

LSC Greenbook

Analysis of the Enacted Budget

Department of Education

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ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Education

- Establishes new school funding formulas
- Provides increases of 6.8% and 6.2% in FY 2014 and FY 2015, respectively, in GRF and lottery spending
- Creates \$250 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. 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 data, develops academic standards and model curricula, administers the state achievement tests, issues district and school report cards, administers Ohio's school choice programs, and licenses education personnel.

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. As of the end of June 2013, ODE has 528 full-time permanent employees and 48 intermittent employees.

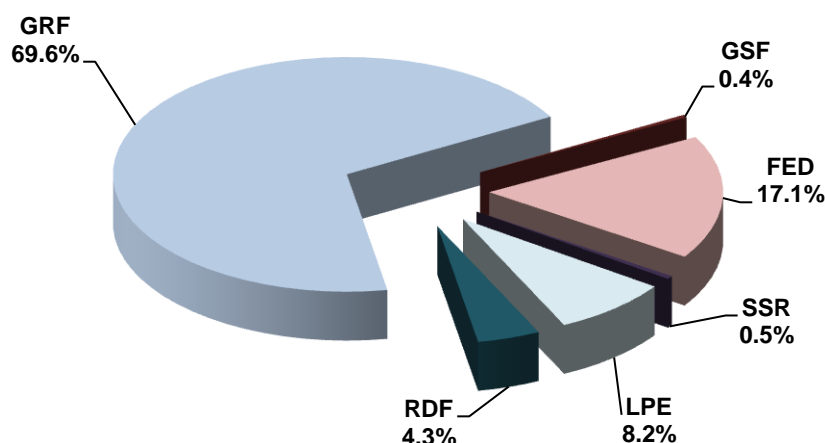
Appropriation Overview

Table 1. Agency Appropriations by Fund Group, FY 2014-FY 2015 (Am. Sub. H.B. 59)					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
General Revenue	\$7,633,621,900	\$7,985,459,657	4.6%	\$8,397,357,295	5.2%
General Services	\$16,683,418	\$41,764,032	150.3%	\$47,108,544	12.8%
Federal Special Revenue	\$1,999,636,141	\$2,038,044,998	1.9%	\$1,977,403,455	-3.0%
State Special Revenue	\$37,823,234	\$53,996,635	42.8%	\$54,149,635	0.3%
Lottery Profits	\$681,955,268	\$891,500,000	30.7%	\$1,027,500,000	15.3%
Revenue Distribution	\$510,103,808	\$510,000,000	-0.02%	\$510,000,000	0.0%
TOTAL	\$10,879,823,770	\$11,520,765,322	5.9%	\$12,013,518,929	4.3%
GRF and Lottery	\$8,315,577,168	\$8,876,959,657	6.8%	\$9,424,857,295	6.2%

*FY 2013 figures represent actual expenditures.

The budget provides a total appropriation of \$11.52 billion in FY 2014 and \$12.01 billion in FY 2015 for ODE. Table 1 and Chart 1 present the appropriations by fund group. As the chart shows, appropriations from the GRF and Lottery Profits Education (LPE) Fund make up a majority of ODE's funding for the biennium at 77.8%. Federal funds account for the next largest portion at 17.1%. 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 (SSR) Fund Group and the General Services Fund (GSF) Group account for the remaining 0.8%. 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).

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



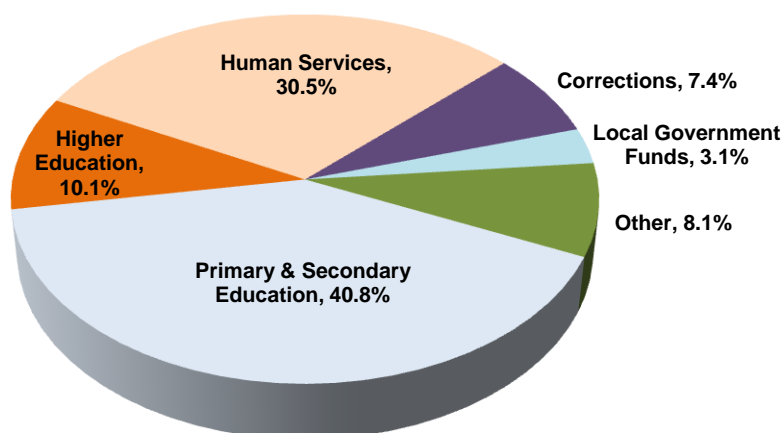
Primary and Secondary Education's Share of the State GRF Budget¹

The four major spending areas of the state budget are: primary and secondary education, human services, higher education, and corrections. GRF appropriations total \$46.81 billion for the FY 2014-FY 2015 biennium. Chart 2 shows these appropriations broken down by the four major spending areas as well as spending allocated to local government funds and all other areas. Spending on primary and secondary education continues to be the largest spending area at 40.8% of the budget. The proportions for the

¹ 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.

other areas of spending are: 30.5% for human services, 10.1% for higher education, 7.4% for corrections, 3.1% for local government funds, and 8.1% for all other areas.

**Chart 2: State GRF Appropriations by Program Area,
FY 2014-FY 2015 Biennium**



Lottery Profits and State Spending on Education

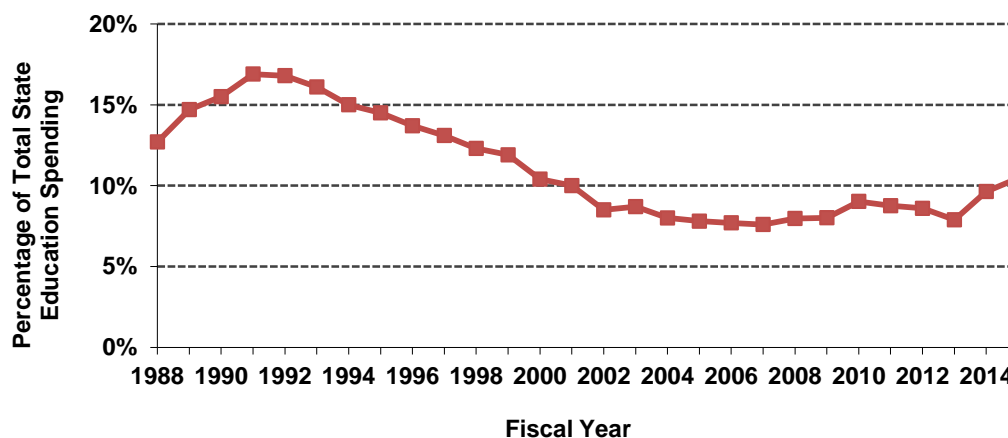
In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio Lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education. In FY 2012, the Ohio Lottery began regulating video lottery terminals (VLTs) at Ohio horse racetracks (racinos). Generally, lottery profits have been combined with the GRF to provide foundation funding to schools in Ohio.

Chart 3 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 3, 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 7.9% in FY 2013. The percentage is expected to increase in each year of the current biennium, reaching 10.5% in FY 2015, due to the emergence of VLTs at Ohio racinos.

From the early 1990s to FY 2013, the annual dollar amount of lottery profits accounted for in the budget was relatively stable, ranging from \$634.9 million to \$745.0 million. Due to anticipated VLT revenues, the budgeted commitment of lottery profit transfers rises to record high levels in the FY 2014-FY 2015 biennium, reaching \$891.5 million in FY 2014 and \$1.03 billion in FY 2015. From FY 1988 to FY 2013, total

state GRF and lottery spending on primary and secondary education increased by \$5.20 billion (151.1%). Of this growth, \$246.4 million (4.7%) was provided by the lottery.

