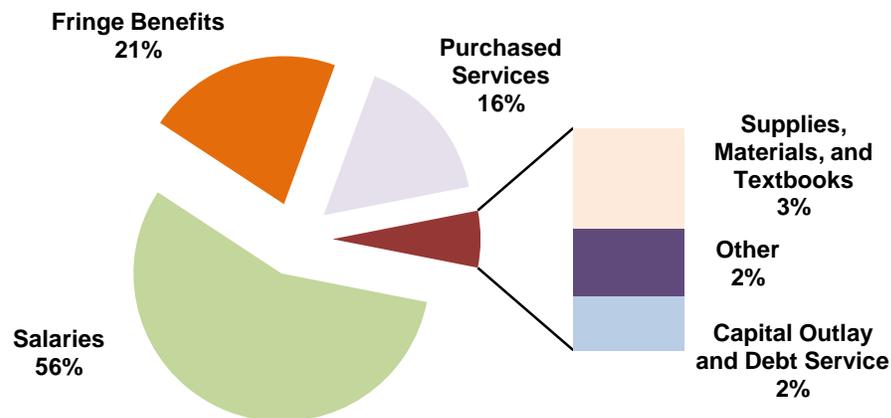
Sources: National Education Association; Ohio Department of Education

- Ohio's average teacher salaries have been above the national average since FY 2004.
- Ohio's average teacher salary for FY 2011 was 2.0% (\$1,092) higher than the national average.
- Ohio's average teacher salary increased by 28.8% from \$44,019 in FY 2002 to \$56,715 in FY 2011. The national average increased by 24.7%, from \$44,600 in FY 2002 to \$55,623 in FY 2011. During the same period, inflation, as measured by the consumer price index (CPI), was 24.1%.
- In FY 2011, Ohio's average teacher salary of \$56,715 ranked 14th in the nation. As shown in the table below, compared to its neighboring states, Ohio's average teacher salary was higher than Indiana, Kentucky, and West Virginia, but lower than Pennsylvania and Michigan.

Average Teacher Salaries for Neighboring States, FY 2011		
Neighboring State	National Rank	Average Salary
Michigan	9th	\$63,940
Pennsylvania	12th	\$60,760
Ohio	14th	\$56,715
Indiana	24th	\$50,801
Kentucky	29th	\$48,908
West Virginia	49th	\$44,260

Breakdown of School District Spending by Object of Expense

Breakdown of a Typical School District Budget, FY 2011



Source: Ohio Department of Education

- Salaries and fringe benefits account for approximately 77% of school district general fund budgets statewide in FY 2011. This percentage has decreased over the past five years from 79% in FY 2007.
- The cost of fringe benefits as a percentage of the cost of salaries increased to approximately 38% in FY 2011, up from 36% in FY 2007.
- Public schools in Ohio employed about 242,200 full-time equivalent (FTE) workers in FY 2011, including about 115,400 FTE teachers.
- 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 14% in FY 2007 to 16% in FY 2011.
- 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 2013, the required set-aside amount is about \$172 per pupil for each category. This amount is modified by the executive proposal to be 3% of the opportunity grant allocated to each district in the school funding formula. H.B. 30 of the 129th General Assembly repealed, beginning in FY 2012, a similar set-aside for textbooks and instructional materials.

Per Pupil Operating Spending By District Comparison Group

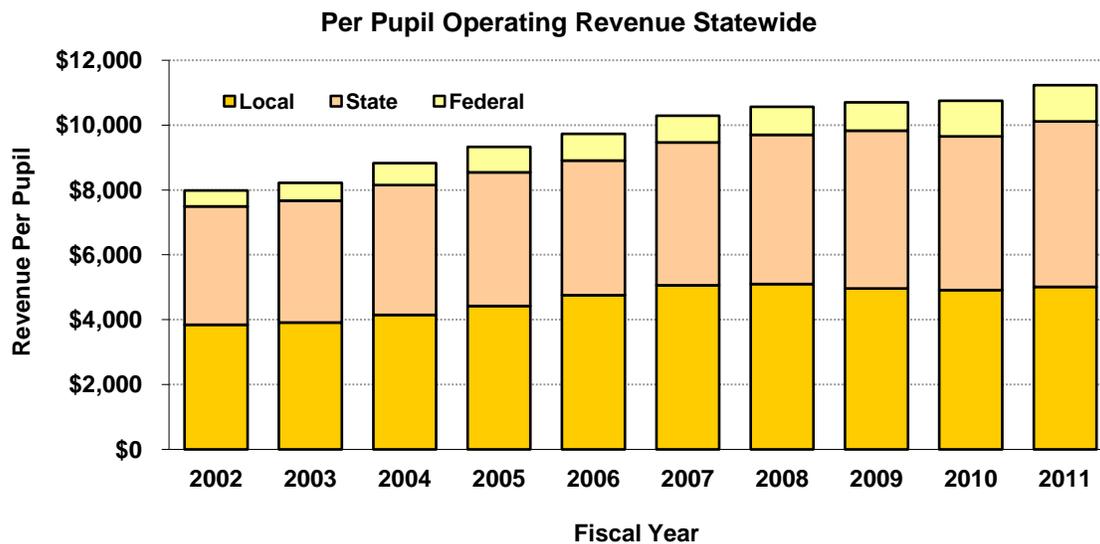
Spending Per Pupil by District Comparison Group, FY 2011				
Comparison Group – Description		Number of Districts	Enrollment %	Spending Per Pupil
Rural	Very low socioeconomic status (SES), very high poverty	97	8.9%	\$9,835
Small Rural	Low SES, low poverty	161	12.4%	\$9,032
Rural Town	Average SES, average poverty	81	7.9%	\$9,183
Urban	Low SES, high poverty	102	15.8%	\$10,191
Major Urban	Very high poverty	15	14.9%	\$14,079
Suburban	High SES, moderate poverty	107	24.4%	\$10,280
Suburban	Very high SES, low poverty	46	15.7%	\$11,417
State Total*		609	100%	\$10,731

*Three small outlier districts are not included.

Source: Ohio Department of Education

- In FY 2011, the average per pupil spending for different district comparison groups varied from a low of \$9,032 for small rural, low poverty districts to a high of \$14,079 for major urban, very high poverty districts. The state average was \$10,731.
- Rural districts tend to have the lowest spending per pupil, averaging \$9,318 per pupil for the three rural comparison groups, which is 13.2% (\$1,413) below the state average. These districts include 29.2% of total state enrollment.
- Very high poverty major urban districts had the highest spending per pupil among all district comparison groups in FY 2011, spending 31.2% (\$3,348) above the state average. The highest income suburban districts had the second highest spending per pupil at 6.4% (\$686) above the state average.
- On average, school districts spent 55.5% on instruction, 19.1% on building operations, 11.5% on administration, 10.2% on pupil support, and 3.7% 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.

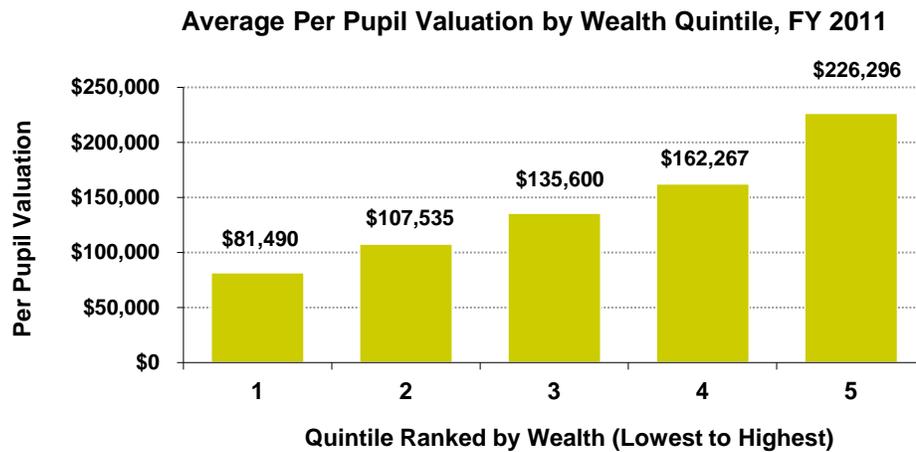
Per Pupil Operating Revenue for Schools



Source: Ohio Department of Education

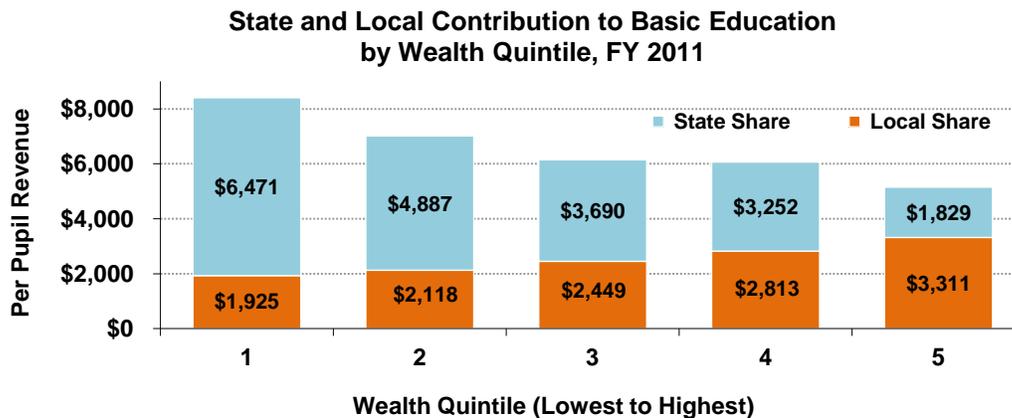
- Ohio schools' per pupil operating revenue from all sources increased 40.7% from \$7,983 in FY 2002 to \$11,232 in FY 2011.
- During this ten-year period, state revenue per pupil increased 39.9% from \$3,653 to \$5,109, local revenue per pupil increased 30.4% from \$3,843 to \$5,011, and federal revenue per pupil increased 127.9% from \$488 to \$1,112.
- State revenues comprised 45.5% of total school revenues in FY 2011. 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.
- Local revenues comprised 44.6% of total school revenues in FY 2011. Locally voted property taxes accounted for 96.5%, while school district income taxes accounted for the remaining 3.5%.
- Federal revenues comprised 9.9% of total school revenues in FY 2011. 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 5.9% from FY 1996 to FY 2002 to an average of 8.4% from FY 2003 to FY 2011.

Average Per Pupil Valuation by District Wealth



- In FY 2011, approximately 20% of Ohio's students resided in school districts with per pupil property valuations that averaged about \$81,000 while another 20% resided in school districts with per pupil property valuations that averaged about \$226,000. The statewide average valuation was \$142,000 per pupil.
- A 20-mill (2%) property tax levy generates \$1,620 per pupil for a district with a valuation per pupil of \$81,000 and \$4,520 per pupil for a district with a valuation per pupil of \$226,000.
- Since locally voted property tax levies represent about 96% 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 has assumed 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 required the state to make up the difference to bring the total up to a state-defined amount for each district.

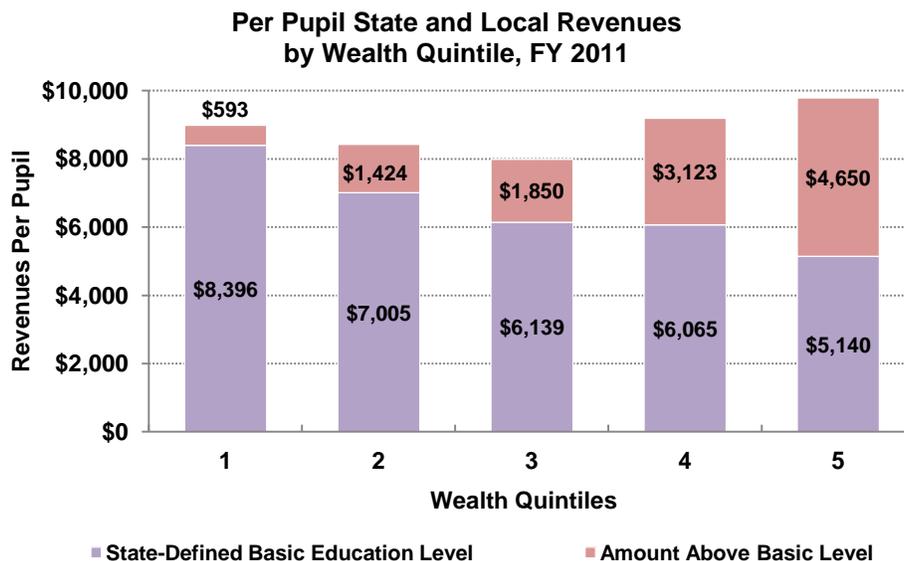
Funding for State-Defined Basic Education by Wealth Quintile



Source: Ohio Department of Education

- Low wealth districts receive more state aid per pupil than high wealth districts. In FY 2011, the quintile with the lowest wealth received \$6,471 per pupil on average whereas the quintile with the highest wealth received \$1,829 per pupil on average.
- For the state as a whole, the state share of the state-defined education cost in FY 2011 was 61.4%. This share averaged 76.8% for quintile 1, 69.4% for quintile 2, 59.8% for quintile 3, 53.2% for quintile 4, and 36.6% for quintile 5.
- Both of the recent school funding formulas, the building blocks model and the Evidence-Based Model (EBM) directed more state aid toward lower wealth districts through a local share formula that used a uniform tax rate, which resulted in a relatively lower local share per pupil for lower wealth districts.
- In FY 2011, the revenue raised for the local contribution varied from an average of \$1,925 per pupil in quintile 1 to an average of \$3,311 per pupil in quintile 5.
- In addition to the local share formula, the EBM used the Educational Challenge Factor, which caused the total state-defined basic education cost per pupil to be higher for lower wealth districts. On the other hand, the building blocks model used parity aid to direct funding above the state-defined level to lower wealth districts.
- Both models incorporated a guarantee provision that increased the state share for certain districts. The EBM also included a cap that decreased the state share for certain districts. Funding for districts on the guarantee or under the cap is based primarily on historical funding rather than the current formula. In FY 2011, 347 districts were on the guarantee and 235 were under the cap, causing the regular formula to apply to only 30 districts.

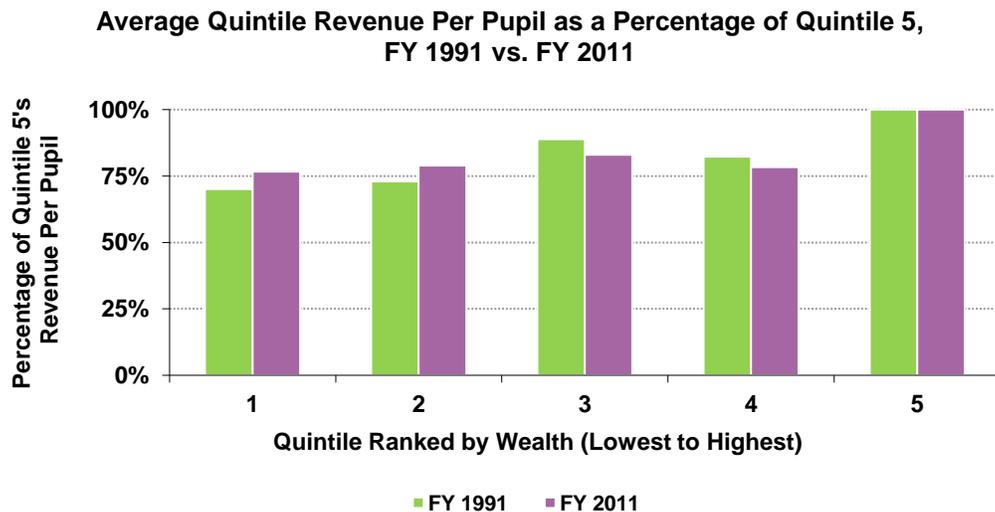
Local Revenue Above State-Defined Basic Education by Wealth Quintile



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 2011, the average per pupil local revenue above the basic level in quintile 5 (\$4,650) was more than 7.8, 3.3, 2.5, and 1.5 times higher than that in quintiles 1, 2, 3, and 4, respectively.
- 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 \$9,790 for FY 2011. This amount was 8.9%, 16.1%, 22.5%, and 6.6%, respectively, more than that in quintile 1 (\$8,989), quintile 2 (\$8,429), quintile 3 (\$7,989), and quintile 4 (\$9,187).
- Whereas the EBM resulted in higher state-defined basic education levels per pupil for lower wealth districts, the building blocks model provided funding above the state-defined level for lower wealth districts through parity aid.

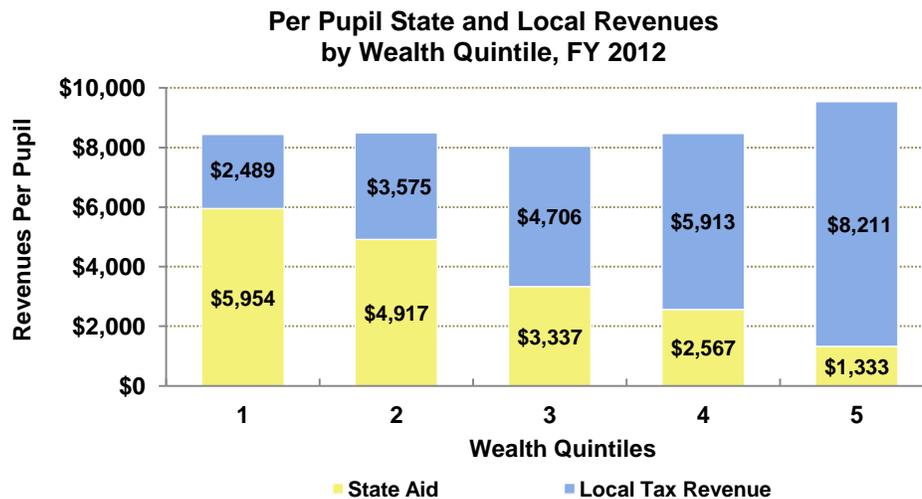
Comparison of Interdistrict Equity Based on Wealth Quintile



Source: Ohio Department of Education

- In FY 1991, the districts in quintile 1 received, on average, 70.0% of the revenue received by the districts in quintile 5. This percentage increased to 76.7% in FY 2011. Likewise, the percentage for quintile 2 rose from 72.9% in FY 1991 to 78.9% in FY 2011.
- In contrast, quintiles 3 and 4 have lost ground when compared to quintile 5. In FY 1991, quintiles 3 and 4 received an average of 88.8% and 82.3%, respectively, of the revenue received by quintile 5. This compares to 83.0% and 78.3% in FY 2011.
- This drop for quintiles 3 and 4 is recent. In FY 2009, quintiles 3 and 4 received 89.9% and 90.5%, respectively, of the revenue received by quintile 5, higher than the percentages from FY 1991. Quintiles 1 and 2 also had higher percentages in FY 2009 – 84.4% and 86.4%, respectively.
- In FY 2010 and FY 2011, most districts were not paid according to the formula, but instead according to either the guarantee or the cap. This may have contributed to the changes in interdistrict equity from FY 2009 to FY 2011 as the equalizing provisions of the formula were not given full effect.
- In FY 2011, the guarantee provision increased average state aid per pupil for quintile 5 by \$715, compared to \$526 for quintile 4, \$363 for quintile 3, \$202 for quintile 2, and \$74 for quintile 1. In contrast, the cap reduced state aid per pupil in FY 2011 by \$426 for quintile 1, \$167 for quintile 2, \$113 for quintile 3, \$112 for quintile 4, and \$20 for quintile 5.

