

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**eTech Ohio**

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# eTech Ohio

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- eTech is abolished and its duties are transferred to the Ohio Board of Regents, the Ohio Department of Education, and the Opportunities for Ohioans with Disabilities Agency

## OVERVIEW

### Agency Overview

Under the executive budget, the eTech Ohio Commission is abolished and absorbed into the Ohio Board of Regents (BOR) and the Ohio Department of Education (ODE). A small portion of eTech subsidies are also transferred to the Opportunities for Ohioans with Disabilities Agency (OOD; formerly the Rehabilitation Services Commission). Specifically, the executive proposal recommends that BOR take on eTech's educational telecommunications and teacher professional development responsibilities while ODE is responsible for some of the educational television and grant administration services. The following narrative briefly describes the current structure, mission, and duties of eTech. For appropriation item descriptions and further detail on the executive budget proposal, please see the LSC Redbooks for BOR, ODE, and OOD.

H.B. 66 of the 126th General Assembly created the eTech Ohio Commission to merge the educational technology functions and support provided by the former Ohio SchoolNet Commission and the Ohio Educational Telecommunications Network Commission. eTech is currently governed by a 13-member commission, which consists of nine voting members and four nonvoting legislative members. Voting members include the Chancellor of the Board of Regents, the Superintendent of Public Instruction, the Director of the Office of Information Technology, and six public representatives with education and information technology experience from across the state. An executive director, who is appointed by the commission, oversees day-to-day operations. In FY 2013, eTech's estimated expenditures are about \$14.7 million.

eTech's mission has been to advance education and accelerate the learning of Ohioans through technology. It is responsible for promoting access to and use of all forms of educational technology. eTech carries out its mission by offering students, educators, and the general public a variety of programs and services that promote the adoption and integration of educational technology in K-12 education and support the development and distribution of information resources for K-12 and public broadcasting. eTech also currently manages the K-12 and public broadcasting networks and serves as the primary support agency for statewide video conferencing services for K-12 schools, state agencies, and institutions of higher education.

Over the FY 2012-FY 2013 biennium, eTech created or participated in a variety of technology services and programs that served schools, state agencies, and their communities. Some examples include:

- eTech awarded a combined \$960,000 in Blended Learning grants and Mobile Assistive Technologies grants to build the capacity of Ohio schools and educational service centers for using technologies in the classroom.
- eTech entered into a contract with Learning.com to provide Internet safety training to students and staff at all of Ohio's public and chartered nonpublic schools.
- eTech participated with ODE and BOR in the launch of the broadband network expansion, which is expected to bring increased online speed and capacity to Ohio schools.

### Appropriation Overview

The executive budget recommendations for the appropriation items transferred from eTech to BOR, ODE, and OOD total about \$14.8 million in each fiscal year. In the FY 2014-FY 2015 biennium, the executive budget appropriates 83.8% of this funding to BOR, 14.5% to ODE, and 1.7% to OOD. The table below shows the breakdown of appropriation transfers from eTech to other agencies under the executive budget proposal.

eTech Appropriation Item Transfers to BOR, ODE, and OOD, FY 2014-FY 2015							
Fund	eTech ALI and Name		Agency	New ALI and Name		FY 2014	FY 2015
<b>General Revenue Fund</b>							
GRF	935401	Statehouse News Bureau	BOR	235478	Statehouse News Bureau	\$215,561	\$215,561
GRF	935402	Ohio Government Telecommunications Services	BOR	235479	Ohio Government Telecommunications Services	\$1,002,089	\$1,002,089
GRF	935408	General Operations	BOR	235480	General Technology Operations	\$1,254,193	\$1,254,193
			ODE	200464	General Technology Operations	\$192,097	\$192,097
GRF	935409	Technology Operations	BOR	235481	Technology Operations	\$2,033,410	\$2,033,410
GRF	935410	Content Development, Acquisition, and Distribution	BOR	235482	Content Development, Acquisition, and Distribution	\$2,362,094	\$2,362,094
			OOD	415510	Telephone and Radio Reading Services	\$245,000	\$245,000
GRF	935411	Technology Integration and Professional Development	BOR	235483	Technology Integration and Professional Development	\$2,465,726	\$2,465,726
			ODE	200465	Technology Integration and Professional Development	\$1,778,879	\$1,778,879
GRF	935412	Information Technology	BOR	235484	Information Technology	\$563,458	\$563,458