Chart 3: 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 budget establishes a new school funding formula to determine the amount and allocation of state aid for traditional school districts. As with prior formulas, formula funding is based largely on the number of students in each district and the capacity of each district to raise revenues locally. The formula uses average daily membership (ADM) and the state share index, respectively, to measure these two variables. The following discussion describes these measures as well as details of the components of the new formula.

Average Daily Membership (ADM)

Total and formula ADM

ADM is the measure of the number of students in each district. Two ADM calculations are used in the funding formula – total ADM and formula ADM. Total ADM is the number 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 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

Kindergarten student count

The budget counts kindergarten students as a true full-time equivalent (FTE) student. 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. Previously, all kindergarten students were counted as one FTE student whether they received full-day or half-day services. Prior to FY 2010, all kindergarten students were counted as 0.5 FTE.

Count methodology

Beginning in FY 2015, the budget changes the way students are counted in ADM. Prior to this change, students are counted based on their attendance during one week in October. In FY 2015 and future years, students will be counted based on their FTE enrollment. That is, they will be counted based on the portion of the year they are enrolled. For example, a student who transfers from one district to another one-quarter of the way through the school year will be counted as 0.25 FTE in the first district and 0.75 FTE in the second district. This enrollment will be reported on an annualized basis as of the last day of October, March, and June. ODE must create enrollment reports for each district, which will be certified by each district's superintendent.

State Share Index

The state share index is the formula's measure of a district's capacity to raise local revenue. A district's three-year average property valuation forms the basis of the state share index. A three-year average is used to smooth large changes in real property values caused by reappraisals and updates that occur every three years. To make the formula even more stable, the state share index is calculated once for both years of the biennium. The index for FY 2014 and FY 2015 is based on the average property valuation for FYs 2012, 2013, and 2014.

This valuation measure is adjusted for districts that have a relatively large amount (30%) of state property that is exempt from property taxation. Adjusted valuation is lower for these districts, which ultimately increases their state share indexes and thus the state's share of the cost for the formula. The calculation of adjusted valuation is given below.

Adjusted Valuation
Three-year average valuation = Average of taxable property valuation for fiscal years 2012, 2013, and 2014
Exempt property value = State tax-exempt property value for FY 2014
Potential value = Three-year average valuation + Exempt property value
Adjustment = Greater of \$0 or (Exempt property value - 0.30 x Potential value)
Adjusted valuation = Three-year average valuation - Adjustment

Using adjusted valuations, the formula computes a valuation index for each district by dividing a district's adjusted valuation per pupil for FY 2014 by the statewide average per pupil, as shown in the table below.

Valuation Index
District valuation per pupil = Adjusted valuation / Total ADM for FY 2014
State valuation per pupil = Sum of all districts' adjusted valuation / Sum of all districts' total ADM
Valuation index = District valuation per pupil / State valuation per pupil

The formula also takes into account the ability of a district's residents to pay property taxes by including median income in the determination of the state share index for certain districts. To do so, the budget calculates the median income index for each district by dividing a district's median Ohio adjusted gross income for tax year (TY) 2011 by the statewide median.

Median Income Index
Median income index = District median Ohio adjusted gross income for TY 2011 / Median of the median Ohio adjusted gross income of all districts statewide for TY 2011

The formula then compares a district's median income index with its valuation index in order to determine the district's wealth index. For a district with relatively low median income (a median income index less than its valuation index), the wealth index is based on $\frac{2}{3}$ of the valuation index and $\frac{1}{3}$ of the median income index. For a district not meeting this criterion, the wealth index is equal to the valuation index.

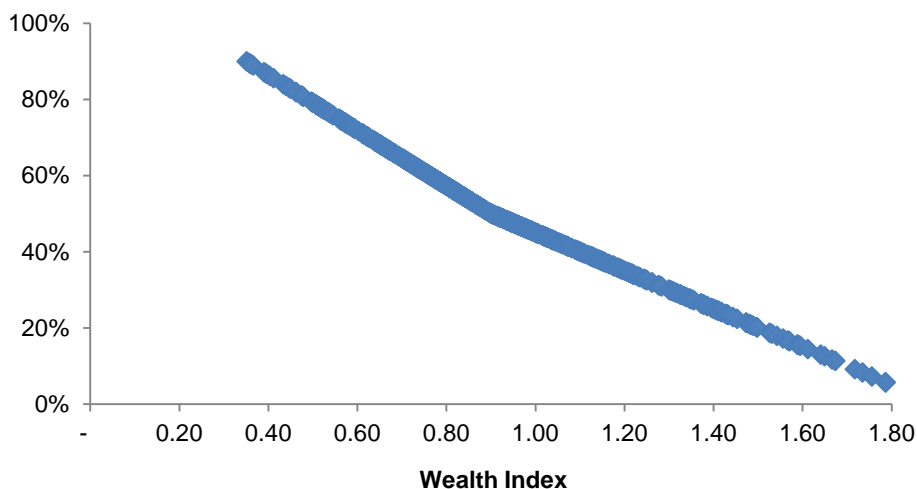
Wealth Index
If Median income index < Valuation index: Wealth index = ($\frac{2}{3}$ x Valuation index) + ($\frac{1}{3}$ x Median income index) If Median income index \geq Valuation index: Wealth index = Valuation index

Using a district's computed wealth index, the budget then determines a district's state share index according to the calculations shown below. As the table indicates, no district has a state share index greater than 0.90 or less than 0.05.

State Share Index	
If Wealth index ≤ 0.35 : State share index = 0.90; If Wealth index > 0.35 but ≤ 0.90 : State share index = $\{0.40 \times [(0.90 - \text{Wealth index}) / 0.55]\} + 0.50$; If Wealth index > 0.90 but < 1.8 : State share index = $\{0.45 \times [(1.8 - \text{Wealth index}) / 0.9]\} + 0.05$; If Wealth index ≥ 1.8 : State share index = 0.05	

This formula may appear complicated, but it merely results in two lines meeting at a wealth index of 0.9 and a state share index of 50%, as illustrated in the following chart. The state share index directs more state funds to districts with lower wealth indexes. It is used in the calculation of six of the components of foundation funding: the opportunity grant, special education additional aid, career-technical education additional aid, limited-English proficient funding, K-3 literacy funding, and transportation. The computation of these components is described below.

Chart 4: State Share Index



Components of State Foundation Funding

The budget computes state foundation funding for each district. This funding consists of nine components: the opportunity grant, targeted assistance, special education additional aid, career-technical education additional aid, economically disadvantaged aid, limited-English proficient funding, K-3 literacy funding, gifted funding, and transportation. All of these components are described in detail below. Final foundation funding is determined by adjusting the calculated foundation funding based on a guarantee and cap, which are also described below.

Opportunity Grant

The opportunity grant makes up the largest portion of foundation funding. It is based on a per pupil formula amount of \$5,745 in FY 2014 and \$5,800 in FY 2015 and the district's state share index. The formula for the opportunity grant is given in the following table.