Per Pupil Funding by Wealth Quintile Under the Bridge Formula

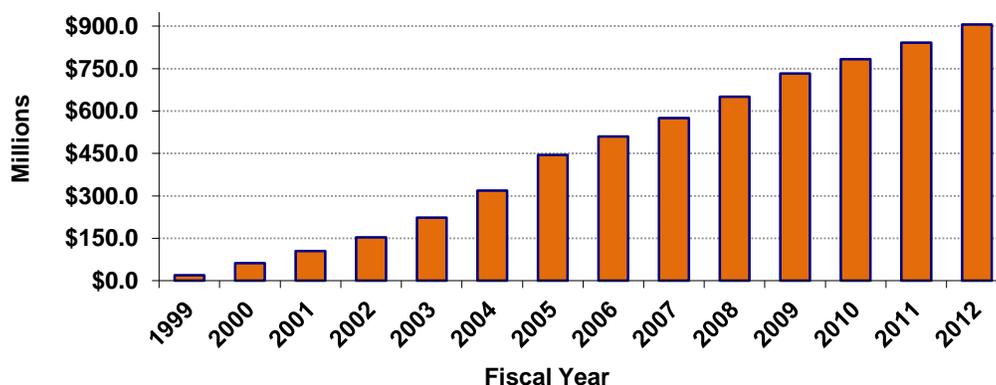


Source: Ohio Department of Education

- For FY 2012 and FY 2013, state aid is distributed to school districts under a bridge formula that is largely based on state aid for FY 2011 and continues to direct more state funding to lower wealth districts.
- Almost all districts experienced decreases in state aid for FY 2012. This is due to the loss of \$515.5 million in federal stimulus funding that supported state aid in FY 2011, which was not fully offset by the \$270.2 million increase in state-source GRF and lottery funding.
- The decreases in state aid per pupil were based on an index that, in general, resulted in smaller decreases for lower wealth districts. Average per pupil decreases for wealth quintiles 1 to 5 were \$97, \$127, \$156, \$157, and \$93, respectively.
- The bridge formula includes a supplement that guarantees districts are allocated at least the state aid they received for FY 2011 less the portion of that aid supported by the federal stimulus. This is the main reason for the relatively low average per pupil decrease for quintile 5 districts. The guarantee increased funding to quintile 5 districts by an average of \$166 per pupil, compared to about \$30 for quintile 4, \$2 for quintile 3, and less than \$1 for quintiles 1 and 2.
- The bridge formula also includes a performance-based supplement that provides \$17 per pupil to districts rated excellent or higher on the state report cards. This supplement also resulted in higher funding for districts in the higher wealth quintiles. On average, districts in the quintiles from 1 to 5 received \$2, \$8, \$9, \$12, and \$15 per pupil, respectively, from this supplement.

School Choice Program Spending

Annual Spending on School Choice Programs



Source: Ohio Department of Education

- Ohio school choice programs include community schools, the Cleveland Scholarship and Tutoring Program (CSTP), the Educational Choice Scholarship Program, the Autism Scholarship Program, and, beginning in FY 2013, the Jon Peterson Special Education Scholarship. Spending on these programs has increased from \$19.7 million in FY 1999 to \$906.0 million in FY 2012.
- 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 \$774.7 million in FY 2012. Community school enrollment has increased from 2,245 to 108,513.
- The CSTP provides state-funded scholarships for students in the Cleveland Municipal School District. 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, declining to 5,128 in FY 2012. State expenditures for CSTP have increased from \$5.0 million in FY 1997 to \$17.8 million in FY 2012.
- The Educational Choice Scholarship Program began in FY 2007 and provides scholarships to students who are assigned to certain "low-performing" schools. Scholarships are financed by deductions from state aid to scholarship recipients' districts of residence. From FY 2007 to FY 2012, the number of students receiving scholarships increased from 3,169 to 15,219; funding for the program increased from \$13.0 million to \$75.4 million.
- The Autism Scholarship Program provides scholarships to qualified autistic children. Since its inception in FY 2004, the number of students involved in the program increased from approximately 725 to 2,413 in FY 2012; funding for the program has increased from \$3.3 million to \$38.1 million. Scholarships are also financed by state aid deductions from scholarship recipients' districts of residence.

Ohio School District Report Card Ratings

Number of Districts by Report Card Rating,* FY 2008-FY 2012					
Rating	2008	2009	2010	2011	2012
Excellent with Distinction	74	116	81	86	138
Excellent	152	154	215	266	249
Effective	292	251	240	214	172
Continuous Improvement	83	79	64	37	38
Academic Watch	9	9	9	6	11
Academic Emergency	0	1	1	0	2

*These numbers may change as ODE reviews certain district ratings due to certain data issues.

Source: Ohio Department of Education

- According to preliminary FY 2012 data, 559 districts (91.6%) were rated effective or higher, compared to 518 districts (84.9%) in FY 2008.
- 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.
- Ohio's 26 academic standards include minimum proficient rates on all 24 achievement assessments, as well as minimum graduation and student attendance rates. The preliminary data indicate that the average Ohio district met 22 standards in FY 2012. Some districts met all 26 standards while others met none.
- The performance index, ranging from 0 to 120, is a composite measure of achievement of all students on all achievement tests. The average performance index score was 99.2 in FY 2012 with performance index scores ranging from 70.6 to 112.4.
- AYP, a rating established by the federal No Child Left Behind Act, requires districts to meet annual performance goals for student subgroups. In FY 2012, 244 districts (40.0%) met AYP, compared to 314 districts (51.5%) in FY 2008.
- 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 2012, 216 districts (35.4%) were above, 303 districts (49.7%) had met, and 91 districts (14.9%) 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.

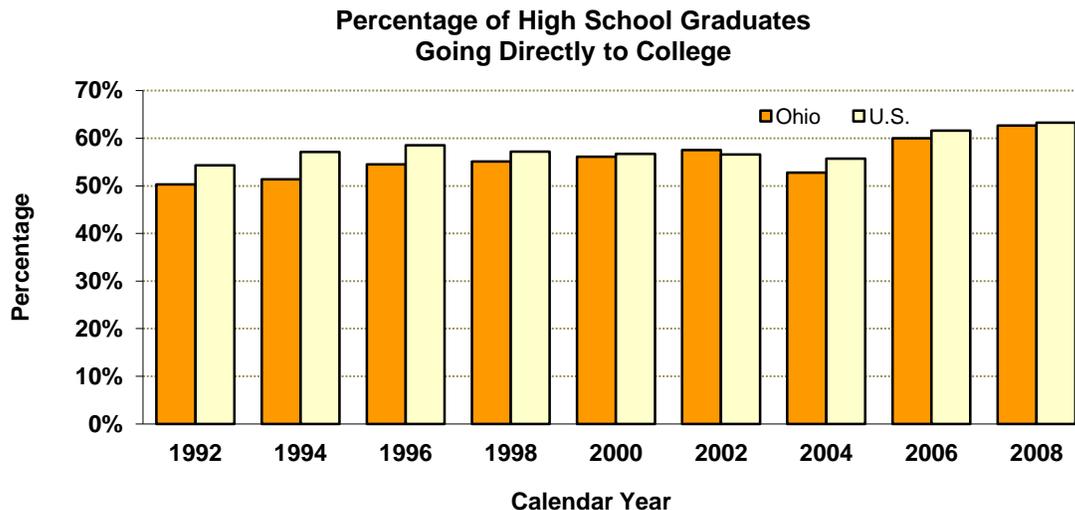
Changes in Public and Nonpublic School Enrollments

Ohio School Enrollment, FY 2002-FY 2012						
Fiscal Year	Public		Nonpublic		Total	
	Enrollment	Annual Change	Enrollment	Annual Change	Enrollment	Annual Change
FY 2002	1,805,163	-4,788	239,080	-3,765	2,044,243	-8,553
FY 2003	1,811,167	6,004	232,092	-6,988	2,043,259	-984
FY 2004	1,815,881	4,714	222,830	-9,262	2,038,711	-4,548
FY 2005	1,815,613	-268	213,312	-9,518	2,028,925	-9,786
FY 2006	1,811,708	-3,905	207,054	-6,258	2,018,762	-10,163
FY 2007	1,803,226	-8,482	204,402	-2,652	2,007,628	-11,134
FY 2008	1,794,134	-9,092	200,598	-3,804	1,994,732	-12,896
FY 2009	1,790,809	-3,325	195,343	-5,255	1,986,152	-8,580
FY 2010	1,782,713	-8,096	187,994	-7,349	1,970,707	-15,445
FY 2011	1,774,538	-8,175	181,420	-6,574	1,955,958	-14,749
FY 2012	1,760,902	-13,636	178,702	-2,718	1,939,604	-16,354
Total Change		-44,261		-60,378		-104,639

Source: Ohio Department of Education

- Total school enrollment in Ohio has decreased by 104,639 students over the last decade, from 2.04 million in FY 2002 to 1.94 million in FY 2012.
- Total school enrollment in Ohio has declined every year during this same period.
- Of the total enrollment decrease since FY 2002, 57.7% (60,378) occurred in nonpublic schools and 42.3% (44,261) occurred in public schools. This represents a 25.3% decline in nonpublic school enrollment over those ten years, compared to a 2.5% decline in public school enrollment.
- In FY 2012, nonpublic school enrollment represented approximately 9.2% of total enrollment in Ohio, compared to 11.7% in FY 2002.
- Public school enrollment increased in FYs 2003 and 2004, for a total increase of 10,718 over these two years. However, these increases were more than offset by decreases in nonpublic school enrollment (a decrease of 16,250 over these two years).
- Public school enrollment has decreased every year since FY 2004. During these eight years, the largest annual decrease in public school enrollment was 13,636 students in FY 2012. The smallest annual decrease during these eight years was 268 students in FY 2005.

Percentage of Ohio High School Graduates Going Directly to College



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

- The percentage of Ohio high school graduates going directly to college increased 2.7 percentage points from 60.0% in 2006 to 62.7% in 2008. The national average increased by 1.7 percentage points in the same period, from 61.6% to 63.3%.
- The percentage of Ohio high school graduates going directly to college has been below the national average every year since 1992 except for 2002. In 2008, Ohio's percentage was 0.6 percentage point below the national average.
- In fall 2009, 44% of graduates from Ohio public high schools enrolled directly in an Ohio college or university – approximately 32% in a four-year institution and approximately 12% 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 21.8 in 2011, in comparison with the national average of 21.1. The mean Ohio SAT score was 1606 in 2011, in comparison with the national mean score of 1500.

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 ten 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 ODE's Appropriation Line Items for Analysis of Executive Proposal			
Fund	ALI and Name		Category
General Revenue Fund Group			
GRF	200321	Operating Expenses	10: State Administration
GRF	200408	Early Childhood Education	7: Early Childhood Education
GRF	200420	Information Technology Development and Support	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 Assessment	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	200464	General Technology Operations	10: State Administration
GRF	200465	Technology Integration and Professional Development	5: School Operations 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	Information Technology Development and 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
5KX0	200691	Ohio School Sponsorship Program	1: Basic Public School Support

Categorization of ODE's Appropriation Line Items for Analysis of Executive Proposal			
Fund	ALI and Name		Category
5KY0	200693	Community Schools Temporary Sponsorship	1: Basic Public School Support
5MX0	200670	Exceptional Cost Reimbursement	1: Basic Public School Support
Federal Special Revenue Fund Group			
3090	200601	Neglected and Delinquent Education	3: Educational Enhancements
3670	200607	School Food Services	5: School Operations Support
3700	200624	Education of Exceptional Children	3: Educational Enhancements
3AF0	200603	Schools Medicaid Administrative Claims	3: Educational Enhancements
3AN0	200671	School Improvement Grants	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
3D20	200667	Math Science Partnerships	3: Educational Enhancements
3EC0	200653	Teacher Incentive – Federal Stimulus	8: Educator Quality
3EH0	200620	Migrant Education	3: Educational Enhancements
3EJ0	200622	Homeless Children Education	3: Educational Enhancements
3EK0	200637	Advanced Placement	9: Curriculum, Assessment, and Accountability
3EN0	200655	State Data Systems – Federal Stimulus	9: Curriculum, Assessment, and Accountability
3FD0	200665	Race to the Top	6: Academic Achievement
3FN0	200672	Race to the Top – Early Learning Challenge Grant	7: Early Childhood Education
3GE0	200674	Summer Food Service Program	5: School Operations Support
3GF0	200675	Miscellaneous Nutrition Grants	5: School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	5: School Operations Support
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
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

Categorization of ODE's Appropriation Line Items for Analysis of Executive Proposal			
Fund	ALI and Name		Category
State Special Revenue Fund Group			
4540	200610	GED Testing	9: Curriculum, Assessment, and Accountability
4550	200608	Commodity Foods	5: School Operations Support
4R70	200695	Indirect Operational Support	10: State Administration
4V70	200633	Interagency Program Support	10: State Administration
5980	200659	Auxiliary Services Reimbursement	4: Nonpublic School Support
5BJ0	200626	Half-Mill Maintenance Equalization	1: Basic Public School Support
5MM0	200677	Child Nutrition Refunds	5: School Operations Support
5T30	200668	Gates Foundation Grants	8: Educator Quality
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
7017	200648	Straight A Fund	1: Basic Public School Support
7017	200666	EdChoice Expansion	1: Basic Public School Support
7017	200684	Community School Facilities	5: School Operations 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 2014		FY 2015
General Revenue Fund (GRF)					
GRF	200455	Community Schools and Choice Programs	\$	2,438,685	\$ 2,491,395
GRF	200502	Pupil Transportation	\$	442,113,527	\$ 442,113,527
GRF	200550	Foundation Funding	\$	5,924,495,823	\$ 6,102,858,841
General Revenue Fund Subtotal			\$	6,369,048,035	\$ 6,547,463,763
General Services Fund (GSF)					
5KX0	200691	Ohio Schools Sponsorship Program	\$	487,419	\$ 487,419
5KY0	200693	Community Schools Temporary Sponsorship	\$	83,000	\$ 83,000
5MX0	200670	Exceptional Cost Reimbursement	\$	111,566,822	\$ 119,505,133
General Services Fund Subtotal			\$	112,137,241	\$ 120,075,552
Federal Special Revenue Fund (FED)					
3L90	200621	Career-Technical Education Basic Grant	\$	44,663,900	\$ 44,663,900
3M00	200623	ESEA Title 1A	\$	560,000,000	\$ 560,000,000
3M20	200680	Individuals with Disabilities Education Act	\$	443,170,050	\$ 443,170,050
Federal Special Revenue Fund Subtotal			\$	1,047,833,950	\$ 1,047,833,950
State Special Revenue Fund (SSR)					
5BJ0	200626	Half-Mill Maintenance Equalization	\$	19,000,000	\$ 20,000,000
State Special Revenue Fund Subtotal			\$	19,000,000	\$ 20,000,000
Lottery Profits Education Fund (LPE)					
7017	200612	Foundation Funding	\$	725,000,000	\$ 750,000,000
7017	200648	Straight A Fund	\$	100,000,000	\$ 200,000,000
7017	200666	EdChoice Expansion	\$	8,500,000	\$ 17,000,000
Lottery Profits Education Fund Subtotal			\$	833,500,000	\$ 967,000,000
Total Funding: Basic Public School Support			\$	8,381,519,226	\$ 8,702,373,265

Foundation Funding (200550 and 200612)

The executive budget proposes increases of \$352.5 million (5.6%) in FY 2014 and \$203.4 million (3.1%) in FY 2015 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 proposes a new school funding formula to distribute state foundation aid to public schools and districts in FY 2014 and FY 2015. Appropriation item 200550 also includes earmarks, which are listed in the following table.

200550, Foundation Funding		
Earmarks	FY 2014	FY 2015
Distance Learning Clearinghouse	\$ 675,000	\$ -
Youth Services Tuition	\$ 2,000,000	\$ 2,000,000
Educational Service Centers	\$ 27,500,000	\$ 20,000,000
School Improvement Initiatives - Educational Service Centers	\$ 3,500,000	\$ 3,500,000
Valuation Adjustments	\$ 20,000,000	\$ 20,000,000
CTPD GED Reimbursement	\$ 2,000,000	\$ 2,000,000
CTPD Journeyman Certification	\$ 410,000	\$ 410,000
School Choice Programs	\$ 18,713,327	\$ 18,713,327
Cleveland School Choice Deduct	\$ 11,901,887	\$ 11,901,887
Remainder – Foundation Payments	\$ 5,849,697,496	\$ 6,036,235,514
Total Funding: Foundation Funding	\$ 5,924,495,823	\$ 6,102,858,841

Distance Learning Clearinghouse

These funds are used to support the work of the College of Education and Human Ecology at The Ohio State University in reviewing and assessing the alignment of courses offered through the distance learning clearinghouse with state academic content standards. The executive proposes flat funding of \$675,000 for this earmark in FY 2014 and no funding in FY 2015.

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 (ADM) for purposes of state aid calculations. The executive budget proposes flat funding in FY 2014 and FY 2015 for this earmark.

Educational Service Centers

These funds are provided to the 56 educational service centers (ESCs) in Ohio. Prior to FY 2012, the state provided \$40.52 per pupil for an ESC serving three or more counties and \$37.00 per pupil for all others. If insufficient funds were appropriated, funds were 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 were insufficient funds to cover these students, funds were distributed proportionally for students attributable to such city and exempted village districts. In FY 2012, each ESC received 90% of the funding received in FY 2011, and in FY 2013, each ESC receives 85% of the funding received in FY 2012. Under the executive proposal, in FY 2014, each ESC receives 77.5% of the funding received in FY 2013, and in FY 2015, each ESC receives 72.3% of the funding received in FY 2014. Further changes made to ESC funding are described in the "**Overview**" section. The executive budget proposes a decrease of \$8.0 million (22.5%) in

FY 2014 from the FY 2013 earmark, and a decrease of \$7.5 million (27.3%) in FY 2015 from the FY 2014 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. The executive proposed funding for this earmark represents a decrease of about \$45,000 (1.3%) in FY 2014 and FY 2015 when compared to FY 2013.

Valuation Adjustments

These funds will be used for payments to school districts resulting from property tax refunds and certain recomputations of state foundation aid due to changes in property tax valuation. The executive proposal requires ODE to prorate these payments, if needed, to remain within the earmarked amount.

CTPD GED Reimbursement

These funds will be used to reimburse students taking the online General Educational Development (GED) test for the first time for application and test fees in excess of \$40. Currently, the fee for the paper-based test is \$40 while the complete computer-based test costs \$120. As explained in the "**Overview**" section, in January 2014, a revamped GED assessment will debut and will be administered only through a computer. The new online assessment is expected to cost \$120 (though this amount is subject to change since the test is changing from five sections to four), the same as the computer-based test costs now. At the \$2 million per year funding level, the executive budget enables up to 25,000 test takers to be reimbursed for the additional cost to take the online GED test, roughly the amount of individuals taking the test each year.

CTPD Journeyman Certification

These funds will be used to pay career-technical planning districts (CTPD) \$500 for each student that receives a U.S. Department of Labor-recognized journeyman certification. As noted in the executive Blue Book, journeyman certifications indicate completion of an apprenticeship program that provides training in industries such as construction, manufacturing, information technology/networking, and health care. Such programs are sponsored by individual employers, joint employer and labor groups, or employer associations and are registered with the U.S. Department of Labor.

School Choice Programs

This funding supports the Cleveland Scholarship and Tutoring Program in addition to the funds deducted from Cleveland's state aid allocation (see below). This earmark also may be used, along with appropriation item 200455, Community Schools

and School Choice Programs, for ODE's costs in administering the state's other school choice programs. The executive budget recommends an increase of \$6.1 million (49.4%) for FY 2014 and flat funding for FY 2015.

Cleveland School Choice Deduction

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. For FY 2013, 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, with a maximum scholarship of \$4,250 for students in grades kindergarten through 8 and \$5,000 for students in grades 9 through 12. In FY 2012, approximately 5,128 students participated in the program with an estimated average scholarship of \$3,273. 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 sets aside \$1.0 million in each fiscal year from this earmark for CMSD to provide tutorial assistance. The executive budget proposes to maintain the total deduction at its FY 2013 level. Any funds that are not needed to cover the costs of the program are disbursed to CMSD.

Remainder – Foundation Payments

Under the executive proposal, a portion of this funding is set aside for payments of additional career-technical education aid to career-technical planning districts. As discussed in the "**Overview**" section, this funding has been removed from the main school funding formulas for traditional and joint vocational school districts (JVSDs). The remaining funding is provided to support the general operating expenses of traditional school districts, JVSDs, community schools, and STEM schools. These funds are combined with lottery funding from item 200612. The executive proposes new school funding formulas to distribute this funding. The new formulas are described in detail in the "**Overview**" section.