<b>eTech Appropriation Item Transfers to BOR, ODE, and OOD, FY 2014-FY 2015</b>							
<b>Fund</b>	<b>eTech ALI and Name</b>		<b>Agency</b>	<b>New ALI and Name</b>		<b>FY 2014</b>	<b>FY 2015</b>
<b>General Services Fund Group</b>							
4F30	935603	Affiliate Services	BOR	235679	Affiliate Services	\$50,000	\$50,000
4T20	935605	Government Television/ Telecommunications Operating	BOR	235680	Government Television/ Telecommunications Operating	\$25,000	\$25,000
<b>State Special Revenue Fund Group</b>							
4W90	935630	Telecommunity	BOR	235674	Telecommunity and Distance Learning*	\$49,150	\$49,150
4X10	935634	Distance Learning	BOR				
5D40	935640	Conference/ Special Purposes	BOR	235675	Conference/Special Purposes	\$1,884,095	\$1,884,095
5FK0	935608	Media Services	BOR	235676	Media Services	\$491,373	\$491,373
5T30	935607	Gates Foundation Grants	ODE	200668	Gates Foundation Grants	\$200,000	\$153,000
<b>Total</b>						<b>\$14,812,125</b>	<b>\$14,765,125</b>

\*Fund 4W90 is abolished and the cash balance is transferred to Fund 4X10 under the executive budget. Appropriation item 235674, Telecommunity and Distance Learning, is financed through Fund 4X10.

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General Revenue Fund

**GRF 935321 Operations**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$292,987	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	-100%	N/A	N/A	<b>N/A</b>	<b>N/A</b>

**Source:** General Revenue Fund

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item provided payroll and fringe benefits for employees of eTech as well as support for personal service contracts, maintenance, and equipment needs. It was replaced, beginning in FY 2010, with GRF appropriation items 935408, General Operations, and 935412, Information Technology.

**GRF 935401 Statehouse News Bureau**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$219,960	\$219,960	\$215,561	\$215,561	<b>\$0</b>	<b>\$0</b>
	0.0%	-2.0%	0.0%	<b>-100%</b>	<b>N/A</b>

**Source:** General Revenue Fund

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item subsidized the operations of the Statehouse News Bureau (SNB), a cooperative effort of all public radio and television stations. SNB, along with the Ohio Government Telecommunications Studio (OGT), provides coverage of the legislature and other governmental activities for Ohio's citizens. SNB produces news reports on state government activities for broadcast on Ohio's 34 public radio stations. It also places these broadcasts on a web site accessible to all of Ohio's citizens on a 24-hour basis. In addition, SNB produces a weekly half-hour video program that focuses on the latest statewide news and events; this program is made available for broadcast on Ohio's public television stations. Under the executive proposal, SNB is funded under Board of Regents line item 235478, Statehouse News Bureau.

## eTech Ohio

### GRF 935402 Ohio Government Telecommunications Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$716,417	\$716,417	\$702,089	\$1,002,089	\$0	\$0
	0.0%	-2.0%	42.7%	-100%	N/A

**Source:** General Revenue Fund

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item, along with line item 935605, Government Television/ Telecommunications Operating, was used to support the operations of the Ohio Government Telecommunications Studio (OGT). OGT and the Statehouse News Bureau provide coverage of the legislature and other governmental activities for Ohio's citizens. OGT broadcasts General Assembly floor sessions in addition to sessions of the Ohio Supreme Court and makes the session footage available on its web site for 24-hour access. OGT produces educational documentaries on Ohio civics, history, government, and culture for use in Ohio's schools as well as for broadcast on public television stations. It also coordinates all media events for members of the General Assembly and events at the Statehouse. Under the executive proposal, OGT is funded under Board of Regents line item 235479, Ohio Government Telecommunications Services.

### GRF 935403 Technical Operations

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$113,932	\$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. 66 of the 126th G.A.)

**Purpose:** This line item provided funding to operate and maintain the statewide high speed fiber optic network. It was replaced, beginning in FY 2010, with GRF appropriation item 935409, Technology Operations.

## eTech Ohio

### GRF 935408 General Operations

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,233,891	\$1,501,342	\$1,264,656	\$1,254,193	<b>\$0</b>	<b>\$0</b>
	21.7%	-15.8%	-0.8%	<b>-100%</b>	<b>N/A</b>

**Source:** General Revenue Fund

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

**Purpose:** This line item supported eTech's general overhead expenses including salaries for operations and support staff, utilities, office equipment and supplies, building maintenance, and various fees to the Department of Administrative Services. Beginning in FY 2010, it partially replaced GRF line item 935321, Operations. Under the executive proposal, these activities are funded under Board of Regents line item 235480, General Technology Operations, and Department of Education line item 200464, General Technology Operations.