Opportunity Grant
Opportunity grant = Formula amount x Formula ADM x State share index
Formula amount = \$5,745 in FY 2014 and \$5,800 in FY 2015

Prior to FY 2010, the school funding formula used a per pupil formula amount to provide base cost funding. The previous base cost formula computed state and local shares by applying a uniform charge-off rate to a measure of property valuation. In FY 2009 and several years prior to that, the charge-off rate was 23 mills. While the opportunity grant uses a per pupil formula amount like the previous base cost funding formula, the state share index used for the opportunity grant does not result in a uniform charge-off rate. Rather, if a local share in FY 2014 were to be derived from the state share index and expressed as a charge-off of adjusted valuation, the charge-off rate would vary from 11.3 mills to 22.9 mills (excluding several outlier districts) with the statewide average charge-off being 20.6 mills.

Targeted Assistance

The targeted assistance component of the formula directs additional funding to districts with lower capacities to raise local revenues. There are two tiers for this funding, a base tier (tier one) and a second tier for districts with high percentages of agricultural property.

Tier one

Unlike the opportunity grant, targeted assistance does not use the state share index to measure a district's revenue-generating capacity. 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 average of the preceding three years. While this is similar to the measure used for the state share index, there is no adjustment for tax-exempt property and the measure is recomputed each year.² Income is computed as the three-year average of federally adjusted gross income (FAGI). The formula defines a district's wealth per pupil as the average of its valuation per pupil and its income per pupil. Similarly, the formula also computes the statewide wealth per pupil using

² That is, for FY 2014 it is the average for FYs 2012, 2013, and 2014; and for FY 2015 it is the average for FYs 2013, 2014, and 2015.

statewide sums of property valuation, FAGI, and formula ADM. These calculations are summarized below.

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

Tier one targeted assistance is provided to the 489 districts with the lowest wealth per pupil. 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 \$182,000. The 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 statewide 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, statewide wealth per pupil is approximately \$150,000 and the wealth index values of the 489 districts eligible for tier one targeted assistance vary from about 0.82 to about 2.59. The wealth index of each district is multiplied by a target millage rate of 6 mills in each fiscal year. As a result, the mills equalized by tier one targeted assistance in FY 2014 ranges from about 5 mills (6 mills \times 0.82) to over 15.5 mills (6 mills \times 2.59). The calculation of a district's equalized millage is summarized below.

Millage Equalized by Tier One Targeted Assistance
District wealth index = $\text{Statewide wealth per pupil} / \text{District wealth per pupil}$
District additional millage = $0.0006 \times \text{District wealth index}$

Although targeted assistance is computed on a per pupil basis, it is not included in the calculation of EdChoice or Jon Peterson Special Needs scholarships. It is also not provided to e-schools and provided at only 25% to other community schools. Therefore, an adjustment is made to the formula ADM of each district so as to not credit the district with targeted assistance for students educated through these programs. The calculation of targeted assistance is given below.

Tier One Targeted Assistance
Tier one targeted assistance per pupil = (Wealth per pupil of 490th lowest wealth district - District wealth per pupil) x Target millage x District wealth index
Tier one targeted assistance = Tier one targeted assistance per pupil x (Formula ADM - e-school ADM - EdChoice ADM - Jon Peterson Special Needs ADM - 75% of non-e-school community school ADM)
If this calculation is negative, tier one targeted assistance is zero
Target millage = 0.006

Tier Two

The budget also provides a second tier of targeted assistance based on a district's percentage of agricultural property value. This second tier of targeted assistance is equal to a maximum of 40% of the first tier for districts with three-year average agricultural property value equal to 10% or more of three-year average real property value scaling down to 0% for districts with agricultural property value equal to 0% of real property value. School districts must receive the first tier of targeted assistance in order to receive the second tier. As with the calculation of the state share index, the valuation data used in the calculation of tier two targeted assistance is fixed to three specific fiscal years (2012, 2013, and 2014) so that it does not vary between FY 2014 and FY 2015.

Tier Two Targeted Assistance
Agricultural percentage = Three-year average valuation of real property classified as agricultural property for FYs 2012, 2013, and 2014 / Three-year average valuation of all real property for FYs 2012, 2013, and 2014
If Agricultural percentage is greater than or equal to 10%: Agricultural targeted percentage = 40%; If Agricultural percentage is less than 10%: Agricultural targeted percentage = 4 x Agricultural percentage
Tier two targeted assistance = Agricultural targeted percentage x Tier one targeted assistance

Special Education Additional Aid

The budget 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 budget multiplies the ADM in each category by a set dollar amount and then provides a percentage of that amount to each district based on the state share index.

The following table provides the per pupil amount for each special education category provided under the budget.

Special Education Categories		
Category	Funding Per Pupil FY 2014	Funding Per Pupil FY 2015
1 Speech only	\$1,503	\$1,517
2 Specific learning disabled, developmentally disabled, other health – minor	\$3,813	\$3,849
3 Hearing impaired, severe behavior disabled	\$9,160	\$9,248
4 Vision impaired, other health – major	\$12,225	\$12,342
5 Orthopedically disabled, multi-disabled	\$16,557	\$16,715
6 Autism, traumatic brain injury, both visually and hearing impaired	\$24,407	\$24,641

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

Special Education Additional Aid
$\text{Special education additional aid} = (\text{Category 1 ADM} \times \text{Per pupil amount} + \text{Category 2 ADM} \times \text{Per pupil amount} + \text{Category 3 ADM} \times \text{Per pupil amount} + \text{Category 4 ADM} \times \text{Per pupil amount} + \text{Category 5 ADM} \times \text{Per pupil amount} + \text{Category 6 ADM} \times \text{Per pupil amount}) \times \text{State share index}$

Limited English Proficiency Funding

The budget 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 three categories, based on the amount of time the student has been enrolled in schools in the United States. The budget 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 three categories as well as the additional cost applied under the formula. The percentage provided by the state is equal to the state share index.

Limited English Proficiency Categories		
Category	Funding Per Pupil FY 2014	Funding Per Pupil FY 2015
1 LEP students in U.S. schools for no more than 180 days and not previously exempted from spring English assessments	\$1,500	\$1,515
2 LEP students in U.S. schools more than 180 days or previously exempted from spring English assessments	\$1,125	\$1,136
3 LEP students in a Trial-Mainstream period	\$750	\$758

The calculation of limited English proficiency funds is summarized below.

Limited English Proficiency Funds
$\text{Limited English proficiency funds} = (\text{Category 1 ADM} \times \text{Per pupil amount} + \text{Category 2 ADM} \times \text{Per pupil amount} + \text{Category 3 ADM} \times \text{Per pupil amount}) \times \text{State share index}$

Economically Disadvantaged Aid

The budget 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. The index is created by dividing the percentage of students in the district that are economically disadvantaged by the percentage of students in the state that are economically disadvantaged. The result is squared to target funding to districts with higher concentrations of poverty. This index is estimated to range from 4.6 to 0.0 (a district with no economically disadvantaged students). Calculation of the index is summarized below.

Economically Disadvantaged Index
$\% \text{ Economically disadvantaged} = \text{Economically disadvantaged ADM} / \text{Total ADM}$
$\text{Economically disadvantaged index} = (\text{District } \% \text{ economically disadvantaged} / \text{State } \% \text{ economically disadvantaged})^2$

The formula provides a per pupil amount of \$269 in FY 2014 and \$272 in FY 2015 times the district's economically disadvantaged index for each student in the district's ADM who is identified as economically disadvantaged. So, the estimated per economically disadvantaged pupil amount ranges from \$0 to \$1,237 in FY 2014 (\$269 x 4.6). This calculation is summarized below.