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. All scholarship students are currently counted in their resident district's ADM for the purposes of calculating funding through the proposed school funding model. Under continuing law, the maximum scholarship amount is set at \$4,250 for students in grades kindergarten through 8 and \$5,000 for students in grades 9 through 12. In

FY 2012, 15,219 scholarships were awarded. Under current law, students are eligible for EdChoice if the public school they would normally be assigned to is "low performing." The executive proposal establishes an additional measure of low performance that results in eligibility for the program. Under the executive budget, students in grades kindergarten through three who attend a school that has received a grade of "D" or "F" in "making progress in improving K-3 literacy" in two of the three most recent state report cards and has not received an "A" in that category in the most recent state report card are eligible. The executive proposal also expands the EdChoice program to certain low income students, regardless of the performance of their public school. This expansion, which is described more below, is paid for directly, not through a deduction of school district foundation funding.

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. Currently, 262 providers are registered to participate in the program. In FY 2012, 360 students received scholarships.

Jon Peterson Special Needs Scholarship Program

The Jon Peterson Special Needs Scholarship Program is similar to the Autism Scholarship Program except that it is available to all disabled students with Individual Education Programs (IEP) established by their resident school districts. Funding for the program is provided in the same way as that of the Autism program, through a transfer of state aid from the resident district to the alternate provider. Scholarship students are also counted in their district's ADM for the purposes of the state funding formula. Under current law, the amount of the scholarship cannot exceed \$20,000 and is the lesser of the tuition charged by the alternate provider and the special education weighted funding calculated for the student under the FY 2009 funding formula (\$5,704 plus \$5,732 multiplied by special education weights). The executive budget modifies this calculation, as described in the "**Overview**" section. FY 2013 is the first year the program is operational. Currently, 220 providers are registered to participate.

College Credit Plus

The executive budget renames the current Post-Secondary Enrollment Options (PSEO) Program as the College Credit Plus Program and changes the funding structure of the program. Both programs allow qualified Ohio high school students to take college courses at state expense for both college and high school credit. Under the PSEO Program, 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.

The maximum deduction is \$5,704 in FY 2012 and FY 2013. Under the executive budget proposal, the deduction is based on the statewide average in-state tuition per credit hour calculated by the Chancellor of the Board of Regents. Deduction amounts are a percentage of this calculation and vary depending on the type of college in which the student is enrolled (public or private) as well as the location of the class and where the instructor is employed. The executive plan is discussed in further detail in the "**Overview**" section of this Redbook.

Pupil Transportation (200502)

This line item supports the operating costs of transporting students to and from school. The executive budget proposes flat funding in FY 2014 and FY 2015 compared with the FY 2013 estimated expenditure level. This item includes the following earmarks.

200502, Pupil Transportation		
Earmarks	FY 2014	FY 2015
Bus Driver Training	\$ 838,930	\$ 838,930
Special Education Transportation	\$ 60,469,220	\$ 60,469,220
Payment in lieu of Transportation	\$ 5,000,000	\$ 5,000,000
Remainder – Pupil Transportation	\$ 375,805,377	\$ 375,805,377
Total Funding: Pupil Transportation	\$ 442,113,527	\$ 442,113,527

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 2014 and FY 2015 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 2012, 40,943 special education students were transported at a total cost of approximately \$214.2 million. The state reimbursed about 28.2% of this cost. The executive budget proposes flat funding in FY 2014 and FY 2015 for this earmark.

Payments In Lieu of Transportation

These funds are used to reimburse school districts that provide payments to parents in lieu of providing transportation services. The executive budget proposes flat funding in FY 2014 and FY 2015 for this earmark.

Remainder – Pupil Transportation

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 8 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. 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 was used for allocation purposes and the total statewide allocation was adjusted to stay within the appropriated amount, with a supplement for districts with relatively low wealth and low density. In FY 2012 and FY 2013, the formula was not used and instead the appropriation was used to fund the bridge formula. According to data collected by ODE, in FY 2011, almost 833,400 students were transported at a total cost of \$695.1 million. The state provided funding of \$396.8 million (57%). Under the executive budget, the transportation formula enacted in H.B. 1 will be used in the FY 2014-FY 2015 biennium, except that the state share index is used (described in the "**Overview**" section), rather than the state share percentage. ODE is required to prorate the calculated amount for each district to fit within the appropriation.

Exceptional Cost Reimbursement (200670)

These funds provide a pooled funding resource for traditional and JVSs, community schools, and STEM schools to help offset the cost of special education students in categories two through six that exceed certain exceptional cost thresholds (\$27,375 for categories two through five and \$32,850 for category six). If a public school or district applies for the funds and meets certain eligibility requirements, the state will pay 100% on half of the cost in excess of the applicable threshold while the remainder of the cost above the threshold will be paid based on the district's state share index, which can range anywhere from 5% to 95%. While the thresholds and formula for determining such payments are generally the same as that in current law (the current formula uses a district's state share percentage), the executive proposes to fund the payments through a deduction and transfer of 15% of the state share of special education funds calculated for traditional and joint vocational school districts and community and STEM schools. Accordingly, the executive proposes appropriations of \$111.6 million in FY 2014 and \$119.5 million in FY 2015 to support payments from the fund. Currently, support for these payments is allocated through a \$10 million annual set-aside from GRF appropriation item 200550, Foundation Funding.

Community Schools and Choice Programs (200455)

This line item is used by ODE to provide oversight and evaluation of community school sponsors and, along with funding provided in an earmark of appropriation item 200550, Foundation Funding, administration of other school choice programs. The executive budget increases funding in this line item by 10.8% in FY 2014 and by 2.2% in FY 2015. According to ODE, the funding increase for the FY 2014-FY 2015 biennium will enable ODE to maintain adequate support for the increasing number of community schools and sponsors. The additional funds will also support ODE's administrative responsibilities related to the potential increase in EdChoice participants and the Jon Peterson Special Needs Scholarship Program, which began providing vouchers to special needs students in FY 2013.

Career-Technical Education Grants (200621)

These federal funds support the development of academic, career, and technical skills of secondary and post-secondary students who enroll in career 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 decrease 7.8% in FY 2014 and remain flat in FY 2015. A portion of the funds in appropriation item 200321, Operating Expenses, provide the dollar for dollar required state match for the administrative portion of the federal grant.

Ohio School Sponsorship Program (200691)

The Ohio School Sponsorship Program, established by H.B. 153 of the 129th General Assembly, allows ODE to act as a sponsor to a limited number of community schools. For the first five years of the program, which began in FY 2012, ODE is limited to approving applications for the program to 15 existing and five new community schools each year. In FY 2012, ODE sponsored six existing and five new community schools under the program. The Ohio School Sponsorship Fund (Fund 5KX0) was established by the Controlling Board on November 14, 2011, to support the administrative duties associated with ODE's sponsorship of these schools. The fund is supported by sponsorship fees of up to 3% of each community school's operating revenue. The executive budget recommends flat funding of \$487,419 in FY 2014 and FY 2015.

Community Schools Temporary Sponsorship (200693)

The Community Schools Temporary Sponsorship Fund (Fund 5KY0) was created by the Controlling Board in November 2011 to support the State Board of Education's temporary sponsorship of community schools. H.B. 364 of the 124th General Assembly gave the State Board the authority to revoke a sponsor's approval to sponsor community schools under certain conditions and to assume temporary sponsorship of the former sponsor's community schools until the schools' governing authorities obtain

new sponsors. ODE's Office of Community Schools is responsible for monitoring each community school that it sponsors and issuing monthly reviews, providing technical assistance, and conducting on-site visits. The fund is supported by a sponsorship fee charged to each of the operating community schools equal to 3% of each school's operating revenue. In FY 2012, ODE assumed temporary sponsorship of eight community schools. The executive budget recommends funding of \$83,000 in FY 2014, a 61.2% decrease from FY 2013 estimated expenditure levels, and flat funding in FY 2015. The appropriation is significantly lower in the FY 2014-FY 2015 biennium because the schools sponsored by ODE under this program are expected to find new sponsors by the end of FY 2013.

The executive proposal allows ODE to place temporary limits on the breadth and scope of a noncompliant sponsor's authority until the sponsor remedies its noncompliance, potentially resulting in fewer temporary sponsorship duties for ODE.

Individuals with Disabilities Education Act (200680)

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. This funding is expected to remain flat in each fiscal year at \$443.2 million.

ESEA Title I (200623)

This appropriation item is used to distribute federal funding to school districts to provide educational services to disadvantaged students. School districts are allocated funding based on a federal formula. Nearly all 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. Up to 1% of the grant award may be used by ODE to administer the program. This funding is expected to increase by about \$30.0 million (5.7%) in FY 2014 and remain flat in FY 2015.

In May 2012, the state was granted a conditional waiver from a number of federal No Child Left Behind Act requirements in exchange for committing to various reforms. Prior to the waiver, districts who had not made the federal designation of "adequate yearly progress" (AYP) for two years in a row were required to use up to 20% of their Title I 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 were required to use up to 20% of their allocation to provide transportation as before and to provide supplemental services to children in failing

schools. Under the waiver, Ohio no longer mandates school choice and supplemental services be offered. Instead, a school district identified as having a priority or focus school must direct 20% of its Title I allocation to those schools. In general, priority schools represent the lowest performing schools while focus schools have the highest achievement or graduation gaps and have not made sufficient progress in decreasing those gaps in recent years. Eligible uses of the revised 20% set-aside include expanded learning time, other school-specific needs identified through intervention models or school improvement plans, teacher collaboration, and implementation of college and career readiness activities.

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. The Half-Mill Equalization Program began in FY 2007. The executive budget proposes increases of \$1.0 million (5.6%) in FY 2014 and \$1.0 million (5.3%) in FY 2015.

Straight A Fund (200648)

This new line item provides grants to school buildings and districts, JVSDs, ESCs, community schools, STEM schools, institutions of higher education, and private entities that aim to achieve significant advancement in one or more of the following goals: (1) student achievement, (2) spending reductions, and (3) utilization of a greater share of resources in the classroom. The grants are to be awarded by an appointed nine-member board. The board is also required to issue an annual report related to the types of grants awarded, the grant recipients, and the effectiveness of the program. The executive budget appropriates \$100.0 million in FY 2014 and \$200.0 million in FY 2015 to support this program.

EdChoice Expansion (200666)

This new line item supports expanding EdChoice scholarship eligibility to include students whose family income is less than 200% FPG (\$47,100 for a family of four). The executive budget appropriates \$8.5 million in FY 2014 and \$17.0 million in FY 2015 for this program. The number of scholarships awarded under the expansion will be limited to the appropriation so that in FY 2014, 2,000 scholarships will be available (\$8.5 million / \$4,250 per scholarship) and in FY 2015, 4,000 scholarships will be available (\$17.0 million / \$4,250 scholarship). The executive proposal regarding the EdChoice expansion is outlined in greater detail in the "**Overview**" section of this Redbook.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200901	Property Tax Allocation – Education	\$ 1,138,800,000	\$ 1,184,352,000
General Revenue Fund Subtotal			\$ 1,138,800,000	\$ 1,184,352,000
Revenue Distribution Fund (RDF)				
7047	200909	School District Property Tax Replacement – Business	\$ 482,000,000	\$ 482,000,000
7053	200900	School District Property Tax Replacement – Utility	\$ 28,000,000	\$ 28,000,000
Revenue Distribution Fund Subtotal			\$ 510,000,000	\$ 510,000,000
Total Funding: Property Tax Reimbursements			\$ 1,648,800,000	\$ 1,694,352,000

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. These provisions are often referred to as property tax "rollbacks." This line item funds the rollback reimbursements for school districts and JVsDs. 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 \$43.8 million (4.0%) in FY 2014 and \$45.6 million (4.0%) in FY 2015.

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 revenue 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 commercial activity tax (CAT). Under current law, 35% of the revenues from the CAT is

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

deposited into RDF Fund 7047, which is used to provide direct reimbursements to districts for the value of the loss above the increase in state aid. Under prior law, the direct reimbursements were scheduled to begin to be phased out beginning in TY 2014. In FY 2012 and FY 2013, Am. Sub. H.B. 153 of the 129th General Assembly accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement in FY 2011. Reimbursements were phased out in FY 2012 and FY 2013 so that each district's reliance on the reimbursements fell by up to 2% per year. Current law freezes the direct reimbursements at their FY 2013 level for FY 2014 and future years. Thus, the executive budget recommends flat funding for the reimbursements in FY 2014 and FY 2015, at \$482 million per year.

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, was greater than their increase in state aid from FY 2002 continued to receive direct reimbursement payments. Also, all JVSDs continued to receive direct reimbursements. In FY 2012 and FY 2013, Am. Sub. H.B. 153 of the 129th General Assembly accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement in FY 2011. Reimbursements were phased out in FY 2012 and FY 2013 so that each district's reliance on the reimbursements fell by up to 2% per year. Current law freezes the direct reimbursements at their FY 2013 level for FY 2014 and future years. Thus, the executive budget recommends flat funding for the reimbursements in FY 2014 and FY 2015, at \$28 million per year.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200425	Tech Prep Consortia Support	\$ 260,542	\$ 260,542
GRF	200540	Special Education Enhancements	\$ 156,871,292	\$ 157,871,292
GRF	200545	Career-Tech Educational Enhancements	\$ 8,802,699	\$ 8,802,699
General Revenue Fund Subtotal			\$ 165,934,533	\$ 166,934,533
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
3700	200624	Education of Exceptional Children	\$ 1,530,000	\$ 1,530,000
3AF0	200603	Schools Medicaid Administrative Claims	\$ 750,000	\$ 750,000
3D20	200667	Math Science Partnerships	\$ 6,000,000	\$ 6,000,000
3EH0	200620	Migrant Education	\$ 2,900,000	\$ 2,900,000
3EJ0	200622	Homeless Children Education	\$ 2,600,000	\$ 2,600,000
3Y80	200639	Rural and Low Income Technical Assistance	\$ 3,300,000	\$ 3,300,000
Federal Special Revenue Fund Subtotal			\$ 19,248,642	\$ 19,248,642
Total Funding: Educational Enhancements			\$ 185,712,936	\$ 186,712,936

Special Education Enhancements (200540)

The executive budget recommends an increase of \$21.1 million (15.5%) in FY 2014 and an increase of \$1.0 million (0.6%) in FY 2015 for this line item, mostly due to increased funding for preschool special education services. This item includes the earmarks listed in the following table.

200540, Special Education Enhancements		
Earmarks	FY 2014	FY 2015
Special Education for DD Boards and Institutions	\$ 50,000,000	\$ 50,000,000
Parent Mentoring Programs	\$ 1,333,468	\$ 1,333,468
School Psychology Interns	\$ 2,537,824	\$ 2,537,824
Remainder - Preschool Special Education	\$ 103,000,000	\$ 104,000,000
Total Funding: Special Education Enhancements	\$ 156,871,292	\$ 157,871,292

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. In FY 2012 and FY 2013, each board and institution receive the same per pupil amount as they received in FY 2011.

For FY 2014 and FY 2015, the executive budget proposes to replace the funding formula in statute for distributing special education and related services funds to county boards of developmental disabilities and institutions, which hasn't been used since FY 2009, with a new formula. For each child, a county board will receive the opportunity grant per pupil amount calculated for the child's resident district plus additional special education aid as adjusted by the state share index of the child's resident district, plus the per pupil amount of targeted assistance funds for the child's resident district. Each state institution will receive funding based on the special education amount specified for each child receiving services for a disability and targeted assistance funds based on the per pupil amount calculated for each child's resident district. The executive budget increases the amount earmarked for these payments by \$4.7 million (10.4%) in FY 2014 and proposes flat funding in FY 2015.

Parent Mentoring

This funding supports parent mentors who offer support and information to other parents of children with disabilities and help them to become more involved in their children's education. The recommended funding will support 56 mentors. The executive budget recommends flat funding in FY 2014 and FY 2015 for parent mentors.

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 recommended funding will support 100 interns each year. The executive budget recommends flat funding in FY 2014 and FY 2015 for school psychology interns.

Preschool Special Education

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. Currently, state funding for preschool special education and related services provided by school districts, educational service centers, and county boards of developmental disabilities is distributed through units, which are based on the minimum number of students per class, teacher degree, and

teacher experience. According to ODE, about 2,040 units were funded in FY 2012 with a total of 3,180 in operation. The executive budget replaces unit funding for these services with a per pupil based approach. Specifically, each school district and state institution will receive \$4,000 for each preschool special education student plus additional special education aid based on the applicable special education amount for each student and the resident district's state share index. Special education aid is then multiplied by 0.5 to reflect the half-day nature of those programs. Educational service centers and county boards will continue to receive this funding, though the executive proposal provides it through transfers from the amounts allocated to the school districts with which those entities have service agreements. The executive budget increases the funding for this earmark by \$18.5 million (22.0%) in FY 2014 and by an additional \$1.0 million (1.0%) in FY 2015.

Tech Prep Consortia Support (200425)

These funds are distributed equally among the six Ohio College Tech Prep Regional Centers (representing 23 community and technical colleges, 14 universities, and 91 career-technical education planning districts) to support state-level activities designed to support, promote, and expand Tech Prep programs. 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 84% for the state as a whole. The executive budget proposes flat funding of \$260,542 annually in FY 2014 and FY 2015.

Career-Technical Education Enhancements (200545)

The executive budget recommends flat funding in FY 2014 and FY 2015 for this line item. This item is used to fund career-technical education 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 2014	FY 2015
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
Total Funding: Career-Technical Education Enhancements	\$ 8,802,699	\$ 8,802,699

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

37 secondary job training programs and 42 correlated academic classes within 27 institutions operated by either the Department of Youth Services or the Department of Rehabilitation and Correction. The funding methodology for this program changed from unit-based to grant-based in the previous budget bill. While the proposed bill maintains a unit-based approach in the Revised Code, funding will continue to be distributed using a grant-based methodology pursuant to a provision in temporary law. The executive budget recommends flat funding for this earmark in FY 2014 and FY 2015.

Tech Prep Expansion Grants

These funds are used to provide grants that support Tech Prep enrollment expansion and new Tech Prep programming. Eligible grantees include school districts, post secondary entities, and other eligible recipients. Funds are initially distributed by formula to each of the six Ohio College Tech Prep Regional Centers. The Ohio Board of Regents and ODE co-administer the program. The executive budget proposes flat funding in FY 2014 and FY 2015.

High Schools That Work

High Schools That Work (HSTW) and Making Middle Grades Work (MMGW) are school improvement initiatives designed to accelerate learning and raise standards through rigorous course work, counseling, parental and community involvement, and teacher collaboration. The funds are used for professional development; a network for collaboration among superintendents, principals, and teachers; resources, including on-site speakers, print and electronic materials, and a web site for the various site regions that assists in the implementation of key practices and conditions; and a regional office that assists sites with collaboration and technical support. The funds are also used to provide grants to implement individual sites and to assist the various regions with a number of activities through on-site coaching. In FY 2013, 196 high school, career center, and middle school sites are participating in the HSTW and MMGW initiatives. Though the executive budget provides flat funding in FY 2014 and FY 2015, the recommendations will support 219 such sites in FY 2014 and a minimum of 20 to 25 more sites in FY 2015.

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. Currently, this funding allows over 5,000 students in 45 school districts or JVSDs to receive supervised instruction relative to their projects in agriculture, food, and natural resources. The executive budget recommends flat funding for this activity in FY 2014 and FY 2015.

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 about 1,000 participating sites. The executive budget recommends flat funding for this activity in FY 2014 and FY 2015.

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. The funds are used for supplementary education services that provide educational continuity for children and youths in state-operated institutions, in community day programs, and in adult correctional institutions so that they can make successful transitions to school or employment once they are released. Funding for this grant is expected to remain flat in FY 2014 and FY 2015.

Education of Exceptional Children (200624)

This funding is from federal State Personnel Development Grants (SPDG), which are used to support the Ohio Improvement Process (OIP) through the development of district, building, and teacher leadership teams focused on the district-wide improvement of instructional practice and student performance for students with disabilities. This program directly involves 48 school districts through the regional delivery system. Ohio was recently awarded SPDG funding through 2017, which will be used to continue development of the OIP and enhance the development and expansion of teacher-based leadership teams, the newest and thus least-developed component of the OIP. Funding for this grant is expected to be about \$1.5 million in each fiscal year.

School Medicaid Administrative Claims (200603)

This federal program provides districts with reimbursement for administrative services associated with providing services to Medicaid-eligible students. The executive proposal increases the funding for this line item by \$109,000 (17.4%) in FY 2014 and provides flat funding in FY 2015.

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 decrease by \$0.5 million (7.7%) in FY 2014 and remain flat in FY 2015.