### GRF 935409 Technology Operations

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,307,065	\$5,553,986	\$2,091,928	\$2,091,823	<b>\$0</b>	<b>\$0</b>
	140.7%	-62.3%	0.0%	<b>-100%</b>	<b>N/A</b>

**Source:** General Revenue Fund

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

**Purpose:** This line item supported the statewide high speed fiber optic network connecting Ohio's public television stations, radio stations, radio reading services, the Statehouse News Bureau, the Ohio Government Telecommunications Studio, and the Ohio Emergency Management Agency to eTech Ohio's network operations center (NOC). The NOC provides audio and video content to eTech Ohio's affiliates 24 hours a day, 7 days a week. In addition, funds supported the Ohio K-12 network that connects public schools to each other and to the Internet. Both the public broadcasting and K-12 networks are part of OSCnet (Ohio Supercomputer Center). Also, funds could be used to cover student costs for taking advanced placement courses and other courses eligible for postsecondary credit through the Ohio Learns Gateway. Under the executive proposal, these activities are funded under Board of Regents line item 235481, Technology Operations.

## eTech Ohio

### GRF 935410 Content Development, Acquisition, and Distribution

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,812,008	\$2,764,547	\$2,607,094	\$2,607,094	\$0	\$0
	-1.7%	-5.7%	0.0%	-100%	N/A

**Source:** General Revenue Fund

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

**Purpose:** This line item funded subsidies provided to Ohio's public television stations, public radio stations, and radio reading services for the development, acquisition, and distribution of information resources for educational use in the classroom and online. Under the executive proposal, these activities are funded under Board of Regents line item 235482, Content Development, Acquisition, and Development, and Opportunities for Ohioans with Disabilities Agency line item 415510, Telephone and Radio Reading Services.

### GRF 935411 Technology Integration and Professional Development

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$4,418,282	\$4,873,284	\$4,217,160	\$4,252,671	\$0	\$0
	10.3%	-13.5%	0.8%	-100%	N/A

**Source:** General Revenue Fund

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

**Purpose:** This line item supported professional development grants for teachers, IT staff, and administrators, as well as contracts with public educational television stations to provide public schools with instructional resources and services. Under the executive proposal, these activities are funded under Board of Regents line item 235483, Technology Integration and Professional Development, and Department of Education line item 200465, Technology Integration and Professional Development.

## eTech Ohio

### GRF 935412 Information Technology

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$711,339	\$1,063,536	\$875,484	\$829,963	\$0	\$0
	49.5%	-17.7%	-5.2%	-100%	N/A

**Source:** General Revenue Fund

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

**Purpose:** Prior to FY 2012, this line item supported eTech's daily information technology requirements. Beginning in FY 2012, these funds were used in conjunction with Fund 5JU0 appropriation item 935611, Information Technology Services, for enterprise software development that served Ohio's P-20 education community (early childhood learning, K through 12, higher education, and adult workforce). Under the executive proposal, these activities are funded under Board of Regents line item, 235484, Information Technology.

## General Services Fund Group

### 4F30 935603 Affiliate Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$29,205	\$303,218	\$84,488	\$2,000	\$0	\$0
	938.2%	-72.1%	-97.6%	-100%	N/A

**Source:** General Services Fund Group: Fees for services performed by eTech's network operations center

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item was used to provide additional services to affiliated entities, other state and federal agencies, and private entities on a fee basis. Under the executive proposal, these services are funded under Board of Regents line item 235679, Affiliate Services.

## eTech Ohio

### Federal Special Revenue Fund Group

#### **3DW0 935610 Title IID Tech - Federal Stimulus**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$217,752	\$601,791	\$82,860	\$0	<b>\$0</b>	<b>\$0</b>
	176.4%	-86.2%	-100%	<b>N/A</b>	<b>N/A</b>

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

**Legal Basis:** Discontinued line item (originally established by Controlling Board on August, 24, 2009)

**Purpose:** This line item provided funding for the costs incurred by eTech in administering the competitive American Recovery and Reinvestment Act of 2009 (ARRA) Title IID 21st Century Learning Environment Grant Program.

#### **3S30 935606 Enhancing Education Technology**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$91,296	\$32,576	\$12,002	\$0	<b>\$0</b>	<b>\$0</b>
	-64.3%	-63.2%	-100%	<b>N/A</b>	<b>N/A</b>

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

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item provided funding for the costs incurred by eTech in administering the No Child Left Behind (NCLB) Title II D Enhancing Education Through Technology (EETT) program grants.

State Special Revenue Fund Group

**4X10 935634 Distance Learning**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$21,259	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

**Source:** State Special Revenue Fund Group: Ameritech

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item provided technology grants to eligible public and chartered nonpublic schools to establish distance learning. Only schools within an Ameritech service area are eligible for funds, per an agreement with Ameritech. Line item 200634 (Fund 4X10), Distance Learning, was originally established by Controlling Board on April 24, 1995 within the Department of Education and transferred to the Ohio SchoolNet Commission (228634, Distance Learning) by the Controlling Board on March 3, 1997. Under the executive proposal, funding for this line item is transferred along with funding for eTech line item 935630, Telecommunity, to new Board of Regents line item 235674, Telecommunity and Distance Learning.