Economically Disadvantaged Aid
$\text{Economically disadvantaged aid} = \text{Economically disadvantaged aid per pupil amount} \times \text{Economically disadvantaged index} \times \text{Economically disadvantaged ADM}$
$\text{Economically disadvantaged aid per pupil amount} = \$269 \text{ in FY 2014 and } \272 in FY 2015

K-3 Literacy Funds

The budget provides additional funding to school districts based on a district's K-3 ADM through two tiers, one equalized and the other unequalized (provided entirely by the state). The equalized portion of a school district's K-3 literacy funds, which depends on the district's state share index, uses per pupil amounts of \$125 in FY 2014 and \$175 in FY 2015 while the unequalized portion is calculated using per pupil amounts of \$86 in FY 2014 and \$115 in FY 2015. The calculation of this funding is summarized below.

K-3 Literacy Funds
$\text{K-3 literacy funds} = (\text{K-3 ADM} \times \text{Equalized per pupil amount} \times \text{State share index}) + (\text{K-3 ADM} \times \text{Unequalized per pupil amount})$
$\text{Equalized per pupil amount} = \$125 \text{ in FY 2014 and } \175 in FY 2015 $\text{Unequalized per pupil amount} = \$86 \text{ in FY 2014 and } \115 in FY 2015

Gifted Funds

The budget provides funds for gifted identification and education. Funds for gifted identification are provided at a rate of \$5 in FY 2014 and \$5.05 in FY 2015 per formula ADM. This calculation is summarized below.

Gifted Identification Funds
Gifted identification funds = Gifted identification per pupil amount x Formula ADM
Gifted identification per pupil amount = \$5 in FY 2014 and \$5.05 in FY 2015

The budget provides unit funding for gifted education based upon certain prescribed ratios of gifted coordinators and gifted intervention specialists. Under unit funding, districts and schools apply for funding and must show that they are employing a certain number of teachers and specialists to be approved. The formula allocates one gifted coordinator unit for every 3,300 students in a district's gifted unit ADM, which is calculated as the district's formula ADM minus the ADM of resident students from the district attending a community or STEM school. No district may have fewer than 0.5 nor more than eight such units allocated under the formula. One gifted intervention specialist unit is allocated for every 1,100 gifted unit ADM with a minimum of 0.3 units allocated to each district. The total number of units is then multiplied by the specified unit cost to determine the district's unit funding. The formula specifies that the unit cost for each gifted coordinator and gifted intervention specialist unit is \$37,000 in FY 2014 and \$37,370 in FY 2015. The calculations for gifted units are summarized below.

Gifted Unit Funds
Gifted unit ADM = Formula ADM - Resident district community and STEM school ADM
Gifted coordinator units = Gifted unit ADM / 3,300 (minimum of 0.5 units and maximum of 8 units)
Gifted intervention specialist units = Gifted unit ADM / 1,100 (minimum of 0.3 units)
Gifted unit funds = Gifted unit cost x (Gifted coordinator units + Gifted intervention specialist units)
Gifted unit cost = \$37,000 in FY 2014 and \$37,370 in FY 2015

Career-Technical Education Funds

The budget provides additional funding to school districts based on the ADM of students participating in career-technical education programs. 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	Funding Per Pupil FY 2014	Funding Per Pupil FY 2015
1 Workforce development programs in agricultural and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	\$4,750	\$4,800
2 Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, arts and communications, and transportation systems	\$4,500	\$4,550
3 Career-based intervention programs	\$1,650	\$1,660
4 Workforce development programs in education and training, marketing, workforce development academics, public administration, and career development	\$1,400	\$1,410
5 Family and consumer science programs	\$1,200	\$1,210

The budget multiplies the ADM in each category by the dollar amounts above and then provides a percentage of that amount to each district based on the state share index.

Career-Technical Education Funds
$\text{Career-technical education funds} = (\text{Category 1 ADM} \times \text{Per pupil amount} + \text{Category 2 ADM} \times \text{Per pupil amount} + \text{Category 3 ADM} \times \text{Per pupil amount} + \text{Category 4 ADM} \times \text{Per pupil amount} + \text{Category 5 ADM} \times \text{Per pupil amount}) \times \text{State share index}$

The budget also provides career-technical education associated services funds based on the sum of a district's career-technical education ADM in categories one through five and a specified per pupil amount, as summarized in the table below.

Career-Technical Education Associated Services Funds
$\text{Career-technical education associated services funds} = (\text{Category 1 ADM} + \text{Category 2 ADM} + \text{Category 3 ADM} + \text{Category 4 ADM} + \text{Category 5 ADM}) \times \text{Associated services per pupil amount} \times \text{State share index}$
$\text{Associated services per pupil amount} = \$225 \text{ in FY 2014 and } \227 in FY 2015

Ultimately, funding for associated services is deducted and transferred to the lead district of the career-technical planning district (CTPD) with which the school district is affiliated. The lead district of a CTPD provides primary career-technical education leadership for the districts comprising the CTPD and is responsible for reviewing and approving or disapproving each member school district's career-technical education program. Under the budget, a district or school's career-technical education program must be approved by the lead district, or by ODE if initially disapproved by the lead district, before it receives career-technical education funds.

Transportation Aid

The budget uses a modified version of the transportation formula enacted in H.B. 1 of the 128th General Assembly, which was most recently used to allocate pupil transportation funding in FY 2010 and FY 2011 (in FY 2012 and FY 2013, the formula was not used and instead the appropriation for pupil transportation provided funding for the bridge formula). The bill modifies the formula, which covers the transportation of all pupils in buses owned by the district or operated through a contract, by removing the formula adjustments for (1) nontraditional ridership, (2) high school ridership, (3) school districts that transport K-8 students who live between one and two miles from school, and (4) efficiency. As a result, funding is based only on the greater of per rider or per mile costs for each district. The bill also replaces a district's state share percentage used in the former formula with the district's state share index to conform to the new main formula. The results of the formula are prorated to fit within the amount appropriated.

The formula also provides a supplemental transportation payment for districts that have a state share index of 0.5 or greater and pupil density at or below the state median. Qualifying districts are paid the difference between the full calculated amount for transportation and the prorated payment the district would otherwise receive. The calculation of the supplemental transportation payment for each school district is summarized below.

Supplemental Transportation Aid
<p>If (State share index \geq 0.5) and (Bus ridership density \leq State median bus ridership density): Supplemental transportation aid = Transportation formula allocation – Prorated transportation aid If (State share index $<$ 0.5) or (Bus ridership density $>$ State median bus ridership density): Supplemental transportation aid = \$0</p>

Guarantees and Caps

The final allocation for each district may be adjusted further by either guaranteeing districts receive enough funding to ensure they receive no less than their state aid in FY 2013 or by limiting the increases in core funding through application of a funding cap.

Temporary Transitional Aid

Temporary transitional aid is provided to districts in FY 2014 and FY 2015 to guarantee 100% of their FY 2013 state aid. Temporary transitional aid in each fiscal year is computed by comparing each district's transitional aid guarantee base to the district's foundation funding in each fiscal year. The bill defines a district's transitional aid guarantee base as the sum of its FY 2013 bridge formula funding, supplemental guarantee, and high performance subsidy. The calculation for temporary transitional aid is summarized below.