Homeless Children Education (200622)

This federal grant ensures access to a free and appropriate education for homeless school-age children and youth. The funds support subgrants to local education agencies to assist in the education of this population through enriched supplemental instruction, transportation, health care referral services, and professional development for teachers. Grant funds also may be used by ODE for state level planning activities. The grant award is estimated at \$2.6 million each fiscal year.

Migrant Education (200620)

This federal grant supports educational opportunities for migrant children to help reduce the educational disruptions and other problems that result from repeated moves. Funding for this grant is expected to be \$2.9 million each fiscal year.

Rural and Low Income Technical Assistance (200639)

These federal grants are provided to rural and low-income school districts to help them attract qualified teachers and to provide professional development appropriate for teaching low-income students. Funding for this grant is expected to be \$3.3 million in each fiscal year.

Nonpublic School Support

This category of appropriations includes funding to support chartered nonpublic schools. There are approximately 750 chartered nonpublic schools in Ohio.

Governor's Recommended Amounts for Nonpublic School Support				
Fund	ALI	Title	FY 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200511	Auxiliary Services	\$ 133,114,737	\$ 137,122,293
GRF	200532	Nonpublic Administrative Reimbursement	\$ 60,133,175	\$ 61,943,546
General Revenue Fund Subtotal			\$ 193,247,912	\$ 199,065,839
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			\$ 194,576,822	\$ 200,394,749

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 \$6.9 million (5.5%) in FY 2014 and \$4.0 million (3.0%) in FY 2015 for this line item.

200511, Auxiliary Services		
Earmarks	FY 2014	FY 2015
College Credit Plus Program	\$ 1,888,106	\$ 1,944,949
Remainder – Auxiliary Services	\$ 131,226,631	\$ 135,177,344
Total Funding: Auxiliary Services	\$ 133,114,737	\$ 137,122,293

College Credit Plus Program

The executive budget renames the Post-Secondary Enrollment Options Program as the College Credit Plus Program, which 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 2011, 1,226 nonpublic students participated. As described in the "**Overview**" section of this Redbook, the payments for both nonpublic and public school students in this program are changed under the executive budget. The executive budget proposes an increase of about \$98,000 (5.5%) in FY 2014 and an increase of about \$57,000 in FY 2015 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 2012, the average per pupil amount of these auxiliary funds was about \$689.

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 \$325 per pupil. In FY 2012, the average per pupil amount of these reimbursements was about \$312. The executive budget proposes an increase of \$3.1 million (5.5%) in FY 2014 and \$1.8 million (3.0%) in FY 2015 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 2014 and FY 2015.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200422	School Management Assistance	\$ 3,000,000	\$ 3,000,000
GRF	200426	Ohio Educational Computer Network	\$ 29,625,569	\$ 19,625,569
GRF	200465	Technology Integration and Professional Development	\$ 1,778,879	\$ 1,778,879
GRF	200505	School Lunch Match	\$ 9,100,000	\$ 9,100,000
General Revenue Fund Subtotal			\$ 43,504,448	\$ 33,504,448
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	\$ 8,200,664	\$ 8,700,149
3GE0	200674	Summer Food Service Program	\$ 13,596,000	\$ 14,003,800
3GF0	200675	Miscellaneous Nutrition Grants	\$ 700,000	\$ 700,000
3GG0	200676	Fresh Fruit and Vegetable Program	\$ 4,738,000	\$ 4,880,140
3L60	200617	Federal School Lunch	\$ 350,608,075	\$ 361,126,273
3L70	200618	Federal School Breakfast	\$ 108,480,590	\$ 112,819,813
3L80	200619	Child/Adult Food Programs	\$ 106,992,650	\$ 110,202,428
3T40	200613	Public Charter Schools	\$ 500,000	\$ -
Federal Special Revenue Fund Subtotal			\$ 593,815,979	\$ 612,432,603
State Special Revenue Fund (SSR)				
4550	200608	Commodity Foods	\$ 24,000,000	\$ 24,000,000
5MM0	200677	Child Nutrition Refunds	\$ 500,000	\$ 500,000
State Special Revenue Fund Subtotal			\$ 24,500,000	\$ 24,500,000
Lottery Profits Education Fund (LPE)				
7017	200684	Community School Facilities	\$ 7,500,000	\$ 7,500,000
Lottery Profits Education Fund Subtotal			\$ 7,500,000	\$ 7,500,000
Total Funding: School Operations Support			\$ 694,320,427	\$ 702,937,051

School Management Assistance (200422)

The executive budget recommends flat funding in FY 2014 and FY 2015 for this item. This item includes the earmarks listed in the following table.

200422, School Management Assistance		
Earmarks	FY 2014	FY 2015
State Auditor	\$ 1,000,000	\$ 1,000,000
Remainder – School Management Assistance	\$ 2,000,000	\$ 2,000,000
Total Funding: School Management Assistance	\$ 3,000,000	\$ 3,000,000

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, though an amount less than the earmark may be used if agreed upon by the Auditor and ODE. Although appropriated to ODE, these funds are passed directly to the Auditor for expenses associated with performing these audits. The executive budget proposes flat funding in FY 2014 and FY 2015 for this earmark.

Remainder – School Management Assistance

This funding allows ODE to provide technical assistance and in-service education for school 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 flat funding in FY 2014 and FY 2015 for this item.

Ohio Educational Computer Network (200426)

The executive budget recommends an increase of \$11.7 million (64.8%) in FY 2014 and a decrease of \$10.0 million (33.8%) in FY 2015 for this item. This item includes the earmarks listed in the following table.

200426, Ohio Educational Computer Network		
Earmarks	FY 2014	FY 2015
Building Connectivity	\$ 10,705,569	\$ 10,705,569
INFOhio	\$ 2,500,000	\$ 2,500,000
Information Technology Centers	\$ 5,220,000	\$ 5,220,000
Broadband Connection Upgrades	\$ 10,000,000	\$ -
Remainder – Ohio Educational Computer Network	\$ 1,200,000	\$ 1,200,000
Total Funding: Ohio Educational Computer Network	\$ 29,625,569	\$ 19,625,569

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. In FY 2012, these funds subsidized connections to 23 information technology centers (ITCs), 3,420 district and community school buildings, and 351 chartered nonpublic schools. 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 flat funding in FY 2014 and FY 2015 for this earmark.

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 K-12 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. In FY 2012, INFOhio also released an eBook collection with approximately 1,200 titles available to K-12 students. According to ODE, INFOhio provides library management software to 80% of the state's school districts. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources. The executive budget proposes a decrease of about \$0.6 million (73.6%) in FY 2014 and flat funding in FY 2015 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 support 280,000 e-mail accounts and 1.2 million parent access accounts, process 1.2 million support requests, and issue 5.5 million paychecks and six million report cards annually. The executive budget proposes flat funding in FY 2014 and FY 2015 for this earmark.

Broadband Connections

This funding supports broadband connections throughout the state. Specifically, funds may be used for middle mile connections for ITCs and for select large urban districts that connect directly to the state broadband backbone managed by the Ohio Technology Consortium. The funding also supports other connectivity upgrades for K-12 school buildings with severely restricted broadband connections. This is a new earmark; the executive budget appropriates \$10.0 million in FY 2014 and no funding in FY 2015.

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 2014-FY 2015 biennium, funds will be used to enhance data sharing between K-12 and higher education institutions and to support the P-20 data repository for evaluating college and career readiness. The executive budget proposes

an increase of about \$0.2 million (17.9%) in FY 2014 and flat funding in FY 2015 for this activity.

Technology Integration and Professional Development (200465)

This line item uses funding from appropriation item 935411, Technology Integration and Professional Development, which was transferred from the eTech Ohio Commission to ODE and the Ohio Board of Regents. ODE will use funding under this line item to contract with educational television stations and education technology centers to provide school districts with instructional resources and services, with priority given to services aligned with the state academic content standards. Resources may include, but are not limited to, prerecorded video material, computer software for student use, live student courses, automated media systems, and instructional and professional development materials for teachers. According to ODE, this line item is also expected to fund one former eTech employee to assist with the administration of these services. The executive budget appropriates about \$1.8 million in FY 2014 and flat funding in FY 2015 for this line item.

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 generally be repaid no later than the end of the second year following the fiscal year in which the advance was made. In some cases, ODE and the Office of Budget and Management may approve alternate repayment schedules lasting no longer than ten years. 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 provides flat funding of \$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 continues to permit 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 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 17.8% in FY 2014 and 6.1% in FY 2015.

Summer Food Service Program (200674)

This appropriation item is used to distribute federal funding under the U.S. Department of Agriculture's (USDA) Summer Food Service Program, which reimburses eligible service institutions (referred to as sponsors) that serve free meals to children up to the age of 18 during the summer when schools are closed, during the extended school vacation periods, if the school is closed because of an emergency situation, and if a school is operating a year round program. Participating sites must be located in areas where at least 50% of the children meet the income eligibility criteria for free and reduced price meals. Previously, these funds were paid out of appropriation item 200617, Federal School Lunch. The executive budget recommends \$13.6 million in FY 2014 and \$14.0 million in FY 2015 for this item.

Miscellaneous Nutrition Grants (200675)

This appropriation item is used to distribute federal funding under various USDA nutrition grant programs. In particular, this item supports team nutrition grants, which encourage nutritious school meals and nutrition education for children. Previously, such grants were disbursed through line item 200607, School Food Services. The executive proposal recommends \$700,000 in each fiscal year for this line item.

Fresh Fruit and Vegetable Program (200676)

This appropriation item is used to distribute federal funding under the USDA's Fresh Fruit and Vegetable Program, which reimburses school districts for costs incurred in providing children in participating elementary schools with free, fresh produce outside of National School Lunch Program and School Breakfast Program food service times. The program is offered to elementary schools in low-income areas on a competitive basis. In FY 2012, the program provided reimbursement to 83 school districts with 199 sites. Previously, these funds were paid out of appropriation item 200617, Federal School Lunch. The executive budget recommends \$4.7 million in FY 2014 and \$4.9 million in FY 2015 for this item.

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 line item 200505 serve as the required match for receiving the federal funds in line item 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 2014 and FY 2015 for the GRF portion of this funding. Federal funding is expected to increase by 3.0% 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 4.0% in both FY 2014 and FY 2015.

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 2014 and FY 2015.

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 2012, commodity foods were distributed to more than 1,000 participating schools and agencies. Funding levels are expected to be flat in both FY 2014 and FY 2015.

Child Nutrition Refunds (200677)

This appropriation item is used to repay the USDA for child nutrition grant funds returned by program sponsors after the federal fiscal year ends. This item is also used to make repayments to the USDA of funds received due to audit findings. Previously, these funds were paid out of appropriation line items 200617, 200618, and 200619. The executive budget proposes appropriations of \$500,000 in each fiscal year, representing flat funding.

Community School Facilities (200684)

This line item provides community schools that are not e-schools with an amount equal to \$100 per each full-time equivalent student to assist with the costs of facilities. The executive budget specifies that the per pupil amounts are to be prorated if the appropriation is not sufficient to cover the full amount of the payments. The executive

budget appropriates \$7.5 million in FY 2014 and flat funding in FY 2015 for this line item.

Public Charter Schools (200613)

These federal funds are used to finance grants awarded to community schools to assist them in the planning, development, and initial implementation of their programs. More than 200 community schools in Ohio received this federal grant funding. These funds also support evaluation of community schools' effects on students, staff, and parents. The executive budget proposes a decrease of \$13.8 million (96.5%) in FY 2014 in order for ODE to spend down the remaining grant funds. This line item is not expected to be funded in FY 2015.

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 2014	FY 2015
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)				
3AN0	200671	School Improvement Grants	\$ 20,400,000	\$ 20,400,000
3FD0	200665	Race to the Top	\$ 136,000,000	\$ 58,074,046
3Y20	200688	21st Century Community Learning Centers	\$ 48,201,810	\$ 50,611,900
3Y70	200689	English Language Acquisition	\$ 9,700,000	\$ 9,700,000
Federal Special Revenue Fund Subtotal			\$ 214,301,810	\$ 138,785,946
Total Funding: Academic Achievement			\$ 221,705,808	\$ 146,189,944

Alternative Education Programs (200421)

This funding is used to provide grants for 111 alternative education programs in Ohio's 21 urban school districts and 87 local education agencies to implement successful innovative practices in alternative education for students with behavioral problems including truancy. According to ODE, 14,122 students participated in short-term and long-term alternative education programs in FY 2012. Of the 6,842 students participating in long-term programs in FY 2012, approximately 32% of the program's participants advanced at least one grade level or graduated with a high school diploma. Alternative education grants require at least a 40% local funding match.

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 flat funding in FY 2014 and FY 2015 for this program.

School Improvement Grants (200671)

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. A total of 358 LEAs were identified in the three categories. The grants are to be used to help struggling schools improve academic performance. LEAs in tiers 1 and 2 must

implement one of four intervention models designated by the U.S. Department of Education. The executive recommends flat funding of \$20.4 million in each fiscal year.

Race to the Top (200665)

Ohio was one of 12 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 438 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 already underway in Ohio before RttT. 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 college enrollment. Programs and projects are focused on ensuring that participating schools and districts have the capacity to sustain reforms, standards and assessments, data systems, great teachers and leaders, turning around low-achieving schools, and STEM initiatives. The executive recommends \$136 million in FY 2014 and \$58.1 million in FY 2015 for this line item.

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 attending low-performing or high poverty schools and engages them in additional academic tasks to increase mathematics and reading skills. Under the conditional Elementary and Secondary Education Act (ESEA) waiver granted in May 2012, the state may permit community learning centers to use these funds to support expanded learning time during the school day in addition to nonschool hours. 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 2014 and FY 2015.

English Language Acquisition (200689)

These federal funds provide assistance to school districts in meeting the special language needs of national origin minority and limited English proficiency students. In particular, the funds help ensure such students have equal educational opportunities and build school district capacity to close the academic achievement gap between these students and their peers. Grant funding for this purpose is expected to be \$9.7 million per year.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200408	Early Childhood Education	\$ 23,268,341	\$ 25,268,341
GRF	200442	Child Care Licensing	\$ 827,140	\$ 827,140
General Revenue Fund Subtotal			\$ 24,095,481	\$ 26,095,481
Federal Special Revenue Fund (FED)				
3C50	200661	Early Childhood Education	\$ 14,554,749	\$ 14,554,749
3FN0	200672	Early Learning Challenge - Race to the Top	\$ 7,040,000	\$ 7,040,000
3H90	200605	Head Start Collaboration Project	\$ 225,000	\$ 225,000
Federal Special Revenue Fund Subtotal			\$ 21,819,749	\$ 21,819,749
Total Funding: Early Childhood Education			\$ 45,915,230	\$ 47,915,230

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 2014 and an increase of \$2.0 million (8.6%) in FY 2015 for this line item, which contains the earmark listed in the following table.

200408, Early Childhood Education			
Earmarks		FY 2014	FY 2015
Early Childhood Support and Technical Assistance		\$ 465,367	\$ 505,367
Remainder – Early Childhood Education Grants		\$ 22,802,974	\$ 24,762,974
Total Funding: Early Childhood Education		\$ 23,268,341	\$ 25,268,341

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 and to provide an annual report regarding early childhood education programs and the early learning program standards.

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 2014, the same as in FY 2013. In FY 2015, ODE expects to serve approximately 490 additional children at the same rate of \$4,000 per child with the proposed 8.6% increase in funding. 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 standards developed by ODE, administer diagnostic assessments prescribed by ODE, require all teachers to attend at least 20 hours of professional development every two years, report child progress in meeting the program standards, and participate in Ohio's tiered quality rating and improvement system.

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 2014 and FY 2015 for this item.

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 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 2014 and FY 2015.

Race to the Top – Early Learning Challenge Grant (200672)

These federal funds are designed to focus on improving early learning and development programs for young children (from birth through kindergarten) by (1) increasing the number and percentage of low-income and disadvantaged kids who are enrolled in high quality early learning programs, (2) implementing a common tiered quality rating and improvement system for all types of early childhood programs, and (3) implementing a comprehensive assessment system, including pre-kindergarten to kindergarten formative assessments and a kindergarten readiness assessment. The total grant award is for approximately \$70 million and covers a four-year period from January 2012 through December 2015. In addition to ODE, the Ohio departments of Job and Family Services, Health, and Mental Health will each be using portions of the total grant award to implement critical components of the program. Federal funding for this item is expected to be \$7.0 million in each fiscal year.

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 2014 and FY 2015.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200448	Educator Preparation	\$ 1,136,737	\$ 1,564,237
General Revenue Fund Subtotal			\$ 1,136,737	\$ 1,564,237
General Services Fund (GSF)				
4L20	200681	Teacher Certification and Licensure	\$ 8,313,762	\$ 13,658,274
General Services Fund Subtotal			\$ 8,313,762	\$ 13,658,274
Federal Special Revenue Fund (FED)				
3CG0	200646	Teacher Incentive	\$ 15,125,588	\$ 15,183,285
3EC0	200653	Teacher Incentive - Federal Stimulus	\$ 1,300,000	\$ -
3Y60	200635	Improving Teacher Quality	\$ 101,900,000	\$ 101,900,000
Federal Special Revenue Fund Subtotal			\$ 118,325,588	\$ 117,083,285
State Special Revenue Fund (SSR)				
5T30	200668	Gates Foundation Grants	\$ 200,000	\$ 153,000
State Special Revenue Fund Subtotal			\$ 200,000	\$ 153,000
Total Funding: Educator Quality			\$ 127,976,087	\$ 132,458,796

Educator Preparation (200448)

These funds are used primarily by ODE to monitor and support Ohio's State System of Support and to support the work of the Educator Standards Board. The executive budget recommends increases of 44.5% in FY 2014 and 37.6% in FY 2015 for this line item, which contains the earmark listed in the following table.

200448, Educator Preparation		
Earmarks	FY 2014	FY 2015
State System of Support Assistance	\$ 500,000	\$ 500,000
Remainder – Educator Preparation	\$ 636,737	\$ 1,064,237
Total Funding: Educator Preparation	\$ 1,136,737	\$ 1,564,237

State System of Support Assistance

The executive budget authorizes ODE to use up to \$500,000 in each fiscal year from this item to monitor and support Ohio's State System of Support in accordance with the "No Child Left Behind Act of 2011" as administered pursuant to ESEA flexibility waivers approved for Ohio by the U.S. Department of Education. Specifically, the funds will be used to support additional contractors that serve as facilitators and direct service providers to additional school districts and community schools implementing the Ohio Improvement Process, which is an integrated, research-based planning approach for districts to use as they develop and implement a focused

improvement plan. The funding in FY 2014 will support five or so contractors to train and monitor public schools and districts. Plans for the \$500,000 allocated in FY 2015 are still being developed, as some of these funds may be needed to support school transformation specialists, which evaluate the state's persistently lowest achieving schools for academic achievement and progress in turning those schools around. Ultimately, ODE indicated that it will work with the Governor's Office to determine how the proposed FY 2015 funds will be used in conjunction with the \$3.5 million set aside for school improvement in GRF line item 200550, Foundation Funding, to ensure the state meets the requirements of the ESEA flexibility waiver.

Remainder – Educator Preparation

The executive proposal specifies that a portion of these funds in each fiscal year may be used to support 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. In FY 2015, the executive budget specifies that the remainder of these funds may be used for implementation of the teacher and principal evaluation systems, including incorporation of student growth as a metric in those systems, and teacher value-added reports.

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 increases of \$0.2 million (2.0%) in FY 2014 and \$5.3 million (64.3%) in FY 2015.

Approximately 120,000 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 950 cases of educator misconduct are investigated annually, with an average of 430 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. The program also administers the retained applicant fingerprint database program for Ohio educators.

Gates Foundation Grants (200668)

These funds, from a grant from the Bill and Melinda Gates Foundation, provide educational technology leadership training to public and nonpublic school superintendents and principals and help Ohio school administrators to increase their understanding of how technology can be used to support learning in their schools and districts. Funding for this line item was transferred from the eTech Ohio Commission

(line item 935607, Gates Foundation Grants) to ODE under the executive budget. The executive recommends an increase of about \$29,000 (16.9%) in FY 2014 over the FY 2013 estimated expenditures for line item 935607 and a decrease of \$47,000 (23.5%) in FY 2015.