**5D40 935640 Conference/Special Purposes**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$1,846,975	\$2,315,591	\$2,728,679	\$2,100,000	\$0	\$0
	25.4%	17.8%	-23.0%	-100%	N/A

**Source:** State Special Revenue Fund Group: Fees and gifts

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item received the registration fees paid by those persons participating in conferences and training sponsored by eTech as well as gifts and bequests for specific purposes. Moneys were used to pay for the costs associated with conferences, including the state's annual technology conference, and for the purposes specified by gifts and bequests. Line item 228640 (Fund 5D40), Conference/Special Purposes, was originally established by Controlling Board on March 3, 1997 in the Ohio SchoolNet Commission budget. Under the executive proposal, this funding is provided under Board of Regents line item 235675, Conference/Special Purposes.

## eTech Ohio

### 5FK0 935608 Media Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$217,612	\$364,087	\$688,377	\$156,000	\$0	\$0
	67.3%	89.1%	-77.3%	-100%	N/A

**Source:** State Special Revenue Fund Group: Fees from various state agencies and institutes of higher education for video conferencing services

**Legal Basis:** Discontinued line item (originally established by Controlling Board on October 20, 2008)

**Purpose:** This line item supported eTech's efforts for delivering statewide video conferencing services to K-12 schools, state agencies, and higher education institutions. Beginning November 2008, eTech assumed the role of the primary support agency for statewide video conferencing services. The line item was funded by a monthly fee of \$150 per site. Under the executive proposal, this funding is provided under Board of Regents line item 235676, Media Services.

### 5T30 935607 Gates Foundation Grants

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$32,597	\$0	\$43,869	\$171,112	\$0	\$0
	-100%	N/A	290.1%	-100%	N/A

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

**Legal Basis:** Discontinued line item (originally established by Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** This line item funded a technology leadership program for Ohio's principals and superintendents in public and nonpublic schools. The program extended 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. Under the executive proposal, this program is funded under Department of Education line item 200668, Gates Foundation Grants.

# FY 2014 - FY 2015 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			Estimate FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>ETC eTech Ohio</b>								
GRF	935401	Statehouse News Bureau	\$ 215,561	\$ 215,561	\$ 0	-100.00%	\$ 0	N/A
GRF	935402	Ohio Government Telecommunications Services	\$ 702,089	\$ 1,002,089	\$ 0	-100.00%	\$ 0	N/A
GRF	935408	General Operations	\$ 1,264,656	\$ 1,254,193	\$ 0	-100.00%	\$ 0	N/A
GRF	935409	Technology Operations	\$ 2,091,928	\$ 2,091,823	\$ 0	-100.00%	\$ 0	N/A
GRF	935410	Content Development, Acquisition, and Distribution	\$ 2,607,094	\$ 2,607,094	\$ 0	-100.00%	\$ 0	N/A
GRF	935411	Technology Integration and Professional Development	\$ 4,217,160	\$ 4,252,671	\$ 0	-100.00%	\$ 0	N/A
GRF	935412	Information Technology	\$ 875,484	\$ 829,963	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 11,973,972</b>	<b>\$ 12,253,394</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
4F30	935603	Affiliate Services	\$ 84,488	\$ 2,000	\$ 0	-100.00%	\$ 0	N/A
<b>General Services Fund Group Total</b>			<b>\$ 84,488</b>	<b>\$ 2,000</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
3DW0	935610	Title IID Tech - Federal Stimulus	\$ 82,860	\$ 0	\$ 0	N/A	\$ 0	N/A
3S30	935606	Enhancing Education Technology	\$ 12,002	\$ 0	\$ 0	N/A	\$ 0	N/A
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 94,862</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>\$ 0</b>	<b>N/A</b>
5D40	935640	Conference/Special Purposes	\$ 2,728,679	\$ 2,100,000	\$ 0	-100.00%	\$ 0	N/A
5FK0	935608	Media Services	\$ 688,377	\$ 156,000	\$ 0	-100.00%	\$ 0	N/A
5T30	935607	Gates Foundation Grants	\$ 43,869	\$ 171,112	\$ 0	-100.00%	\$ 0	N/A
<b>State Special Revenue Fund Group Total</b>			<b>\$ 3,460,925</b>	<b>\$ 2,427,112</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
<b>eTech Ohio Total</b>			<b>\$ 15,614,247</b>	<b>\$ 14,682,506</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>