Temporary Transitional Aid
$\text{Transitional aid guarantee base} = \text{FY 2013 Bridge formula funding} + \text{Supplemental guarantee} + \text{High performance subsidy}$
<p>If Foundation funding < Transitional aid guarantee base, then $\text{Temporary transitional aid} = \text{Transitional aid guarantee base} - \text{Foundation funding}$ </p> <p>If Foundation funding \geq Transitional aid guarantee base, then $\text{Temporary transitional aid} = \\0 </p>

Gain Cap

Total foundation funding is equal to the sum of foundation funding and temporary transitional aid. However, total foundation funding is subject to a gain cap of 6.25% in FY 2014 and 10.5% in FY 2015 compared to the previous year's funding. The calculation of the gain cap is summarized below.

Gain Cap
$\text{FY 2014 gain cap} = \text{Transitional aid guarantee base} \times 1.0625$
$\text{FY 2015 gain cap} = \text{FY 2014 final state aid} \times 1.105$

Final State Aid

A district's final state aid in each fiscal year is the lesser of the district's total foundation funding or its gain cap. The calculation of final state aid for each school district is summarized below.

Final State Aid
$\text{Final state aid} = \text{the lesser of:}$ <ol style="list-style-type: none"> 1. Total foundation aid; or 2. Gain cap

Joint Vocational School District Funding

Joint vocational school districts (JVSDs) are funded separately from regular school districts. The budget enacts a new formula for JVSD funding that is similar to that of traditional school districts. JVSDs receive an opportunity grant, additional special education aid, LEP funds, economically disadvantaged funds, and career-technical education funds. There are two main differences between the formulas for traditional school districts and JVSDs: the calculation of the opportunity grant and the calculation of the percentage used to distribute the state's share of funding for special education additional aid, LEP funds, and career-technical education funds. These components are described in more detail below.

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 budget uses a base cost approach to calculate each JVSD's opportunity grant. Under this approach, a base cost is established by multiplying the same per pupil formula amount used for traditional school districts by the JVSD's formula ADM. The local share of this cost is calculated by multiplying a uniform charge-off rate of 0.5 mill by the JVSD's three-year average valuation. The opportunity grant is simply the base cost minus the local share. If this calculation results in a negative number, the JVSD's opportunity grant is \$0. The calculation of the opportunity grant for JVSDs is summarized below.

JVSD Opportunity Grant
Base cost = Formula amount x Formula ADM
Local share = Three-year average valuation x Charge-off rate
Opportunity grant = Base cost - Local share If this calculation is negative, the opportunity grant is zero
Formula amount = \$5,745 in FY 2014 and \$5,800 in FY 2015
Charge-off rate = 0.0005

State Share Percentage

In order to determine the state's share of the cost for special education additional aid, LEP funds, and career-technical education funds for JVSDs, the formula calculates a state share percentage for each JVSD by dividing the district's opportunity grant by its base cost. The resulting figure is multiplied by the calculated cost for each of the above components. Unlike the state share index used for traditional school districts, the state share percentage will vary between FY 2014 and FY 2015. JVSD state share percentages in FY 2014 are estimated to range from 0% for three JVSDs to 91.9%. The calculation of the state share percentage is summarized below.

JVSD State Share Percentage
State share percentage = Opportunity grant / Base cost

Deductions and Transfers

The budget 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 Post-Secondary Enrollment Options

(PSEO) Program, 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 budget 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, there is no state share applied to their funding. A school's per pupil opportunity grant is, therefore, equal to the formula amounts of \$5,745 in FY 2014 and \$5,800 in FY 2015, the same amounts used for traditional school districts. This calculation is summarized below.

Community School Opportunity Grant
Opportunity grant per pupil = Formula amount
Opportunity grant = Formula amount x School ADM
Formula amount = \$5,745 in FY 2014 and \$5,800 in FY 2015

A community school also receives targeted assistance for each student in its ADM that is equal to the per pupil first tier targeted assistance amount for the resident district x 0.25.

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 no state share index is applied. Community schools also receive economically disadvantaged funds for each student identified as economically disadvantaged equal to \$269 in FY 2014 and \$272 in FY 2015 x the student's resident district's economically disadvantaged index. For each student in grades K-3, a community school receives a per pupil amount of \$211 in FY 2014 and \$290 in FY 2015, each of which equals the sum of the equalized and unequalized portions of the K-3 literacy component for traditional school districts. Finally, community schools receive career-technical education funds through the per pupil amounts for the school's ADM in each category. Of these components, e-schools only receive the opportunity grant, special education additional aid, and career-technical education 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.

Jon Peterson Special Needs Scholarship Program

The budget modifies the formula used to calculate deductions and scholarship payments for the Jon Peterson Special Needs Scholarship 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. Through FY 2013, this

calculation was equal to \$5,704 plus additional special education weighted funds as calculated under the building blocks model in FY 2009. The budget maintains this formula but replaces \$5,704 with the new formula amounts in each year (\$5,745 in FY 2014 and \$5,800 in FY 2015). Additionally, the additional funding based on the student's special education category is equal to the amounts used for traditional school district special education funding.

The budget also includes a provision that provides \$5 million to reimburse school districts for the deductions taken for Jon Peterson Scholarship students who did not attend a public school in their resident district in the previous school year. In FY 2013, the first year of the program, about 85% of program participants had not attended any public school in Ohio in the previous year. If the appropriation is not sufficient to cover the full amount of the deductions, the reimbursements must be prorated to stay within the appropriation. Separately, the budget also specifies that a scholarship received by a student who falls within special education category one (speech only) may only be used to pay for the "related services" for that child under their individualized education program (IEP).

Post-Secondary Enrollment Options

The Post-Secondary Enrollment Options (PSEO) Program allows students to take courses for both high school and college credit without paying college tuition. Through FY 2013, the deduction and transfer for PSEO was based on the amount of \$5,704 per student. Under the budget, this amount is based on the formula amounts for each year, or \$5,745 in FY 2014 and \$5,800 in FY 2015. The budget specifies that colleges will not be reimbursed for providing remedial college courses to PSEO participants.

The budget also qualifies home-schooled students to take PSEO courses and allows those students to apply late to the program for the 2013-2014 school year. Home-schooled students are funded via direct state payment, in the same manner as nonpublic school students participating in PSEO. Funding of \$250,000 in FY 2015 is provided for home-schooled PSEO participants through appropriation item 200550, Foundation Funding.

Open Enrollment

The budget changes the way open enrollment deductions and transfers are calculated. Through FY 2013, the amount deducted and transferred for a student attending a school district through open enrollment was based on an adjusted formula amount of \$5,704 per pupil and any career-technical education weighted cost applicable to the student. If the student received special education, the costs of this education above the adjusted formula amount (referred to as excess costs) were charged to the resident district. Under the budget, the amounts transferred are based on the formula amounts of \$5,745 in FY 2014 and \$5,800 in FY 2015 and the applicable career-technical

education amount. Excess costs are calculated by subtracting the new formula amounts. The bill also creates a task force to review and make recommendations regarding open enrollment. These recommendations are due by December 31, 2013.