Teacher Incentive (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. ODE, working in conjunction with Battelle for Kids, as well as 24 school district partners, is working to design, implement, and learn from best practices around performance-based compensation. Funding for line item 200646 is expected to increase by \$1.5 million (11.1%) in FY 2014 and remain relatively flat in FY 2015, while funding for line item 200653 is expected to end after FY 2014.

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 remain flat in FY 2014 and FY 2015.

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, and Accountability				
Fund	ALI	Title	FY 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200424	Policy Analysis	\$ 328,558	\$ 328,558
GRF	200427	Academic Standards	\$ 3,800,000	\$ 3,800,000
GRF	200437	Student Assessment	\$ 55,895,000	\$ 75,895,000
GRF	200439	Accountability/Report Cards	\$ 3,500,000	\$ 3,750,000
GRF	200446	Education Management Information System	\$ 6,833,070	\$ 6,833,070
GRF	200447	GED Testing	\$ 879,551	\$ 879,551
General Revenue Fund Subtotal			\$ 71,236,179	\$ 91,486,179
Federal Special Revenue Fund (FED)				
3BK0	200628	Longitudinal Data Systems	\$ 1,250,000	\$ -
3EK0	200637	Advanced Placement	\$ 450,000	\$ 450,000
3EN0	200655	State Data Systems - Federal Stimulus	\$ 1,250,000	\$ -
3Z20	200690	State Assessments	\$ 11,800,000	\$ 11,800,000
Federal Special Revenue Fund Subtotal			\$ 14,750,000	\$ 12,250,000
State Special Revenue Fund (SSR)				
4540	200610	GED Testing	\$ 1,050,000	\$ 250,000
5U20	200685	National Education Statistics	\$ 300,000	\$ 300,000
State Special Revenue Fund Subtotal			\$ 1,350,000	\$ 550,000
Total Funding: Curriculum, Assessment, and Accountability			\$ 87,336,179	\$ 104,286,179

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 2014 and FY 2015.

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. The standards and model curricula can be accessed from ODE's web site (education.ohio.gov) by clicking on the "Academic Content Standards" link under the "Educators" section of the home page.

Am. Sub. H.B. 1 of the 128th General Assembly required ODE to develop new standards and model curricula. In response, the State Board adopted revised academic content standards in English language arts and mathematics (that together comprise the Common Core State Standards) and science and social studies in June 2010. Updated model curricula for these four subjects were adopted in March 2011. New or updated standards for fine arts, financial literacy, world languages, and noncareer technical business education were adopted in June 2012. Model curricula for these subjects are expected to be adopted in June 2013. The new standards will be fully in use for the 2014-2015 school year. The executive budget recommends an increase of \$100,000 (2.7%) in FY 2014 and flat funding in FY 2015 for this item. The additional funding will be used to provide technical support in the application of the new academic content standards to ensure they are used effectively, including professional development programs and other tools for teachers.

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 line item 200690, State Assessments, is expected to decrease slightly in FY 2014 and remain flat in FY 2015. The executive budget recommends increases of \$0.9 million (1.6%) in FY 2014 and \$20 million (35.8%) in FY 2015 for GRF line item 200437. This item includes one earmark for diagnostic assessments, which is described below.

200437, Student Assessment		
Earmarks	FY 2014	FY 2015
Diagnostic Assessments	\$ 95,000	\$ 95,000
Remainder – Student Assessments	\$ 55,800,000	\$ 75,800,000
Total Funding: Student Assessment	\$ 55,895,000	\$ 75,895,000

Diagnostic Assessments

These funds are used to support diagnostic assessments for kindergarten through third grade students as well as the kindergarten readiness assessment. The diagnostic assessments measure student comprehension of academic content and mastery of related skills in reading, writing, and mathematics. Results of the diagnostic assessments are used to determine students who are not performing at grade level and are in need of intervention. The existing kindergarten readiness assessment is used to determine the language and literacy skills of about 125,000 children entering kindergarten each year. Diagnostic assessments are made available to public schools and districts at no cost. Federal funds appropriated in Fund 3FN0 line item 200672, Early Learning Challenge – Race to the Top, are being used to expand the kindergarten readiness assessment to include both academic measures and measures of social and

emotional development and physical health and to develop new pre-kindergarten and kindergarten formative assessments. These more comprehensive assessments are being developed in collaboration with the state of Maryland and will begin to be administered in the fall of the 2014-2015 school year.

Kindergarten Readiness Assessment Timeline

The executive proposal modifies the timeline for administering kindergarten readiness assessments beginning July 1, 2014. Under current law, the assessments must be administered not earlier than four weeks prior to the first day of the school year and not later than October 1. The bill specifies that the assessments must be administered no earlier than the first day of the school year and not later than November 1. However, the bill still requires the language and reading skills portions of the assessment to be administered by September 30 pursuant to requirements associated with the third grade reading guarantee.

According to ODE, the goal of this provision is to provide an extended time frame for administration of the new expanded assessment once the school year begins, by allowing the assessment to be administered until November 1, and to provide public districts and schools the option of using the language and literacy portion of the expanded kindergarten readiness assessment discussed above to meet two assessment requirements in current law, rather than having to administer two separate assessments. Currently, public districts and schools must administer the kindergarten readiness assessment to all entering kindergarten students and they must also administer a diagnostic assessment to kindergarten students by September 30 each year to identify children at-risk of not reading at grade level pursuant to the Third Grade Reading Guarantee. The provision in the bill requires districts that want to use the expanded assessment for both purposes to administer the language and literacy portion by September 30. The remaining segments of the assessment could then be administered up to a month afterward. However, districts may still opt to administer two separate assessments: an ODE-approved kindergarten diagnostic assessment by September 30 and the entire expanded kindergarten readiness assessment by November 1. ODE indicates that most school districts administer the existing kindergarten readiness assessment within a period of one week. Thus, administering the language and literacy portion of the expanded assessment by September 30 should not pose a problem.

Remainder – Student Assessment

These funds support all other state assessments. The executive proposal includes an additional \$20 million in FY 2015 to implement a new generation of computer-based assessments aligned with the Common Core State Standards and the revised content standards in science and social studies, new high school level assessments that will

replace the OGT with a series of ten end-of-course exams in core high school subjects and a nationally standardized college readiness assessment (likely the ACT or SAT), and updated diagnostic assessments aligned to the new content standards. These new assessments will be fully implemented for the 2014-2015 school year after development and field testing is completed over the course of the 2012-2013 and 2013-2014 school years. 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. Currently, 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. Uncodified provisions in each of the past two budget acts suspended the administration of the achievement assessments in writing and social studies. As a result, these assessments have not been administered since FY 2009. The executive budget continues this suspension for FY 2014. 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 2012, over two million achievement assessments, 44,000 alternate assessments, and 39,000 OTELA's were distributed, collected, scored, and reported. In addition, funding supported the production of about 160,000 special versions of these assessments and other resource materials for approximately 1.2 million parents. The \$11.8 million in each fiscal year from federal Fund 3Z20 appropriation line 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 3,600 public school buildings, including community schools. Prior to the 2012-2013 school year, these report cards presented data on district and building performance according to four basic metrics (the performance indicators established by the State Board, the performance index, adequate yearly progress (AYP), and the value-added progress dimension) as well as descriptive and financial data. Based on these metrics, each district and building received one of six designations ranging from "excellent with

distinction" to "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.

In May 2012, the state was granted a conditional waiver from a number of federal No Child Left Behind Act requirements in exchange for committing to various reforms, one of which is a more rigorous accountability rating system using an A-F letter grading system. The new accountability rating system, implemented in H.B. 555 of the 129th General Assembly, will be used in the report cards issued for the 2012-2013 school year and beyond. H.B. 555 establishes a performance rating system under which ODE will create an annual report card for each public school, district, and the state as a whole consisting of "A," "B," "C," "D," or "F" letter grades on separate performance measures and, beginning with the report cards issued for the 2014-2015 school year, on overall performance. The new system will be phased in over four years. Once fully phased in for the 2015-2016 school year, the system will use 15 performance measures, including new measures reflecting college and career readiness. Pursuant to H.B. 555, the State Board of Education must adopt performance criteria for many of the measures in the revised rating system. These criteria must be established prior to ODE's submission of its application to extend its waivers through the 2013-2014 school year. ODE's submission must be sent to the U.S. Department of Education by June 30, 2013. ODE expects a final decision on its application within six to eight weeks after that date.

The executive budget proposes a decrease of 2.2% in FY 2014 to \$3.5 million and an increase of \$250,000 (7.1%) in FY 2015 for this item

Performance Management Web Site

The executive proposal requires ODE to create a performance management section on its web site that includes academic and performance metrics for each school district, based on performance index score and the expenditure per equivalent pupils, and graphs with comparisons of the performance of like districts. The executive proposal permits ODE to contract with an independent organization to develop and host the performance management section of its web site. According to ODE, this work will be considered an extension of current projects associated with the revised report cards. Much of the information needed for the web site is already available to ODE or in development. While it has not yet been determined whether a contractor is needed, ODE does not expect a significant budgetary impact as a result of this provision.

Parent Petitions for Reforms

The executive proposal expands the application of the parent triggered reform mechanism, currently applicable to only the Columbus City School District, to become a permanent provision applicable to any school of a city, exempted village, or local school district in the state. Under the reform mechanism, one of five restructuring reforms may be implemented if a school is ranked in the lowest 5% in the performance index score

for three or more consecutive years (as a result, no school will be eligible for the reform mechanism until after the 2013-2014 school year) and the parents of 50% of the school's students sign a petition requesting one of the restructuring reforms.

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 flat funding in FY 2014 and FY 2015 for this item. This line item includes the earmark listed in the following table.

200446, Education Management Information System		
Earmarks	FY 2014	FY 2015
Information Technology Center Subsidy	\$ 729,000	\$ 729,000
Remainder – Education Management Information System	\$ 6,104,070	\$ 6,104,070
Total Funding: Education Management Information System	\$ 6,833,070	\$ 6,833,070

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 centers help all school districts (except Akron, Cleveland, and Columbus), community schools, JVSDs, 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 enrollment of member districts. The executive budget recommends flat funding in FY 2014 and FY 2015 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. In the FY 2012-FY 2013 biennium, the newly redesigned EMIS system, known as EMIS-R, added new features that enhance the collection of staff and financial data. The system also began allowing school districts to

submit and review data more frequently and now also allows ODE to more frequently process data and run reports.

According to ODE, in the FY 2014-FY 2015 biennium, the EMIS-R will be expanded to include a statewide daily enrollment check application and additional community school data collection features. The EMIS-R will also support enhanced electronic sharing of student information among districts and between districts and institutions of higher education. The executive budget recommends that funding for EMIS in the FY 2014-FY 2015 biennium also be used for responsibilities related to the annual school district and building report cards and the value-added progress dimension calculations.

Financial Reporting Requirements

Current law requires school districts and educational service centers to use a State Board-adopted format for financial reporting so that the financial information and annual budgets for each school building are available to the public in a format understandable by the average citizen. The executive proposal requires the State Board to develop a revised format for financial reporting that includes, both at the school district and at the school building level, revenue by source and expenditures separated by classroom and nonclassroom purposes, in the aggregate and for categories of students for which particular state and federal funds are paid. The current provision requires that financial information be provided at either the school district or the school building level, but not both, and also requires that expenditures be separated into a greater number of more specific categories for reporting purposes. The executive proposal also extends these financial reporting requirements to community schools, STEM schools, and college-preparatory boarding schools.

Public school and district governing bodies will be required to provide all financial information specified in the above standards to ODE each year. Further, ODE must post these financial reports in a prominent location on its web site and notify each school when the reports are made available.

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 24,000 GED applications and 20,000 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. Currently, the application fee for the paper-based test is \$40 for first-time test takers and \$10 per subject area for those retaking one or more of the subject tests. A

computer-based test is also available for \$120, but this option is rarely exercised. Starting in January 2014, administration of the GED will shift from the state to a national testing service, Pearson VUE, which will use a revamped, computer-based GED assessment. At that point, ODE expects that GED application fees will no longer be collected by the state, as the national testing service will be responsible for collecting the fees and reimbursing the testing centers. Fees associated with transcript processing will continue to be collected by the state. Accordingly, the executive proposes to reduce the appropriations from Fund 4540 from about \$1 million per year to \$250,000 in FY 2015.

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. 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 of 2009 (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. Spending under these grants is expected to continue through FY 2014.

Advanced Placement (200637)

These federal funds are used to cover all or part of the cost of Advanced Placement tests and International Baccalaureate registration and exam fees for low-income students. This program was originally supported by Fund 3700 line item 200624, Education of Exceptional Children. The executive proposal recommends flat funding of \$450,000 each fiscal year for this line item.

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 the 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 2014 and FY 2015.

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 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200321	Operating Expenses	\$ 13,142,780	\$ 13,142,780
GRF	200420	Information Technology Development and Support	\$ 4,241,296	\$ 4,241,296
GRF	200464	General Technology Operations	\$ 192,097	\$ 192,097
General Revenue Fund Subtotal			\$ 17,576,173	\$ 17,576,173
General Services Fund (GSF)				
1380	200606	Information Technology Development and Support	\$ 6,850,090	\$ 6,850,090
4520	200638	Miscellaneous Educational Services	\$ 500,000	\$ 500,000
General Services Fund Subtotal			\$ 7,350,090	\$ 7,350,090
Federal Special Revenue Fund (FED)				
3Z30	200645	Consolidated Federal Grant Administration	\$ 7,949,280	\$ 7,949,280
Federal Special Revenue Fund Subtotal			\$ 7,949,280	\$ 7,949,280
State Special Revenue Fund (SSR)				
4R70	200695	Indirect Operational Support	\$ 6,600,000	\$ 6,600,000
4V70	200633	Interagency Program Support	\$ 717,725	\$ 717,725
6200	200615	Educational Improvement Grants	\$ 300,000	\$ 300,000
State Special Revenue Fund Subtotal			\$ 7,617,725	\$ 7,617,725
Total Funding: State Administration			\$ 40,493,268	\$ 40,493,268

Operating Expenses (200321)

This line item funds administrative functions 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. Administrative expenses related to specific programs are funded in the line items that fund those programs. Funds also support the operations of four administrative centers within ODE: Accountability and Continuous Improvement, Curriculum and Assessment, Student Support and Education Options, and the Teaching Profession. Finally, the line item provides for the administration of career-technical programs, the spending for which constitutes the state match for the administrative portion of federal career-technical education funds expended through line item 200621, Career-Technical Education Basic Grant. The executive proposal recommends flat funding for this item over the biennium. This item was established in FY 2013 and consists of former line items 200100, Personal Services, 200320, Maintenance and Equipment, and 200416, Career-Technical Education Match.

Information Technology Development and Support (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 flat funding in FY 2014 and FY 2015 for this item.

General Technology Operations (200464)

According to ODE, this item is expected to include funding for two former eTech employees who will transfer to ODE to administer the federal E-Rate program, also known as the Universal Service Fund for Schools and Libraries. To date, this program has provided schools and libraries with over \$1.1 billion in discounts of 20% to 90% on telecommunication services. Funding for this line item was transferred from eTech line item 935408, General Operations. Part of line item 935408, General Operations, was also transferred to Board of Regents line item 235480, General Technology Operations, to fund the daily operations of the Board of Regents related to former eTech services. The executive budget proposes funding of about \$1.3 million in FY 2014 and FY 2015 for this line item.

Information Technology Development and 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 \$0.8 million (12.3%) in FY 2014 and flat funding in FY 2015.

Miscellaneous 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 2014 and FY 2015.

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. The executive proposes flat funding in each fiscal year for this line item.

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 funding for this item to remain flat in both FY 2014 and FY 2015.

Interagency Program 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 flat funding in FY 2014 and in FY 2015 for this item.

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Department of Education

General Revenue Fund

GRF 200100 Personal Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$9,874,737	\$8,954,370	\$8,421,779	\$0	\$0	\$0
	-9.3%	-5.9%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item was used to provide for payroll and fringe benefits for employees of the Ohio Department of Education (ODE). Beginning in FY 2013, funds for payroll and fringe benefits are provided through GRF line item 200321, Operating Expenses.

GRF 200320 Maintenance and Equipment

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,643,154	\$1,983,222	\$2,833,948	\$0	\$0	\$0
	-45.6%	42.9%	-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 provide funds for maintenance and equipment for ODE. Beginning in FY 2013, funds for maintenance and equipment are provided through GRF line item 200321, Operating Expenses.

GRF 200321 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$13,142,780	\$13,142,780	\$13,142,780
	N/A	N/A	N/A	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 601.40 of Am. Sub. H.B. 487 of the 129th G.A.

Purpose: This line item provides funds for personal services, maintenance, and equipment for ODE, including administrative expenses that constitute the state match for federal funds for career-technical education, which are deposited in Fund 3L90 to support line item 200621, Career-Technical Education Basic Grant. This line item replaces GRF line items 200100, Personal Services, 200320, Maintenance and Equipment, and 200416, Career-Technical Education Match, beginning in FY 2013.

Department of Education

GRF 200408 Early Childhood Education

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$24,117,882	\$22,745,172	\$23,185,585	\$23,268,341	\$23,268,341	\$25,268,341
	-5.7%	1.9%	0.4%	0.0%	8.6%

Source: General Revenue Fund

Legal Basis: Section 267.10.10 of Am. Sub. H.B. 153 of the 129th 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% of the federal poverty level (FPL). Families with incomes above 200% of the FPL 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, document and report child progress as prescribed by ODE, and participate in the tiered quality and rating system developed under O.R.C. 5104.30.

GRF 200410 Educator Training

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$636,301	\$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. 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,232,562	\$2,180,282	\$2,227,490	\$0	\$0	\$0
	-2.3%	2.2%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 191 of the 112th G.A.)

Purpose: This line item supported ODE's administrative costs related to career-technical education and providing the state match required for federal career-technical education funds, which are deposited in Fund 3L90 to support line item 200621, Career-Technical Education Basic Grant. State career-technical education administrative costs are supported in GRF line item 200321, Operating Expenses, beginning in FY 2013.

GRF 200420 Information Technology Development and Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,853,487	\$4,841,395	\$4,090,042	\$4,241,296	\$4,241,296	\$4,241,296
	25.6%	-15.5%	3.7%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 267.10.20 of Am. Sub. H.B. 153 of the 129th 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. H.B. 487 of the 129th G.A. changed this item's name from Computer/Application/Network Development to Information Technology Development and Support.

Department of Education

GRF 200421 Alternative Education Programs

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$7,944,857	\$7,574,704	\$6,950,100	\$7,403,998	\$7,403,998	\$7,403,998
	-4.7%	-8.2%	6.5%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 267.10.30 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,881,167	\$2,577,888	\$2,425,977	\$3,000,000	\$3,000,000	\$3,000,000
	37.0%	-5.9%	23.7%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.073 and 3316; Section 267.10.40 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. H.B. 1285 of the 112th G.A.)

Purpose: This line item is used by ODE to provide 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. In addition, a portion of this line item is used by the Auditor of State for expenses incurred in the Auditor's role relating to districts in fiscal caution, fiscal watch, and fiscal emergency.

Department of Education

GRF 200424 Policy Analysis

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$266,219	\$275,920	\$314,572	\$328,558	\$328,558	\$328,558
	3.6%	14.0%	4.4%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 267.10.50 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

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

GRF 200425 Tech Prep Consortia Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,143,881	\$1,314,595	\$434,375	\$260,542	\$260,542	\$260,542
	14.9%	-67.0%	-40.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 267.10.50 of Am. Sub. H.B. 153 of the 129th 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. The funds are distributed equally to the six Ohio College Tech Prep Regional Centers. Eligible activities include administration of grants, program evaluation, professional development, curriculum development, assessment development, program promotion, communications, and statewide coordination of tech prep consortia.

Department of Education

GRF 200426 Ohio Educational Computer Network

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$20,892,138	\$20,521,746	\$16,097,181	\$17,974,489	\$29,625,569	\$19,625,569
	-1.8%	-21.6%	11.7%	64.8%	-33.8%

Source: General Revenue Fund

Legal Basis: ORC 3301.07; Section 267.10.60 of Am. Sub. H.B. 153 of the 129th 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 school districts and information technology centers that provide Education Management Information System (EMIS) and other computer services to member school districts on a regional basis, to subsidize their costs related to EMIS. This line item also includes funds for the Union Catalog and INFOhio Network.

GRF 200427 Academic Standards

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$5,013,427	\$4,722,325	\$3,826,352	\$3,700,000	\$3,800,000	\$3,800,000
	-5.8%	-19.0%	-3.3%	2.7%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.079; Section 267.10.70 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

GRF 200431 School Improvement Initiatives

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$8,279,134	\$7,120,532	\$809,151	\$0	\$0	\$0
	-14.0%	-88.6%	-100%	N/A	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$360,926	\$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. 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$66,975,999	\$56,407,989	\$54,521,009	\$55,002,167	\$55,895,000	\$75,895,000
	-15.8%	-3.3%	0.9%	1.6%	35.8%

Source: General Revenue Fund

Legal Basis: ORC 3301.0710, 3301.0711, 3301.0712, 3301.0715, and 3301.27; Section 267.10.80 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item is used to develop, field test, print, distribute, score, and report results of Ohio achievement assessments, diagnostic assessments, and the Ohio Graduation Test (OGT). In FY 2015, a new generation of computer-based assessments will be fully implemented statewide, including the Partnership for Assessment of Readiness in College and Careers (PARCC) assessments in English language arts and mathematics and state-developed assessments in science and social studies. In addition, the OGT will be replaced with a series of 10 end of course exams and a nationally standardized test of college and career readiness (likely the ACT or SAT).

GRF 200439 Accountability/Report Cards

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,311,469	\$3,466,710	\$3,393,204	\$3,579,279	\$3,500,000	\$3,750,000
	4.7%	-2.1%	5.5%	-2.2%	7.1%

Source: General Revenue Fund

Legal Basis: ORC 3302.03; Section 267.20.20 of Am. Sub. H.B. 153 of the 129th 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 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. The executive proposal would also permit this line item to be used to develop and maintain teacher value-added reports.

Department of Education

GRF 200442 Child Care Licensing

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$778,554	\$782,674	\$681,021	\$827,140	\$827,140	\$827,140
	0.5%	-13.0%	21.5%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.52 through 3301.59; Section 267.20.20 of Am. Sub. H.B. 153 of the 129th 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.

GRF 200446 Education Management Information System

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$12,803,089	\$10,713,048	\$5,494,454	\$6,833,070	\$6,833,070	\$6,833,070
	-16.3%	-48.7%	24.4%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.0714; Section 267.20.30 of Am. Sub. H.B. 153 of the 129th 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). A portion 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.

Department of Education

GRF 200447 GED Testing

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$865,842	\$1,038,301	\$816,367	\$879,551	\$879,551	\$879,551
	19.9%	-21.4%	7.7%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3313.531; Section 267.20.40 of Am. Sub. H.B. 153 of the 129th 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. SSR Fund 4540 line item 200610, GED Testing, is also used for this purpose. Starting in January 2014, administration of the GED test will transition from the state to a national testing service. At that point, the national testing service will centrally collect testing fees and reimburse the testing centers. However, it is expected that ODE will continue to process transcripts and diplomas and provide technical support to prospective GED test-takers.

GRF 200448 Educator Preparation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$937,392	\$461,295	\$589,776	\$786,737	\$1,136,737	\$1,564,237
	-50.8%	27.9%	33.4%	44.5%	37.6%

Source: General Revenue Fund

Legal Basis: Section 267.20.50 of Am. Sub. H.B. 153 of the 129th G.A.

Purpose: This line item is used to support the Educator Standards Board, Ohio's State System of Support, and various education reforms.

GRF 200455 Community Schools and Choice Programs

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,205,031	\$893,467	\$1,683,248	\$2,200,000	\$2,438,685	\$2,491,395
	-25.9%	88.4%	30.7%	10.8%	2.2%

Source: General Revenue Fund

Legal Basis: ORC 3314.11; Section 267.20.60 of Am. Sub. H.B. 153 of the 129th 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 began to use these funds for training and assistance to schools participating in any school choice program.

Department of Education

GRF 200457 STEM Initiatives

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$8,078,291	\$4,526,607	\$304,997	\$0	\$0	\$0
	-44.0%	-93.3%	-100%	N/A	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 supported innovative mathematics and science education and professional development for teachers, including on-site laboratories, job-embedded professional development, and mentoring and coaching.

GRF 200458 School Employees Health Care Board

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$250,094	\$433,655	\$2,060	\$0	\$0	\$0
	73.4%	-99.5%	-100%	N/A	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 the administrative staff of the School Employees Health Care Board, which was tasked with investigating health care plan best practices, promoting cost containment measures, and improving the health status of school district employees and their families. Prior to FY 2010, support for the Board was provided in the budget of DAS. H.B. 153 of the 129th G.A. eliminated the Board and replaced it with the Public Employees Health Care Program, also funded through DAS.

GRF 200464 General Technology Operations

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$192,097	\$192,097
	N/A	N/A	N/A	N/A	0.0%

Source: General Revenue Fund

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item supports ODE's general overhead expenses related to former responsibilities of the eTech Ohio Commission. Until FY 2014, these expenses were funded through eTech Ohio Commission line item 935408, General Operations. Under H.B. 59 of the 130th G.A. (As Introduced), a portion of line item 935408 was also transferred to the Ohio Board of Regents for the same purpose.

Department of Education

GRF 200465 Technology Integration and Professional Development

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$1,778,879	\$1,778,879
	N/A	N/A	N/A	N/A	0.0%

Source: General Revenue Fund

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item supports contracts with public educational television stations and education technology centers to provide public schools with instructional resources and services. Until FY 2014, these contracts were funded under eTech Ohio Commission line item 935411, Technology Integration and Professional Development. Under H.B. 59 of the 130th G.A. (As Introduced), a portion of line item 935411 was also transferred to Ohio Board of Regents line item 235483, Technology Integration and Professional Development, to provide funding for professional development on the use of technology in the classroom and other staff development resources.

GRF 200502 Pupil Transportation

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$418,670,503	\$423,124,283	\$438,248,935	\$442,113,527	\$442,113,527	\$442,113,527
	1.1%	3.6%	0.9%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.02, 3317.022, and 3317.024; Section 267.20.70 of Am. Sub. H.B. 153 of the 129th 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. In FY 2012 and FY 2013, funding for other students is provided as part of the school foundation program. Beginning in FY 2014, funding for transporting these students will be allocated through a formula which uses prior year costs and current year ridership to determine funding levels. However, districts' allocations will be prorated to stay within the appropriation.

Department of Education

GRF 200503 Bus Purchase Allowance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$105,000	\$0	\$52,500	\$0	\$0	\$0
	-100%	N/A	-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. H.B. 66 of the 126th G.A. replaced the previous 100% 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$9,100,273	\$9,100,000	\$9,099,987	\$9,100,000	\$9,100,000	\$9,100,000
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3313.81 and 3317.024; Section 267.20.80 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$118,649	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item supported adult basic and literacy education (ABLE) programs. 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. ABLE programs were also supported through federal funds deposited in Fund 3660, line item 200604, Adult Basic Education. As directed by 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$111,939,528	\$121,825,658	\$124,136,876	\$126,194,099	\$133,114,737	\$137,122,293
	8.8%	1.9%	1.7%	5.5%	3.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.024 and 3317.06; Section 267.20.90 of Am. Sub. H.B. 153 of the 129th 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 (renamed the College Credit Plus Program beginning in FY 2014).

Department of Education

GRF 200521 Gifted Pupil Program

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$111,083	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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. In FY 2010 and FY 2011, gifted education was funded as a component of the school funding formula in GRF line item 200550, Foundation Funding.

GRF 200532 Nonpublic Administrative Cost Reimbursement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$50,785,823	\$55,381,410	\$56,105,714	\$57,006,850	\$60,133,175	\$61,943,546
	9.0%	1.3%	1.6%	5.5%	3.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.063; Section 267.30.10 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

GRF 200536 Ohio Core Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$781,241	\$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 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 line item was established in 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.

GRF 200540 Special Education Enhancements

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$131,294,253	\$133,355,657	\$129,042,668	\$135,820,668	\$156,871,292	\$157,871,292
	1.6%	-3.2%	5.3%	15.5%	0.6%

Source: General Revenue Fund

Legal Basis: ORC 3317.20, 3317.201, 3317.05, and 3317.052; Section 267.30.20 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item is primarily used to fund preschool special education and related services at school districts, educational service centers, and county boards and special education and related services for school-aged students at county boards of developmental disabilities and state institutions. This line item also funds school psychology interns, home instruction for children with disabilities, and parent mentoring programs.

Department of Education

GRF 200545 Career-Technical Education Enhancements

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,621,011	\$7,717,422	\$7,441,255	\$8,802,699	\$8,802,699	\$8,802,699
	16.6%	-3.6%	18.3%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Section 267.30.30 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 650 of the 122nd G.A.)

Purpose: This line item is used to fund various career-technical education programs and initiatives, including High Schools that Work, tech prep program expansion, career-technical education at state institutions, and the Agriculture 5th Quarter Project.

GRF 200550 Foundation Funding

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$5,360,044,669	\$5,257,922,850	\$5,505,853,275	\$5,616,481,153	\$5,924,495,823	\$6,102,858,841
	-1.9%	4.7%	2.0%	5.5%	3.0%

Source: General Revenue Fund

Legal Basis: ORC 3306; Section 267.30.40 of Am. Sub. H.B. 153 of the 129th 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 2012 and FY 2013, the amounts paid to each district are determined under guidelines contained in H.B. 153 of the 129th General Assembly. In FY 2010 and FY 2011, the amounts were 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. The executive budget proposes to replace the foundation formula in Chapter 3317. of the Revised Code, which hasn't been used for traditional school districts since FY 2009, with a new foundation funding formula. The executive proposal also removes pupil transportation funding from the main funding formula so that it is no longer part of the main formula's guarantee or cap provisions.

Department of Education

GRF 200551 Foundation Funding - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$417,567,145	\$515,463,552	\$0	\$0	\$0	\$0
	23.4%	-100%	N/A	N/A	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.

GRF 200566 Literacy Improvement - Classroom Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,127,386	\$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 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$73,317	\$377,601	\$12,128	\$0	\$0	\$0
	415.0%	-96.8%	-100%	N/A	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.

Department of Education

GRF 200901 Property Tax Allocation - Education

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,057,127,330	\$1,048,097,426	\$1,074,778,419	\$1,095,000,000	\$1,138,800,000	\$1,184,352,000
	-0.9%	2.5%	1.9%	4.0%	4.0%

Source: General Revenue Fund

Legal Basis: ORC 319.301 and 323.151 through 323.157; Section 267.30.70 of Am. Sub. H.B. 153 of the 129th G.A.

Purpose: This line item is used to reimburse school districts for losses incurred as a result of the 10% and 2.5% “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.

General Services Fund Group

1380 200606 Information Technology Development and Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,665,134	\$4,794,730	\$5,071,682	\$6,100,090	\$6,850,090	\$6,850,090
	2.8%	5.8%	20.3%	12.3%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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. H.B. 487 of the 129th G.A. changed this item's name from Computer Services - Operational Support to Information Technology Development and Support.

Department of Education

4520 200638 Miscellaneous Educational Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$255,253	\$600,058	\$295,578	\$300,000	\$500,000	\$500,000
	135.1%	-50.7%	1.5%	66.7%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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. It also receives funds from the purchase of publications and other miscellaneous items. Moneys are used for materials and facilities for conferences and for the purposes specified by gifts and bequests.

4L20 200681 Teacher Certification and Licensure

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,243,340	\$6,025,071	\$5,642,495	\$8,147,756	\$8,313,762	\$13,658,274
	-3.5%	-6.3%	44.4%	2.0%	64.3%

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

Legal Basis: Section 267.30.80 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

5960 200656 Ohio Career Information System

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$490,556	\$389,444	\$312,898	\$529,761	\$529,761	\$529,761
	-20.6%	-19.7%	69.3%	0.0%	0.0%

Source: General Services Fund Group: Service fees

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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.

5H30 200687 School District Solvency Assistance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,557,000	\$8,514,000	\$14,719,218	\$25,000,000	\$25,000,000	\$25,000,000
	29.8%	72.9%	69.8%	0.0%	0.0%

Source: General Services Fund Group: Advance repayments and transfers from the GRF and potentially other funds used by ODE

Legal Basis: ORC 3316.20; Section 267.30.80 of Am. Sub. H.B. 153 of the 129th 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 unless the Superintendent of Public Instruction and Director of Budget and Management approve postponement of payment to any other fiscal year not later than the tenth fiscal year following the 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. H.B. 650 of the 122nd G.A. originally transferred \$30 million from FY 1998 surplus GRF revenue to Fund 5H30.

Department of Education

5JA0 200611 ARRA Compliance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$18,405,988	\$12,797,418	\$0	\$0	\$0
	N/A	-30.5%	-100%	N/A	N/A

Source: General Services Fund Group: Transfers from the GRF

Legal Basis: Discontinued line item (originally established by S.B. 181 of the 128th G.A.)

Purpose: This appropriation was used to provide additional revenue to school districts to comply with the conditions of the federal American Reinvestment and Recovery Act.

5KX0 200691 Ohio School Sponsorship Program

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$487,419	\$487,419	\$487,419
	N/A	N/A	N/A	0.0%	0.0%

Source: General Services Fund Group: Sponsorship fees

Legal Basis: ORC 3314.029 (originally established by Controlling Board on November 14, 2011)

Purpose: This line item supports ODE's administrative duties for sponsoring certain community schools. Beginning in FY 2012, ODE may act as a sponsor for up to 15 existing and five newly established community schools. Community schools sponsored by ODE are required to pay sponsorship fees of up to 3% of their operating revenue, which are deposited into Fund 5KX0.

Department of Education

5KY0 200693 Community Schools Temporary Sponsorship

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$83,012	\$214,000	\$83,000	\$83,000
	N/A	N/A	157.8%	-61.2%	0.0%

Source: General Services Fund Group: Sponsorship fees

Legal Basis: ORC 3314.015 and 3314.03 (originally established by Controlling Board on November 14, 2011)

Purpose: This line item supports the State Board of Education's temporary sponsorship of certain community schools. H.B. 364 of the 124th G.A. gave ODE the authority to revoke sponsorship privileges from community school sponsors under certain conditions and to assume temporary sponsorship until the schools' governing authorities obtain new sponsors. ODE's Office of Community Schools is responsible for monitoring each school and for issuing monthly reviews, providing technical assistance, and conducting on-site visits. This line item is supported by sponsorship fees paid into Fund 5KY0 by ODE-sponsored community schools equal to 3% of each school's operating revenue.

5MX0 200670 Exceptional Cost Reimbursement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$111,566,822	\$119,505,133
	N/A	N/A	N/A	N/A	7.1%

Source: General Services Fund Group: Deduction and transfer of 15% of the state-share of special education funding allocated under the executive-proposed school funding formula for each traditional and joint vocational school district and community and STEM school

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: These funds will be used to provide a pooled funding resource for traditional and joint vocational school districts, community schools, and STEM schools to help offset the cost of special education students in categories two through six that exceed certain exceptional cost thresholds. If a public school or district applies for the funds and meets certain eligibility requirements, the state will pay 100% on half of the cost in excess of the applicable threshold while the remainder of the cost above the threshold will be paid based on the district's state share index. While the thresholds and formula for determining such payments is generally the same as that in current law, the payments are currently funded through a \$10 million annual set aside from GRF appropriation item 200550, Foundation Funding.

Department of Education

Federal Special Revenue Fund Group

3090 200601 Neglected and Delinquent Education

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,276,424	\$5,342,517	\$1,648,383	\$2,168,642	\$2,168,642	\$2,168,642
	-14.9%	-69.1%	31.6%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B.153 of the 129th G.A. (originally established by Controlling Board on March 28, 1966)

Purpose: This line item is used to spend the proceeds of a grant made under Title I of the Elementary and Secondary Education Act to provide supplementary education services for children and youths in state institutions, in community day programs for neglected and delinquent children and youths, and in adult correctional institutions.

3670 200607 School Food Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,071,831	\$4,263,599	\$5,030,639	\$6,959,906	\$8,200,664	\$8,700,149
	4.7%	18.0%	38.4%	17.8%	6.1%

Source: Federal Special Revenue Fund Group: CFDA 10.560, Child Nutrition

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on October 27, 1967)

Purpose: This line item supports the state administration of child nutrition programs.

Department of Education

3680 200614 Veterans' Training

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$37,135	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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 U.S. 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 Ohio Department of Veterans Services, and these moneys are appropriated in line item 900614, Veterans Training.

3690 200616 Career-Technical Education Federal Enhancement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,219,438	\$4,649,661	\$1,238,547	\$5,000,000	\$0	\$0
	10.2%	-73.4%	303.7%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on September 23, 1964)

Purpose: This line item provided funds to the six Ohio Tech Prep Regional Centers, which are consortia consisting of school districts and postsecondary institutions. The funds were used to develop and operate programs that led to a two-year associate's degree or a two-year certificate in a specific career field in addition to a high school diploma. The executive proposal recommends no funding for this line item in FY 2014 and FY 2015, as the federal funding for this program has been discontinued. Programs similar to those funded through this line item are eligible to be funded through the federal Career and Technical Education (CTE) State Grants Program, the funding for which is appropriated in Fund 3L90 line item 200621, Career-Technical Education Basic Grant.

Department of Education

3700 200624 Education of Exceptional Children

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,421,764	\$1,900,725	\$1,895,469	\$2,479,000	\$1,530,000	\$1,530,000
	33.7%	-0.3%	30.8%	-38.3%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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, building, and teacher-based leadership teams focused on improving instruction for and performance of students with disabilities.

3740 200647 Troops to Teachers

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,157	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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 Ohio Department of Veterans Services, and these moneys are appropriated in line item 900606, Troops to Teachers.

3780 200660 Learn and Serve

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$663,837	\$1,093,445	\$230,780	\$619,211	\$0	\$0
	64.7%	-78.9%	168.3%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on July 29, 1985)

Purpose: This line item funded programs that combined classroom instruction and community service for at-risk youth. Grants were awarded to local education agencies that engaged 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$339,203	\$311,665	\$189,388	\$639,000	\$750,000	\$750,000
	-8.1%	-39.2%	237.4%	17.4%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,372,108	\$4,476,490	\$812,710	\$20,400,000	\$20,400,000	\$20,400,000
	-29.7%	-81.8%	2,410.1%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on April 7, 2008)

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. The state may use up to 5% of the federal grant award for administration, evaluation, and technical assistance expenses.

Department of Education

3AX0 200698 Improving Health and Educational Outcomes of Young People

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$549,095	\$569,577	\$459,017	\$630,954	\$0	\$0
	3.7%	-19.4%	37.5%	-100%	N/A

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: Discontinued line item (originally established by Controlling Board on May 5, 2008)

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

3BK0 200628 Longitudinal Data Systems

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$855,382	\$237,915	\$601,001	\$250,000	\$1,250,000	\$0
	-72.2%	152.6%	-58.4%	400.0%	-100%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$377,171	\$41,908	\$0	\$0	\$0	\$0
	-88.9%	-100%	N/A	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$14,442,174	\$14,366,322	\$12,788,202	\$14,554,749	\$14,554,749	\$14,554,749
	-0.5%	-11.0%	13.8%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$78,184	\$2,964	\$0	\$0	\$0	\$0
	-96.2%	-100%	N/A	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

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,374,021	\$820,834	\$1,385,088	\$13,615,413	\$15,125,588	\$15,183,285
	-81.2%	68.7%	883.0%	11.1%	0.4%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$7,403,336	\$2,160,379	\$4,478,137	\$733,567	\$0	\$0
	-70.8%	107.3%	-83.6%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on May 4, 1987)

Purpose: This line item promoted drug free schools. Traditionally, most of these funds were distributed to school districts based on a federal formula for use in drug and violence prevention activities, with the remaining funds used for related ODE administrative and state level activities. With the expiration of the Safe and Drug Free Schools and Communities Act, ODE used the remainder of the federal grant award to provide competitive grants to Ohio's schools. In addition, funds were used for personal service contracts to maintain an online career development resource, to sustain the School Climate Profile System, and to train parent advocates on prevention and intervention strategies to reduce violence, alcohol, tobacco, and drug abuse in schools and communities.