Other Scholarship Program Deductions and Transfers

The budget does not change the calculation of deductions and transfers for the current Autism scholarship or Educational Choice programs. Autism scholarships are the lesser of \$20,000 or the tuition charged by the education provider. EdChoice scholarships are \$4,250 for students in kindergarten through eighth grade and \$5,000 for students in ninth through twelfth grades. For students who qualify for EdChoice under the new income-based criteria (described below), scholarship amounts may vary; however, these students are funded through a direct state payment, rather than a deduction and transfer.

Cleveland Scholarship and Tutoring Program

The budget increases the maximum scholarship amount for the Cleveland Scholarship and Tutoring Program for students in grades 9-12 from \$5,000 to \$5,700. The maximum scholarship amount of \$4,250 for students in grades K-8 remains unchanged under the budget. Unlike the other scholarship programs, this program is not funded through a per pupil deduction and transfer. Rather the funding is provided through an earmark of Cleveland Metropolitan School District's state aid allocation and an earmark for direct state payments.

Community School Facilities Funding

The budget provides \$7.5 million in each fiscal year to assist brick and mortar community schools and STEM schools with offsetting the costs of facilities. Currently, these schools do not receive any additional funding for facilities costs beyond the transfers of state aid they receive from students' resident districts. Under the budget, each 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

In general, the state aid provided through the main funding formula in the budget is unrestricted in its use by schools and districts. However, the budget contains three exceptions: special education additional aid, career-technical education funds, and economically disadvantaged funds. The spending restrictions are described in more detail below.

Special Education

The budget continues an exception under prior law for the funds received for special education students. Under the budget, a minimum amount must be spent on special education and related services by each district, which is calculated by multiplying the formula amount by the total special education ADM of the district and adding this result to the district's total special education amount. The district's total special education amount is calculated in the same way the district's special education additional aid is calculated, except that the state share index is not applied. These funds must be used for approved special education and related services expenses.

Career-Technical Education

The bill requires career-technical education and career-technical education associated services funds be used for purposes approved for those programs, requirements also carried over from prior law. The bill also codifies an existing State Board of Education rule requiring that traditional and joint vocational school districts, community schools, and STEM schools spend no more than 25% of their career-technical education funds on personnel expenditures and at least 75% on costs directly associated with career-technical education programs.

Economically Disadvantaged Funds

The bill requires traditional and joint vocational school districts, community schools, and STEM schools receiving economically disadvantaged funds to spend those funds on any one or more of the following initiatives: (1) extended school day and school year, (2) reading improvement and intervention, (3) instructional technology or blended learning, (4) professional development in reading instruction for teachers of students in kindergarten through third grade, (5) dropout prevention, (6) school safety and security measures, (7) community learning centers that address barriers to learning, and (8) academic interventions for students in any of grades 6-12. Furthermore, districts and schools must also submit a report at the end of each fiscal year describing the initiatives the funds were spent on during that fiscal year. Beginning in December 2015 and every two years thereafter, ODE must submit a report of this information to the General Assembly.

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 former law, this funding was provided through a unit-based formula. Under the budget, 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
$\begin{aligned} \text{Preschool special education funding} = & \$4,000 \times \text{preschool special education ADM} + \\ & (\text{Category 1 ADM} \times \text{Per pupil amount} + \text{Category 2 ADM} \times \text{Per pupil amount} + \\ & \text{Category 3 ADM} \times \text{Per pupil amount} + \text{Category 4 ADM} \times \text{Per pupil amount} + \text{Category 5 ADM} \times \text{Per pupil amount} + \\ & \text{Category 6 ADM} \times \text{Per pupil amount}) \times \text{State share index} \times 0.5 \end{aligned}$

County Boards of Developmental Disabilities and State Institutions

The budget modifies the calculation of state payments to county developmental disabilities (DD) boards and state institutions for educating primary and secondary students. The budget 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 similarly to prior law. The bill makes some adjustments to the calculations in recognition of the budget's new school funding formula by replacing the resident district's state share percentage with the resident district's state share index and the special education weights with the per pupil dollar amounts that are the same as those used for traditional school districts. Thus, county DD boards receive the formula amount plus the amount for the student's special education category times the state share index of the resident district.

For state institutions that educate primary and secondary students, the new formula multiplies the institution's ADM in each special education category by the category amount. Each institution's payment is equal to the sum of the amounts calculated for each special education category.

Straight A Program

The budget establishes the Straight A Program, which provides competitive grants to traditional school districts, JVSDs, community and STEM schools, educational service centers (ESCs), institutions of higher education, college preparatory boarding schools, consortia consisting of public K-12 schools, and private entities partnering with educational entities in order to implement projects that attempt to achieve significant advancement in 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. There are several programs that are earmarked under the Straight A Fund; those programs are described in the "**Analysis of Enacted Budget**" section of this Greenbook.

Assessments

Implementation of a New Generation of Assessments

The budget 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 Tests 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 (the PSAT), and updated diagnostic assessments aligned to the revised content standards.

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 will cost \$120, the same as the computer-based test costs now. Because the revamped assessment will no longer have a paper-based option, the 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.

Accountability for Student Subgroups

Beginning in FY 2016, the budget requires districts and schools that fail to show satisfactory achievement and progress, as determined by the State Board, for a student subgroup for whom funds are allocated in the main formula (special education, LEP, economically disadvantaged, and gifted) to submit an improvement plan to ODE for approval. The plan may be included in any other improvement plan required of the district or school under state or federal law. ODE may require that such a plan include an agreement to partner with another organization, which may be another school, district, or other education provider, that has demonstrated the ability to improve the educational outcome for that subgroup of students to provide services to those students.

By December 31, 2014, the State Board must establish measures of satisfactory achievement and progress, which include, but are not limited to, the performance measures included in the local report cards. ODE must make the initial determination of satisfactory achievement and progress no later than September 1, 2015, and then subsequent determinations annually thereafter. ODE is also required to publish a list of organizations that have demonstrated an ability to serve each subgroup of students.

Career-Technical Education Programs

Approval Process

Continuing law requires traditional school districts to have a State Board of Education-approved, comprehensive career-technical education plan in order to receive funding for such programs. Rules adopted by the State Board require school districts to submit updated career-technical education plans to ODE in five-year intervals to ensure that the plans meet certain program standards. School districts found by the State Board to be out of compliance with these requirements are subject to a reduction of 10% of their formula funding. The budget revises the requirements associated with career-technical program approval. Under the bill, approval may be granted by either the lead district of the district's career-technical planning district, or, if the lead district disapproves the program, by ODE on appeal. Whether the program is approved or disapproved by the lead district, ODE is responsible for reviewing the decision of the lead district and making its own determination of whether to approve or disapprove a program. The lead district and ODE must consider certain specified criteria for career-technical education programs when evaluating whether to approve or disapprove a program. The approval is valid for five years, though each program is subject to an annual review by both ODE and the lead district. The bill also extends these requirements to community and STEM schools.

The bill requires ODE to adopt new quality program standards for career-based intervention programs (category three career-technical education programs) by December 31, 2013, and to review all category three programs during FY 2015 to decide whether to approve or disapprove funding for those programs in FYs 2016 through 2020. The bill requires ODE to adopt quality program standards for all other career-technical education programs by June 30, 2015.