Department of Education

3D20 200667 Math Science Partnerships

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,295,953	\$3,643,507	\$2,255,143	\$6,500,000	\$6,000,000	\$6,000,000
	-42.1%	-38.1%	188.2%	-7.7%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,948,008	\$18,044	\$0	\$0	\$0	\$0
	-99.4%	-100%	N/A	N/A	N/A

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

Legal Basis: Discontinued line item (originally established by 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$632,093	\$898,760	\$368,272	\$0	\$0	\$0
	42.2%	-59.0%	-100%	N/A	N/A

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

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 that, in conjunction with funds the state receives annually under the McKinney - Vento Act, supported a free and appropriate education for homeless children and youth. Schools used 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$210,511,124	\$186,007,234	\$39,176,292	\$6,158	\$0	\$0
	-11.6%	-78.9%	-100.0%	-100%	N/A

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

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

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

Department of Education

3DK0 200642 Title IA - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$141,670,481	\$184,826,768	\$42,950,339	\$0	\$0	\$0
	30.5%	-76.8%	-100%	N/A	N/A

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

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

Purpose: This line item received American Recovery and Reinvestment Act funds that were used to supplement funds from line item 200623, ESEA Title IA, to provide grants to school districts for additional academic support and learning opportunities to help low-achieving children meet state standards in core academic subjects.

3DL0 200650 IDEA Preschool - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$6,071,322	\$5,831,970	\$1,379,479	\$0	\$0	\$0
	-3.9%	-76.3%	-100%	N/A	N/A

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

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

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

Department of Education

3DM0 200651 Title IID Technology - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$3,514,113	\$17,967,345	\$2,081,013	\$0	\$0	\$0
	411.3%	-88.4%	-100%	N/A	N/A

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

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

Purpose: This line item was used, in conjunction with funds from line 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. The competitive grant program was 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$24,389,464	\$59,172,513	\$30,000,000	\$0	\$0
	N/A	142.6%	-49.3%	-100%	N/A

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

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

Purpose: This line item received federal American Recovery and Reinvestment Act funds that were 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 were required to use the funds to implement one of four intervention models designated by the U.S. Department of Education. The state could use up to 5% of the federal grant award for administration, evaluation, and technical assistance expenses.

Department of Education

3EC0 200653 Teacher Incentive - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$3,918,260	\$3,893,939	\$7,500,000	\$1,300,000	\$0
	N/A	-0.6%	92.6%	-82.7%	-100%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$733,257	\$10,900	\$0	\$0	\$0
	N/A	-98.5%	-100%	N/A	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 improved 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$981,984	\$2,887,617	\$4,145,909	\$2,900,000	\$2,900,000
	N/A	194.1%	43.6%	-30.1%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$1,423,069	\$2,385,251	\$3,509,782	\$2,600,000	\$2,600,000
	N/A	67.6%	47.1%	-25.9%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally 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.

3EK0 200637 Advanced Placement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$26,102	\$350,525	\$450,000	\$450,000	\$450,000
	N/A	1,242.9%	28.4%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 84.330 Advanced Placement Program

Legal Basis: Controlling Board on May 7, 2012 (originally established by the Controlling Board on July 19, 2010)

Purpose: This line item is used to cover all or part of the cost of Advanced Placement tests and International Baccalaureate registration and exam fees for low income students. This program was originally supported by Fund 3700 line item 200624, Education of Exceptional Children.

3EM0 200643 Byrd Scholarship

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$1,540,461	\$4,539	\$0	\$0	\$0
	N/A	-99.7%	-100%	N/A	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 years that were awarded to exceptional students to be used for study at an institution of higher education.

Department of Education

3EN0 200655 State Data Systems - Federal Stimulus

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$650	\$1,160,268	\$2,500,000	\$1,250,000	\$0
	N/A	178,471.4%	115.5%	-50.0%	-100%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally 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.

3ES0 200657 General Supervisory Enhancement Grant

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$943,590	\$500,000	\$0	\$0
	N/A	N/A	-47.0%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on September 27, 2010)

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

Department of Education

3ETO 200658 Education Jobs Fund

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$68,873,009	\$269,709,603	\$30,000,000	\$0	\$0
	N/A	291.6%	-88.9%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on September 27, 2010)

Purpose: This line item was used to allocate 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). Though these funds were aimed at saving education jobs in the 2010-2011 school year, they were made available for use until September 30, 2012.

3FD0 200665 Race to the Top

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$12,759,794	\$72,891,986	\$100,000,000	\$136,000,000	\$58,074,046
	N/A	471.3%	37.2%	36.0%	-57.3%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on November 22, 2010)

Purpose: This line item is used 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 over 450 Race to the Top (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 used at the state level. Programs and projects are focused on ensuring that participating schools and districts have the capacity to sustain reforms, standards and assessments, data systems to support instruction, great teachers and leaders, turning around low-achieving schools, and STEM initiatives.

Department of Education

3FE0 200669 Striving Readers

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$22,617	\$74,760	\$100,000	\$0	\$0
	N/A	230.5%	33.8%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on December 13, 2010)

Purpose: This line item was used to support a State Literacy Team to develop a comprehensive literacy plan for Ohio. The purpose of the plan was to advance literacy skills for students from birth to grade 12 by focusing on literacy development and education. These funds were awarded pursuant to a formula based on each state's share of non-ARRA Title IA funds for FFY 2009. The executive proposes no funding for this line item in FY 2014 and FY 2015, as formula grant funding under the Striving Readers Program was discontinued after FFY 2010.

3FN0 200672 Early Learning Challenge - Race to the Top

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$2,786	\$6,822,000	\$7,040,000	\$7,040,000
	N/A	N/A	244,734.7%	3.2%	0.0%

Source: Federal Special Revenue Fund Group: Federal Special Revenue Fund Group: CFDA 84.412, Race to the Top - Early Learning Challenge

Legal Basis: Established by Controlling Board on February 27, 2012

Purpose: This line item provides funds designed to focus on improving early learning and development programs for young children (from birth through kindergarten) by (1) increasing the number and percentage of low-income and disadvantaged kids who are enrolled in high quality early learning programs; (2) implementing a common tiered quality rating and improvement system for all types of early childhood programs; and, (3) implementing a comprehensive assessment system, including pre-kindergarten to kindergarten formative assessments and a kindergarten readiness assessment. The total grant award is for approximately \$70 million and covers a four-year period from January 2012 through December 2015. In addition to ODE, the Department of Job and Family Services, the Ohio Department of Health, and the Ohio Department of Mental Health will be using portions of the award to implement critical components of the grant program.

Department of Education

3GE0 200674 Summer Food Service Program

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$13,200,000	\$13,596,000	\$14,003,800
	N/A	N/A	N/A	3.0%	3.0%

Source: Federal Special Revenue Fund Group: CFDA: 10.555, School Lunch Program

Legal Basis: Established by the Controlling Board on October 29, 2012

Purpose: This line item is used to distribute federal funding under the USDA's Summer Food Service Program, which reimburses eligible service institutions that serve free meals to children up to the age of 18 during summer when schools are closed, during extended school vacation periods, if the school is closed because of an emergency situation, and if a school is operating a year round program. Participating sites must be located in areas where at least 50% of the children meet the income eligibility criteria for free and reduced price meals. Prior to creation of this line item, the program was supported with funds from Fund 3L60 appropriation item 200617, Federal School Lunch.

3GF0 200675 Miscellaneous Nutrition Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$350,000	\$700,000	\$700,000
	N/A	N/A	N/A	100.0%	0.0%

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

Legal Basis: Established by the Controlling Board on October 29, 2012

Purpose: This line item is used to distribute federal funding under various USDA nutrition grant programs. One example is the Team Nutrition grant program, which encourages nutritious school meals and nutrition education for children. Prior to creation of this line item, these grants were supported with funds from Fund 3670 appropriation item 200607, School Food Services.

Department of Education

3GG0 200676 Fresh Fruit and Vegetable Program

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$4,600,000	\$4,738,000	\$4,880,140
	N/A	N/A	N/A	3.0%	3.0%

Source: Federal Special Revenue Fund Group: CFDA 10.582, Fresh Fruit and Vegetable Program

Legal Basis: Established by the Controlling Board on October 29, 2012

Purpose: This line item is used to distribute federal funding under the USDA's Fresh Fruit and Vegetable Program, which reimburses school districts for costs incurred in providing children in certain elementary schools with free, fresh produce outside of the National School Lunch Program and School Breakfast Program food service times. The program is offered to elementary schools in low-income areas on a competitive basis. Prior to creation of this line item, the program was supported with funds from Fund 3L60 appropriation item 200617, Federal School Lunch.

3H90 200605 Head Start Collaboration Project

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$199,598	\$231,802	\$185,998	\$225,000	\$225,000	\$225,000
	16.1%	-19.8%	21.0%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (authorized by the Human Services Amendment Act of 1994, Public Law 103-252)

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

Department of Education

3L60 200617 Federal School Lunch

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$309,556,438	\$317,998,269	\$340,090,544	\$340,396,147	\$350,608,075	\$361,126,273
	2.7%	6.9%	0.1%	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 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to provide reimbursements to school districts to assist them in providing school lunch programs. State matching funds are provided through GRF line 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. Prior to FY 2013, these funds also supported 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. These two programs are now supported under Fund 3GE0 appropriation item 200674, Summer Food Service Program, and Fund 3GG0 appropriation item 200676, Fresh Fruit and Vegetable Program.

3L70 200618 Federal School Breakfast

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$84,497,000	\$88,194,306	\$100,296,361	\$104,308,260	\$108,480,590	\$112,819,813
	4.4%	13.7%	4.0%	4.0%	4.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

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

Department of Education

3L80 200619 Child/Adult Food Programs

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$86,629,050	\$89,463,507	\$94,548,435	\$103,876,359	\$106,992,650	\$110,202,428
	3.3%	5.7%	9.9%	3.0%	3.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$44,293,259	\$45,621,489	\$42,133,727	\$48,466,864	\$44,663,900	\$44,663,900
	3.0%	-7.6%	15.0%	-7.8%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: A majority of the funds in this line item provide formula grants to districts and postsecondary institutions administering career-technical programs. This line item also supports state leadership activities in career-technical education and administration of the federally-required state plan for career-technical education. State matching funds for this item are provided through GRF line item 200321, Operating Expenses. Prior to FY 2013, state matching funds were provided through GRF line item 200416, Career-Technical Education Match.

Department of Education

3M00 200623 ESEA Title 1A

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$538,940,981	\$528,783,356	\$528,844,064	\$530,010,000	\$560,000,000	\$560,000,000
	-1.9%	0.0%	0.2%	5.7%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item provides federal formula dollars to school districts for 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. In May 2012, the state was granted a conditional waiver from a number of federal No Child Left Behind Act of 2001 requirements in exchange for committing to various reforms. Under the waiver, in effect for the 2012-2013 school year, a local education agency in school improvement status will now direct 20% of its Title I funds to the lowest performing schools (priority schools) and schools that have the highest achievement or graduation gaps and have not made sufficient progress in decreasing those gaps over time (focus schools) instead of on school choice and supplemental services, as was previously the case.

3M10 200678 Innovative Education

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$597,503	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$422,694,187	\$423,753,393	\$429,430,482	\$443,170,050	\$443,170,050	\$443,170,050
	0.3%	1.3%	3.2%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 a 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. Up to 5% of these funds may be used for administrative expenses.

3S20 200641 Education Technology

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$9,413,659	\$4,785,898	\$4,193,937	\$9,487,397	\$0	\$0
	-49.2%	-12.4%	126.2%	-100%	N/A

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

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

Purpose: This federal program funded two types of Enhancing Education Through Technology (EETT) grants: formula and competitive. The grants were used for hardware, software, professional development, curriculum management tools, and other resources that assisted districts in integrating technology into their language arts and mathematics curricula in grades kindergarten through eight. Up to 2% of the federal allocation could be used for state level activities and up to 3% could be used for administration.

Department of Education

3T40 200613 Public Charter Schools

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$9,805,042	\$12,304,525	\$5,835,894	\$14,291,353	\$500,000	\$0
	25.5%	-52.6%	144.9%	-96.5%	-100%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$34,797,829	\$44,033,873	\$40,952,869	\$45,906,485	\$48,201,810	\$50,611,900
	26.5%	-7.0%	12.1%	5.0%	5.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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. ODE may use up to 5% of the funds for administrative expenses. Under the conditional ESEA waiver granted in May 2012, the state may permit community learning centers to use these funds to support expanded learning time during the school day in addition to non-school hours.

Department of Education

3Y40 200632 Reading First

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$17,809,670	\$11,728,413	\$679,292	\$0	\$0	\$0
	-34.1%	-94.2%	-100%	N/A	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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$101,476,006	\$104,426,170	\$88,561,965	\$101,900,000	\$101,900,000	\$101,900,000
	2.9%	-15.2%	15.1%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$7,581,026	\$8,091,540	\$8,370,320	\$8,373,995	\$9,700,000	\$9,700,000
	6.7%	3.4%	0.0%	15.8%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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. ODE may use up to 5% of the funds for planning, evaluation, administration, professional development activities, and technical assistance to school districts.

3Y80 200639 Rural and Low Income Technical Assistance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,811,020	\$2,253,385	\$2,466,374	\$3,500,000	\$3,300,000	\$3,300,000
	24.4%	9.5%	41.9%	-5.7%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

3Z20 200690 State Assessments

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$8,617,597	\$11,341,981	\$12,872,972	\$11,882,258	\$11,800,000	\$11,800,000
	31.6%	13.5%	-7.7%	-0.7%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 line item 200437, Student Assessments.

3Z30 200645 Consolidated Federal Grant Administration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$7,710,624	\$7,181,347	\$6,754,158	\$7,949,280	\$7,949,280	\$7,949,280
	-6.9%	-5.9%	17.7%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 federal Elementary and Secondary Education Act, 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.

Department of Education

3Z70 200697 General Supervisory Enhancement Grant

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,442,294	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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.

State Special Revenue Fund Group

4540 200610 GED Testing

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$609,859	\$741,674	\$1,055,415	\$1,050,000	\$1,050,000	\$250,000
	21.6%	42.3%	-0.5%	0.0%	-76.2%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established in 1929)

Purpose: This line item is used primarily for reimbursements to GED testing centers. The funds are provided through a fee charged for taking the test. Currently, the student application fee is \$40 for the complete paper-based test and \$120 for the complete computer-based test. There is an additional \$10 fee for those applicants required to retake any one section of the paper test while the fee for individual sections of the computer-based test is \$24. GRF line item 200447, GED Testing, also provides funds for GED testing purposes. Starting in January 2014, administration of the GED test will transition from the state to a national testing service, which will begin administering a revamped test that may be taken only through a computer. At that point, the national testing service will centrally collect testing fees and reimburse the testing centers. However, it is expected that ODE will continue to process transcripts and diplomas and provide technical support to prospective GED test-takers.

Department of Education

4550 200608 Commodity Foods

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$21,281,058	\$20,175,838	\$16,440,152	\$24,000,000	\$24,000,000	\$24,000,000
	-5.2%	-18.5%	46.0%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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.

4R70 200695 Indirect Operational Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,763,866	\$4,959,316	\$5,055,570	\$6,600,000	\$6,600,000	\$6,600,000
	4.1%	1.9%	30.5%	0.0%	0.0%

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

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

4V70 200633 Interagency Program Support

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$506,680	\$803,236	\$441,438	\$717,725	\$717,725	\$717,725
	58.5%	-45.0%	62.6%	0.0%	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 267.10 of Am. Sub. H.B. 153 of the 129th 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. H.B. 487 of the 129th G.A. changed this line item's name from Interagency Operational Support to Interagency Program Support.

5980 200659 Auxiliary Services Reimbursement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$556,106	\$754,123	\$801,669	\$1,328,910	\$1,328,910	\$1,328,910
	35.6%	6.3%	65.8%	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 267.10 of Am. Sub. H.B. 153 of the 129th 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. The funds may also be used to fund early retirement or severance pay for employees paid from auxiliary services GRF funding.

Department of Education

5BB0 200696 State Action for Education Leadership

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,179,687	\$407,468	\$306,723	\$500	\$0	\$0
	-65.5%	-24.7%	-99.8%	-100%	N/A

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

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 16 of the 126th G.A.)

Purpose: This line item was 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 and Principal Evaluation System. The executive recommends no funding for line item in FY 2014 and FY 2015, as the grant ended in FY 2010 (remaining funds from the grant were exhausted in FY 2013).

5BJ0 200626 Half-Mill Maintenance Equalization

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$16,713,131	\$17,306,440	\$17,398,854	\$18,000,000	\$19,000,000	\$20,000,000
	3.5%	0.5%	3.5%	5.6%	5.3%

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

Legal Basis: ORC 3318 (F); Section 267.40.10 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

5MM0 200677 Child Nutrition Refunds

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$500,000	\$500,000	\$500,000
	N/A	N/A	N/A	0.0%	0.0%

Source: State Special Revenue Fund Group: Unused funds returned by program sponsors and funds received due to audit findings

Legal Basis: Established by the Controlling Board on October 29, 2012

Purpose: This line item is used to repay the USDA for child nutrition grant funds returned by program sponsors after the federal fiscal year ends and is used to make repayments to the USDA of funds received due to audit findings. Prior to creation of this item, these repayments were paid out of appropriation items 200617, Federal School Lunch, 200618, Federal School Breakfast, and 200619, Child/Adult Food Programs.

5T30 200668 Gates Foundation Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$200,000	\$153,000
	N/A	N/A	N/A	N/A	-23.5%

Source: State Special Revenue Fund Group: Grants from the Gates Foundation

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item funds a technology leadership program for Ohio's principals and superintendents in public and nonpublic schools. The program extends technology training opportunities to school administrators across Ohio. Line item 228605 (Fund 5T30), Gates Foundation Grants, was originally established by Controlling Board on October 31, 2001 in the Ohio SchoolNet Commission budget. Until FY 2014, this program was funded through eTech Ohio Commission line item 935607, Gates Foundation Grants.

Department of Education

5U20 200685 National Education Statistics

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$227,140	\$188,128	\$223,376	\$300,000	\$300,000	\$300,000
	-17.2%	18.7%	34.3%	0.0%	0.0%

Source: State Special Revenue Fund Group: Grant for NAEP

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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 administrator as well as other specific data collection tasks associated with NAEP. The state administrator 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.

5W20 200663 Early Learning Initiative

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$687,966	\$89,537	\$0	\$0	\$0	\$0
	-87.0%	-100%	N/A	N/A	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 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.

Department of Education

5X90 200911 NGA STEM

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$145,034	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	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.

6200 200615 Educational Improvement Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$328,599	\$164,268	\$167,287	\$300,000	\$300,000	\$300,000
	-50.0%	1.8%	79.3%	0.0%	0.0%

Source: State Special Revenue Fund Group: Miscellaneous education grants

Legal Basis: Section 267.10 of Am. Sub. H.B. 153 of the 129th 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.

Lottery Profits/Education Fund Group

7017 200612 Foundation Funding

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$745,000,000	\$711,000,000	\$717,500,000	\$680,500,000	\$725,000,000	\$750,000,000
	-4.6%	0.9%	-5.2%	6.5%	3.4%

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

Legal Basis: Section 267.40.30 of Am. Sub. H.B. 153 of the 129th 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.

Department of Education

7017 200648 Straight A Fund

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$100,000,000	\$200,000,000
	N/A	N/A	N/A	N/A	100.0%

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

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item provides funds to support competitive grants awarded to school buildings and districts, joint vocational school districts, educational service centers, community schools, STEM schools, institutions of higher education, and private entities that aim to achieve significant advancement in student achievement, spending reductions, or resource utilization in the classroom.

7017 200666 EdChoice Expansion

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$8,500,000	\$17,000,000
	N/A	N/A	N/A	N/A	100.0%

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

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item provides funding for Ed Choice scholarships for students whose family income is less than 200% of the federal poverty guidelines. Students meeting the income requirements qualify for the program regardless of the academic rating of the school they would otherwise attend. Scholarship amounts are the lesser of the cost of tuition and \$4,250 for students in grades K-8 and \$5,000 for students in grades 9-12. The number of scholarships awarded are limited to the appropriation.

7017 200684 Community School Facilities

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$0	\$7,500,000	\$7,500,000
	N/A	N/A	N/A	N/A	0.0%

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

Legal Basis: Proposed in Section 263.10 of H.B. 59 of the 130th G.A.

Purpose: This line item provides funds to brick and mortar community schools to assist with the costs of facilities. Each school receives \$100 per full-time equivalent student, unless that amount is prorated in order to fit within the appropriation. E-schools are not eligible to receive these funds.

Department of Education

7018 200683 Jon Peterson Scholarship Reimbursement

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$3,200,000	\$0	\$0
	N/A	N/A	N/A	-100%	N/A

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

Legal Basis: Discontinued line item (originally established in Section 3 of Sub. H.B. 280 of the 129th G.A.)

Purpose: In FY 2013, this line item reimbursed school districts that received a supplemental operating funding allocation in FY 2013 for deductions connected to Jon Peterson Special Needs Scholarship students who had never attended a public school in Ohio.

7018 200686 Early Learning Programs

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$0	\$0	\$13,000,000	\$0	\$0
	N/A	N/A	N/A	-100%	N/A

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

Legal Basis: Discontinued line item (originally established in Am. Sub. H.B. 487 of the 129th G.A.)

Purpose: This line item was used to make competitive grants to school districts and community schools to support reading intervention efforts that assisted students in meeting the third grade reading guarantee.

Department of Education

Revenue Distribution Fund Group

7047 200909 School District Property Tax Replacement-Business

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,041,352,123	\$1,052,309,510	\$728,329,088	\$482,000,000	\$482,000,000	\$482,000,000
	1.1%	-30.8%	-33.8%	0.0%	0.0%

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

Legal Basis: ORC 5751.21; Section 267.40.60 of Am. Sub. H.B. 153 of the 129th 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 help to 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 H.B. 66 of the 126th G.A. H.B. 153 of the 129th G.A. accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement received in FY 2011. Reimbursements are frozen at the FY 2013 level for FY 2014 and onward.

7053 200900 School District Property Tax Replacement-Utility

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$79,853,124	\$76,759,797	\$31,586,068	\$28,000,000	\$28,000,000	\$28,000,000
	-3.9%	-58.9%	-11.4%	0.0%	0.0%

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 267.40.60 of Am. Sub. H.B. 153 of the 129th 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 help to 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 S.B. 3 and S.B. 287 of the 123rd G.A. H.B. 153 of the 129th G.A. accelerated the phase-out of the direct reimbursements for many districts based on the proportion of the district's state and local funding attributable to the reimbursement received in FY 2011. Reimbursements are frozen at the FY 2013 level for FY 2014 and onward.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
EDU Department of Education								
GRF	200100	Personal Services	\$ 8,421,779	\$0	\$0	N/A	\$0	N/A
GRF	200320	Maintenance and Equipment	\$ 2,833,948	\$0	\$0	N/A	\$0	N/A
GRF	200321	Operating Expenses	\$ 0	\$ 13,142,780	\$ 13,142,780	0.00%	\$ 13,142,780	0.00%
GRF	200408	Early Childhood Education	\$ 23,185,585	\$ 23,268,341	\$ 23,268,341	0.00%	\$ 25,268,341	8.60%
GRF	200416	Career-Technical Education Match	\$ 2,227,490	\$0	\$0	N/A	\$0	N/A
GRF	200420	Information Technology Development and Support	\$ 4,090,042	\$ 4,241,296	\$ 4,241,296	0.00%	\$ 4,241,296	0.00%
GRF	200421	Alternative Education Programs	\$ 6,950,100	\$ 7,403,998	\$ 7,403,998	0.00%	\$ 7,403,998	0.00%
GRF	200422	School Management Assistance	\$ 2,425,977	\$ 3,000,000	\$ 3,000,000	0.00%	\$ 3,000,000	0.00%
GRF	200424	Policy Analysis	\$ 314,572	\$ 328,558	\$ 328,558	0.00%	\$ 328,558	0.00%
GRF	200425	Tech Prep Consortia Support	\$ 434,375	\$ 260,542	\$ 260,542	0.00%	\$ 260,542	0.00%
GRF	200426	Ohio Educational Computer Network	\$ 16,097,181	\$ 17,974,489	\$ 29,625,569	64.82%	\$ 19,625,569	-33.75%
GRF	200427	Academic Standards	\$ 3,826,352	\$ 3,700,000	\$ 3,800,000	2.70%	\$ 3,800,000	0.00%
GRF	200431	School Improvement Initiatives	\$ 809,151	\$0	\$0	N/A	\$0	N/A
GRF	200437	Student Assessment	\$ 54,521,009	\$ 55,002,167	\$ 55,895,000	1.62%	\$ 75,895,000	35.78%
GRF	200439	Accountability/Report Cards	\$ 3,393,204	\$ 3,579,279	\$ 3,500,000	-2.21%	\$ 3,750,000	7.14%
GRF	200442	Child Care Licensing	\$ 681,021	\$ 827,140	\$ 827,140	0.00%	\$ 827,140	0.00%
GRF	200446	Education Management Information System	\$ 5,494,454	\$ 6,833,070	\$ 6,833,070	0.00%	\$ 6,833,070	0.00%
GRF	200447	GED Testing	\$ 816,367	\$ 879,551	\$ 879,551	0.00%	\$ 879,551	0.00%
GRF	200448	Educator Preparation	\$ 589,776	\$ 786,737	\$ 1,136,737	44.49%	\$ 1,564,237	37.61%
GRF	200455	Community Schools and Choice Programs	\$ 1,683,248	\$ 2,200,000	\$ 2,438,685	10.85%	\$ 2,491,395	2.16%
GRF	200457	STEM Initiatives	\$ 304,997	\$0	\$0	N/A	\$0	N/A
GRF	200458	School Employees Health Care Board	\$ 2,060	\$0	\$0	N/A	\$0	N/A
GRF	200464	General Technology Operations	\$0	\$0	\$ 192,097	N/A	\$ 192,097	0.00%
GRF	200465	Technology Integration and Professional Development	\$0	\$0	\$ 1,778,879	N/A	\$ 1,778,879	0.00%
GRF	200502	Pupil Transportation	\$ 438,248,935	\$ 442,113,527	\$ 442,113,527	0.00%	\$ 442,113,527	0.00%
GRF	200503	Bus Purchase Allowance	\$ 52,500	\$0	\$0	N/A	\$0	N/A

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
GRF	200505	School Lunch Match	\$ 9,099,987	\$ 9,100,000	\$ 9,100,000	0.00%	\$ 9,100,000	0.00%
GRF	200511	Auxiliary Services	\$ 124,136,876	\$ 126,194,099	\$ 133,114,737	5.48%	\$ 137,122,293	3.01%
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 56,105,714	\$ 57,006,850	\$ 60,133,175	5.48%	\$ 61,943,546	3.01%
GRF	200540	Special Education Enhancements	\$ 129,042,668	\$ 135,820,668	\$ 156,871,292	15.50%	\$ 157,871,292	0.64%
GRF	200545	Career-Technical Education Enhancements	\$ 7,441,255	\$ 8,802,699	\$ 8,802,699	0.00%	\$ 8,802,699	0.00%
GRF	200550	Foundation Funding	\$ 5,505,853,275	\$ 5,616,481,153	\$ 5,924,495,823	5.48%	\$ 6,102,858,841	3.01%
GRF	200578	Violence Prevention and School Safety	\$ 12,128	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200901	Property Tax Allocation - Education	\$ 1,074,778,419	\$ 1,095,000,000	\$ 1,138,800,000	4.00%	\$ 1,184,352,000	4.00%
General Revenue Fund Total			\$ 7,483,874,446	\$ 7,633,946,944	\$ 8,031,983,496	5.21%	\$ 8,275,446,651	3.03%
1380	200606	Information Technology Development and Support	\$ 5,071,682	\$ 6,100,090	\$ 6,850,090	12.29%	\$ 6,850,090	0.00%
4520	200638	Miscellaneous Educational Services	\$ 295,578	\$ 300,000	\$ 500,000	66.67%	\$ 500,000	0.00%
4L20	200681	Teacher Certification and Licensure	\$ 5,642,495	\$ 8,147,756	\$ 8,313,762	2.04%	\$ 13,658,274	64.29%
5960	200656	Ohio Career Information System	\$ 312,898	\$ 529,761	\$ 529,761	0.00%	\$ 529,761	0.00%
5H30	200687	School District Solvency Assistance	\$ 14,719,218	\$ 25,000,000	\$ 25,000,000	0.00%	\$ 25,000,000	0.00%
5JA0	200611	ARRA Compliance	\$ 12,797,418	\$ 0	\$ 0	N/A	\$ 0	N/A
5KX0	200691	Ohio School Sponsorship Program	\$ 0	\$ 487,419	\$ 487,419	0.00%	\$ 487,419	0.00%
5KY0	200693	Community Schools Temporary Sponsorship	\$ 83,012	\$ 214,000	\$ 83,000	-61.21%	\$ 83,000	0.00%
5MX0	200670	Exceptional Cost Reimbursement	\$ 0	\$ 0	\$ 111,566,822	N/A	\$ 119,505,133	7.12%
General Services Fund Group Total			\$ 38,922,301	\$ 40,779,026	\$ 153,330,854	276.00%	\$ 166,613,677	8.66%
3090	200601	Neglected and Delinquent Education	\$ 1,648,383	\$ 2,168,642	\$ 2,168,642	0.00%	\$ 2,168,642	0.00%
3670	200607	School Food Services	\$ 5,030,639	\$ 6,959,906	\$ 8,200,664	17.83%	\$ 8,700,149	6.09%
3690	200616	Career-Technical Education Federal Enhancement	\$ 1,238,547	\$ 5,000,000	\$ 0	-100.00%	\$ 0	N/A
3700	200624	Education of Exceptional Children	\$ 1,895,469	\$ 2,479,000	\$ 1,530,000	-38.28%	\$ 1,530,000	0.00%
3780	200660	Learn and Serve	\$ 230,780	\$ 619,211	\$ 0	-100.00%	\$ 0	N/A
3AF0	200603	Schools Medicaid Administrative Claims	\$ 189,388	\$ 639,000	\$ 750,000	17.37%	\$ 750,000	0.00%
3AN0	200671	School Improvement Grants	\$ 812,710	\$ 20,400,000	\$ 20,400,000	0.00%	\$ 20,400,000	0.00%
3AX0	200698	Improving Health and Educational Outcomes of Young People	\$ 459,017	\$ 630,954	\$ 0	-100.00%	\$ 0	N/A

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
3BK0	200628	Longitudinal Data Systems	\$ 601,001	\$ 250,000	\$ 1,250,000	400.00%	\$ 0	-100.00%
3C50	200661	Early Childhood Education	\$ 12,788,202	\$ 14,554,749	\$ 14,554,749	0.00%	\$ 14,554,749	0.00%
3CG0	200646	Teacher Incentive	\$ 1,385,088	\$ 13,615,413	\$ 15,125,588	11.09%	\$ 15,183,285	0.38%
3D10	200664	Drug Free Schools	\$ 4,478,137	\$ 733,567	\$ 0	-100.00%	\$ 0	N/A
3D20	200667	Math Science Partnerships	\$ 2,255,143	\$ 6,500,000	\$ 6,000,000	-7.69%	\$ 6,000,000	0.00%
3DG0	200630	Federal Stimulus - McKinney Vento Grants	\$ 368,272	\$ 0	\$ 0	N/A	\$ 0	N/A
3DJ0	200699	IDEA Part B - Federal Stimulus	\$ 39,176,292	\$ 6,158	\$ 0	-100.00%	\$ 0	N/A
3DK0	200642	Title IA - Federal Stimulus	\$ 42,950,339	\$ 0	\$ 0	N/A	\$ 0	N/A
3DL0	200650	IDEA Preschool - Federal Stimulus	\$ 1,379,479	\$ 0	\$ 0	N/A	\$ 0	N/A
3DM0	200651	Title IID Technology - Federal Stimulus	\$ 2,081,013	\$ 0	\$ 0	N/A	\$ 0	N/A
3DP0	200652	Title I School Improvement - Federal Stimulus	\$ 59,172,513	\$ 30,000,000	\$ 0	-100.00%	\$ 0	N/A
3EC0	200653	Teacher Incentive - Federal Stimulus	\$ 3,893,939	\$ 7,500,000	\$ 1,300,000	-82.67%	\$ 0	-100.00%
3EF0	200694	National School Lunch Program - Equipment	\$ 10,900	\$ 0	\$ 0	N/A	\$ 0	N/A
3EH0	200620	Migrant Education	\$ 2,887,617	\$ 4,145,909	\$ 2,900,000	-30.05%	\$ 2,900,000	0.00%
3EJ0	200622	Homeless Children Education	\$ 2,385,251	\$ 3,509,782	\$ 2,600,000	-25.92%	\$ 2,600,000	0.00%
3EK0	200637	Advanced Placement	\$ 350,525	\$ 450,000	\$ 450,000	0.00%	\$ 450,000	0.00%
3EM0	200643	Byrd Scholarship	\$ 4,539	\$ 0	\$ 0	N/A	\$ 0	N/A
3EN0	200655	State Data Systems - Federal Stimulus	\$ 1,160,268	\$ 2,500,000	\$ 1,250,000	-50.00%	\$ 0	-100.00%
3ES0	200657	General Supervisory Enhancement Grant	\$ 943,590	\$ 500,000	\$ 0	-100.00%	\$ 0	N/A
3ET0	200658	Education Jobs Fund	\$ 269,709,603	\$ 30,000,000	\$ 0	-100.00%	\$ 0	N/A
3FD0	200665	Race to the Top	\$ 72,891,986	\$ 100,000,000	\$ 136,000,000	36.00%	\$ 58,074,046	-57.30%
3FE0	200669	Striving Readers	\$ 74,760	\$ 100,000	\$ 0	-100.00%	\$ 0	N/A
3FN0	200672	Early Learning Challenge - Race to the Top	\$ 2,786	\$ 6,822,000	\$ 7,040,000	3.20%	\$ 7,040,000	0.00%
3GE0	200674	Summer Food Service Program	\$ 0	\$ 13,200,000	\$ 13,596,000	3.00%	\$ 14,003,800	3.00%
3GF0	200675	Miscellaneous Nutrition Grants	\$ 0	\$ 350,000	\$ 700,000	100.00%	\$ 700,000	0.00%
3GG0	200676	Fresh Fruit and Vegetable Program	\$ 0	\$ 4,600,000	\$ 4,738,000	3.00%	\$ 4,880,140	3.00%
3H90	200605	Head Start Collaboration Project	\$ 185,998	\$ 225,000	\$ 225,000	0.00%	\$ 225,000	0.00%

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
3L60	200617	Federal School Lunch	\$ 340,090,544	\$ 340,396,147	\$ 350,608,075	3.00%	\$ 361,126,273	3.00%
3L70	200618	Federal School Breakfast	\$ 100,296,361	\$ 104,308,260	\$ 108,480,590	4.00%	\$ 112,819,813	4.00%
3L80	200619	Child/Adult Food Programs	\$ 94,548,435	\$ 103,876,359	\$ 106,992,650	3.00%	\$ 110,202,428	3.00%
3L90	200621	Career-Technical Education Basic Grant	\$ 42,133,727	\$ 48,466,864	\$ 44,663,900	-7.85%	\$ 44,663,900	0.00%
3M00	200623	ESEA Title 1A	\$ 528,844,064	\$ 530,010,000	\$ 560,000,000	5.66%	\$ 560,000,000	0.00%
3M20	200680	Individuals with Disabilities Education Act	\$ 429,430,482	\$ 443,170,050	\$ 443,170,050	0.00%	\$ 443,170,050	0.00%
3S20	200641	Education Technology	\$ 4,193,937	\$ 9,487,397	\$ 0	-100.00%	\$ 0	N/A
3T40	200613	Public Charter Schools	\$ 5,835,894	\$ 14,291,353	\$ 500,000	-96.50%	\$ 0	-100.00%
3Y20	200688	21st Century Community Learning Centers	\$ 40,952,869	\$ 45,906,485	\$ 48,201,810	5.00%	\$ 50,611,900	5.00%
3Y40	200632	Reading First	\$ 679,292	\$ 0	\$ 0	N/A	\$ 0	N/A
3Y60	200635	Improving Teacher Quality	\$ 88,561,965	\$ 101,900,000	\$ 101,900,000	0.00%	\$ 101,900,000	0.00%
3Y70	200689	English Language Acquisition	\$ 8,370,320	\$ 8,373,995	\$ 9,700,000	15.83%	\$ 9,700,000	0.00%
3Y80	200639	Rural and Low Income Technical Assistance	\$ 2,466,374	\$ 3,500,000	\$ 3,300,000	-5.71%	\$ 3,300,000	0.00%
3Z20	200690	State Assessments	\$ 12,872,972	\$ 11,882,258	\$ 11,800,000	-0.69%	\$ 11,800,000	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$ 6,754,158	\$ 7,949,280	\$ 7,949,280	0.00%	\$ 7,949,280	0.00%
Federal Special Revenue Fund Group Total			\$ 2,238,673,568	\$ 2,051,977,739	\$ 2,038,044,998	-0.68%	\$ 1,977,403,455	-2.98%
4540	200610	GED Testing	\$ 1,055,415	\$ 1,050,000	\$ 1,050,000	0.00%	\$ 250,000	-76.19%
4550	200608	Commodity Foods	\$ 16,440,152	\$ 24,000,000	\$ 24,000,000	0.00%	\$ 24,000,000	0.00%
4R70	200695	Indirect Operational Support	\$ 5,055,570	\$ 6,600,000	\$ 6,600,000	0.00%	\$ 6,600,000	0.00%
4V70	200633	Interagency Program Support	\$ 441,438	\$ 717,725	\$ 717,725	0.00%	\$ 717,725	0.00%
5980	200659	Auxiliary Services Reimbursement	\$ 801,669	\$ 1,328,910	\$ 1,328,910	0.00%	\$ 1,328,910	0.00%
5BB0	200696	State Action for Education Leadership	\$ 306,723	\$ 500	\$ 0	-100.00%	\$ 0	N/A
5BJ0	200626	Half-Mill Maintenance Equalization	\$ 17,398,854	\$ 18,000,000	\$ 19,000,000	5.56%	\$ 20,000,000	5.26%
5MM0	200677	Child Nutrition Refunds	\$ 0	\$ 500,000	\$ 500,000	0.00%	\$ 500,000	0.00%
5T30	200668	Gates Foundation Grants	\$ 0	\$ 0	\$ 200,000	N/A	\$ 153,000	-23.50%
5U20	200685	National Education Statistics	\$ 223,376	\$ 300,000	\$ 300,000	0.00%	\$ 300,000	0.00%
6200	200615	Educational Improvement Grants	\$ 167,287	\$ 300,000	\$ 300,000	0.00%	\$ 300,000	0.00%

Prepared by the Legislative Service Commission

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
State Special Revenue Fund Group Total			\$ 41,890,485	\$ 52,797,135	\$ 53,996,635	2.27%	\$ 54,149,635	0.28%
7017	200612	Foundation Funding	\$ 717,500,000	\$ 680,500,000	\$ 725,000,000	6.54%	\$ 750,000,000	3.45%
7017	200648	Straight A Fund	\$ 0	\$ 0	\$ 100,000,000	N/A	\$ 200,000,000	100.00%
7017	200666	EdChoice Expansion	\$ 0	\$ 0	\$ 8,500,000	N/A	\$ 17,000,000	100.00%
7017	200684	Community School Facilities	\$ 0	\$ 0	\$ 7,500,000	N/A	\$ 7,500,000	0.00%
7018	200683	Jon Peterson Scholarship Reimbursement	\$ 0	\$ 3,200,000	\$ 0	-100.00%	\$ 0	N/A
7018	200686	Early Learning Programs	\$ 0	\$ 13,000,000	\$ 0	-100.00%	\$ 0	N/A
Lottery Profits/Education Fund Group Total			\$ 717,500,000	\$ 696,700,000	\$ 841,000,000	20.71%	\$ 974,500,000	15.87%
7047	200909	School District Property Tax Replacement-Business	\$ 728,329,088	\$ 482,000,000	\$ 482,000,000	0.00%	\$ 482,000,000	0.00%
7053	200900	School District Property Tax Replacement-Utility	\$ 31,586,068	\$ 28,000,000	\$ 28,000,000	0.00%	\$ 28,000,000	0.00%
Revenue Distribution Fund Group Total			\$ 759,915,155	\$ 510,000,000	\$ 510,000,000	0.00%	\$ 510,000,000	0.00%
Department of Education Total			\$ 11,280,775,954	\$ 10,986,200,844	\$ 11,628,355,983	5.85%	\$ 11,958,113,418	2.84%