Extended Programming

Continuing law permits school districts to offer extended programming, which is currently defined in State Board rules as instruction beyond the regular school year, that is based on locally approved courses of study and that provides graduation credit to enrolled career-technical students. The bill makes several changes to the requirements governing extended programming, including when and how long the

programming can be offered and what instruction model should be used for agricultural education. These changes are described in more detail below.

The bill permits a school district to employ certificated instructional personnel for hours outside of the normal school day rather than for more days during a school year than the district normally employs its regular classroom teachers, as provided in prior law. Licensed educators may not provide more than eight hours of extended programming in a 24-hour day. All agricultural education instructors must utilize a three-part model of agricultural education instruction focusing on classroom instruction, Future Farmers of America (FFA) activities, and extended programming projects. Agricultural education instructors must also submit a monthly time log to the principal of the school at which the extended programming is offered, or the principal's designee, for review. Finally, the bill requires ODE to issue a report by December 31, 2013, with recommendations for quality agricultural education programs based on certain specified standards. ODE may periodically review and update the report as it considers necessary.

Educational Service Centers (ESCs)

The bill modifies the relationship of ESCs and school districts, eliminates and modifies some ESC funding mechanisms, and makes other minor changes to ESCs.³ The budget eliminates the payments for supervisory units that were previously deducted from school districts and transferred to ESCs. 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 slightly. In FY 2014, the budget provides a state reimbursement payment of \$37 per pupil and in FY 2015, the budget provides a payment of \$35 per pupil. These payments may be prorated to fit the appropriation for educational service centers funding.

EdChoice Scholarship Expansion

The budget 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 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 K-8 and \$5,000 for students in grades 9-12).

The program uses a phase-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

³ For a thorough description of these changes, see the LSC Bill Analysis for H.B. 59.

awarded with priority first given to students who received the scholarship in the previous year, and then to students whose family income falls below 100% FPG.

Students may qualify for EdChoice under the income criteria beginning in the 2013-2014 school year. Students who are eligible for a scholarship based on their public school's performance *and* based on the income requirements under the expansion will receive the scholarship based on their school's performance. Students who initially qualify under the expansion based on the 200% FPG income requirement are still permitted to receive scholarships if their family's income rises, though not at the full scholarship amount. The program funding follows a tiered eligibility system for these students, detailed in the table below. Students are no longer eligible for EdChoice under the income criteria if their family's income exceeds 400% FPG.

Maximum EdChoice Scholarship Amounts for Families with Incomes Exceeding 200% FPG After the Initial Year of the Scholarship			
Family Income Range	% Scholarship Amount Awarded	Grades K-8 Maximum Scholarship Amount	Grades 9-12 Maximum Scholarship Amount
≤ 200% FPG	100%	\$4,250	\$5,000
201% FPG to 300% FPG	75%	\$3,188	\$3,750
301% FPG to 400% FPG	50%	\$2,125	\$2,500
> 400% FPG	0%	\$0	\$0

Transfer of eTech Ohio Commission Funding and Responsibilities

The budget renames and reconstitutes the eTech Ohio Commission as the Broadcast Educational Media Commission (BEMC) and transfers some of its grants administration responsibilities to ODE. Under the 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. For more information about BEMC, please see its Greenbook.

Minimum School Year – Days to Hours

Beginning with the 2014-2015 school year, the budget 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 1-6, and 1,001 hours for grades 7-12. This equals the number of hours specified under the current 182-day schedule. The budget eliminates prior law that authorized 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. The budget also prohibits a school district from reducing the total number of

hours of instruction from the previous school year, unless a reduction is approved by the school district board.

Provisions Affecting School District Tax Levies

The budget contains several provisions affecting school district tax levies. Most notably, the budget limits the application of the 10% and 2.5% real property tax rollbacks to existing levies and renewal levies. The rollbacks will not be applied to reduce the taxes due on new or replacement levies approved at the November 2013 election and onward. The 10% rollback applies to all real property not intended primarily for use in a business activity and the 2.5% rollback applies to all owner-occupied homesteads. The state reimburses local governments and schools for the revenue lost due to both rollbacks.

The budget also includes a provision that authorizes school districts to levy a property tax exclusively for school safety and security purposes. Such a levy must comply with the same requirements that apply to general school district levies in excess of the 10-mill limitation.

JVSD Boards of Education

The budget makes several changes to the membership of JVSD boards of education, including clarifying that members of an appointing school district or ESC board can serve on a JVSD board, as under continuing law, so long as the individual has experience in or understanding of workforce needs in the state. The budget also specifies that a term of office for a JVSD board member be three years and limits members to two consecutive terms and authorizes appointing districts and ESCs to give preference to individuals who have served on JVSD business advisory committees.

Vetoed Provisions

Gifted Funding Spending Requirements

The Governor vetoed provisions of the budget that required school districts to use the funding received for gifted coordinator services or gifted intervention specialist services only for that purpose and that required a school district to employ qualified personnel to provide gifted coordinator services or gifted intervention specialist services on a full-time equivalency basis that corresponds to the units allocated to the district for that purpose.

Chiropractor Authorization to Assess and Clear Concussed Athletes

H.B. 143 of the 129th General Assembly enacted certain requirements related to youth concussions and head injuries that apply to schools and youth sports organizations. Among the requirements in H.B. 143 was one that prohibited a student athlete from returning to practice or competition until the athlete is cleared by a physician

or other authorized licensed health care provider. The Governor vetoed a provision of the budget that would have added chiropractors as professionals who could assess and clear for return athletes removed from play for exhibiting concussion symptoms.

Retesting of Teachers

The Governor vetoed a provision that would have exempted a community school, primarily comprised of students with disabilities, from the current law requirement that each teacher teaching a core subject area in a school ranked in the lowest 10% of all public school buildings, according to performance index score, take all written examinations of content knowledge selected by ODE.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the 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 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 enacted in the budget. 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 Enacted Budget			
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	200566	Literacy Improvement	3: Educational Enhancements
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	Fees and Refunds	10: State Administration
4L20	200681	Teacher Certification and Licensure	8: Educator Quality
5960	200656	Ohio Career Information System	3: Educational Enhancements
5H30	200687	School District Solvency Assistance	5: School Operations Support

Categorization of ODE's Appropriation Line Items for Analysis of Enacted Budget			
Fund	ALI and Name		Category
5KX0	200691	Ohio School Sponsorship Program	1: Basic Public School Support
5KY0	200693	Community Schools Temporary Sponsorship	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 Enacted Budget			
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.

Appropriations 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	\$ 505,013,527	\$ 521,013,527
GRF	200550	Foundation Funding	\$ 5,808,098,389	\$ 6,151,463,768
General Revenue Fund Subtotal			\$ 6,315,550,601	\$ 6,674,968,690
General Services Fund (GSF)				
5KX0	200691	Ohio Schools Sponsorship Program	\$ 487,419	\$ 487,419
5KY0	200693	Community Schools Temporary Sponsorship	\$ 83,000	\$ 83,000
General Services Fund Subtotal			\$ 570,419	\$ 570,419
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	\$ 775,500,000	\$ 853,000,000
7017	200648	Straight A Fund	\$ 100,000,000	\$ 150,000,000
7017	200666	EdChoice Expansion	\$ 8,500,000	\$ 17,000,000
Lottery Profits Education Fund Subtotal			\$ 884,000,000	\$ 1,020,000,000
Total Funding: Basic Public School Support			\$ 8,266,954,970	\$ 8,763,373,059

Foundation Funding (200550 and 200612)

The budget provides increases of \$298.3 million (4.7%) in FY 2014 and \$420.9 million (6.4%) 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 Greenbook, the budget establishes 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	\$ -
Catastrophic Cost Supplement	\$ 40,000,000	\$ 40,000,000
Youth Services Tuition	\$ 2,000,000	\$ 2,000,000
Gifted Education at Educational Service Centers	\$ 3,800,000	\$ 3,800,000
Educational Service Centers	\$ 43,500,000	\$ 40,000,000
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
College Preparatory Boarding Schools	\$ -	\$ 2,000,000
Jobs for Ohio Graduates	\$ 500,000	\$ 500,000
PSEO for Home School Students	\$ -	\$ 250,000
Jon Peterson Scholarship Reimbursements	\$ 5,000,000	\$ -
Private Treatment Facility Project	\$ 700,000	\$ 700,000
Electronic Textbook Pilot Project	\$ -	\$ 675,000
New Leaders for Ohio Schools Pilot Project	\$ 500,000	\$ 3,000,000
Remainder - Foundation Payments	\$ 5,666,800,062	\$ 6,013,915,441
Total Funding: Foundation Funding	\$ 5,808,098,389	\$ 6,151,463,768

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.

Catastrophic Cost Supplement

This funding is provided to support exceptionally high costs associated with individual special education students. Subject to the amount of funding appropriated, the state reimburses a portion of the cost of providing services above \$27,375 for students in categories two through five and above \$32,850 for students in category six.

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.

Educational Service Centers

These funds are provided to the 56 educational service centers (ESCs) in Ohio. Under the budget, in FY 2014, each ESC receives a state payment equal to \$37 per pupil, and in FY 2015, each ESC receives a payment equal to \$35 per pupil. Further changes made to ESC funding are described in the "**Overview**" section.

Educational Service Center Gifted Education

These funds are used to provide gifted education services at ESCs. Prior to FY 2010, gifted education was funded based on units. H.B. 1 of the 128th General Assembly incorporated gifted funding for school districts into the foundation formula, but continued to provide ESCs gifted unit funding based on the funding they received in FY 2009. The budget specifies that these funds be distributed to ESCs providing gifted services by using the unit-based funding model from FY 2009.

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 and to provide districts with technical assistance and support as required by the Elementary and Secondary Education Act (ESEA) flexibility waivers approved for Ohio by the United States Department of Education.

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 budget 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 will cost \$120, the same as the computer-based test costs now. At the \$2 million per year funding level, the budget enables up to 25,000 test takers to be reimbursed for the additional cost to take the online GED test.

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.

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 2014, there are 35 chartered nonpublic schools registered to participate in the program. The program serves students in grades K-12, giving priority to students from low-income families. Scholarships are based on a school's tuition cost. The maximum scholarship for students in grades K-8 is \$4,250. The budget increases the maximum scholarship amount for students in grades 9-12 from \$5,000 to \$5,700. 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 budget sets aside \$1.0 million in each fiscal year from this earmark for CMSD to provide tutorial assistance. The budget maintains 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.

College-Preparatory Boarding Schools

These funds are used to provide state payments to college-preparatory boarding schools in FY 2015. The per pupil boarding amount is \$25,000.

Jobs for Ohio's Graduates

These funds support the Jobs for Ohio's Graduates Program. Jobs for Ohio's Graduates is a nonprofit organization designed to help at-risk students graduate high school. The organization also aims to prepare these students for college and careers.

Post-Secondary Enrollment Options

This funding is used to make payments on behalf of home-schooled students enrolled in the PSEO Program in FY 2015. Previously, home-schooled students were not permitted to enroll individually into the PSEO Program. The budget specifies, however, that these students may submit applications to the program for the 2013-2014 school year and requires ODE to accept late applications from these students.

Jon Peterson Special Needs Scholarship Reimbursements

This funding reimburses school districts for the deductions taken for Jon Peterson Scholarship students who did not attend a public school in their resident district in the previous school year. If the appropriation is not sufficient to cover the full

amount of the deductions, the reimbursements must be prorated to stay within the appropriation.

Private Treatment Facility Project

These funds pay for educational services for youth who have been assigned by a court to a facility participating in the Private Treatment Facility Project. The facilities are to follow certain performance standards, ensure that the students participate in required assessments, and ensure that special education students have an individualized education program (IEP) and receive appropriate services.

Electronic Textbook Pilot Project

In conjunction with funding from the Board of Regents (BOR), these funds will be used to provide competitive grants to public and nonpublic schools to purchase digital texts and electronic educational content through the Distance Learning Clearinghouse, and to provide professional development and training resources. Though this earmark provides funding only for FY 2015, the BOR appropriation for this program spans both years of the biennium. BOR will administer the program, which will include setting grant criteria, selecting grant recipients, and reviewing and assessing the courses offered through the clearinghouse. By December 15, 2015, the Chancellor must submit an evaluation to the Governor and General Assembly on the implementation and results of the program.

New Leaders for Ohio Schools Pilot Project

These funds are used to support New Leaders for Ohio Schools, a nonprofit corporation that is to be established by three individuals appointed by the Superintendent. The purpose of the nonprofit is to create and implement a pilot program that (1) provides an alternative path for individuals to receive training and development in the administration of primary and secondary education and leadership, (2) enables those individuals to earn degrees and obtain licenses in public school administration, and (3) promotes the placement of those individuals in public schools in which a majority of the students live in poverty. Upon completion of this program, individuals may receive an alternative principal or administrator license.

Remainder – Foundation Payments

This funding is provided to support the general operating expenses of traditional school districts, JVSs, community schools, and STEM schools. These funds are combined with lottery funding from item 200612. The budget establishes 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 in the existing program will continue to be counted in their resident district's ADM for the purposes of calculating funding through the new school funding model. Under continuing law, the maximum scholarship amount is set at \$4,250 for students in grades K-8 and \$5,000 for students in grades 9-12. In FY 2012, 15,219 scholarships were awarded. Students are eligible for this EdChoice funding if the public school they would normally be assigned to is "low performing."

The budget establishes an additional measure of low performance that results in eligibility for the program. Under the budget, students in grades K-3 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 budget also expands the EdChoice Program to certain low income students. This expansion, which is described more below, is paid for directly, not through a deduction of school district foundation funding. As a result, students receiving scholarships under income-based expansion are not counted in their resident district's ADM.

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, 252 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 IEPs 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, which is the formula amount plus the special education amounts used to calculate funding for students in traditional school districts. This formula is described further in the "**Overview**" section. FY 2013 was the first year the program was operational. Currently, 222 providers are registered to participate.

Post-Secondary Enrollment Options

The budget maintains the current Post-Secondary Enrollment Options (PSEO) Program, which allows 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 was \$5,704 in FY 2012 and FY 2013 and increases to \$5,745 in FY 2014 and \$5,800 in FY 2015. The budget requires the Chancellor of the Board of Regents to report, by December 31, 2013, recommendations to establish the College Credit Plus Program, which would presumably continue to permit high school students to take college courses for credit, but may include structural or funding modifications.

Pupil Transportation (200502)

This line item supports the operating costs of transporting students to and from school. This includes bus driver training and transportation of regular and special education students. The state requires that districts provide transportation to the district's students as well as to certain community school students and nonpublic students who reside in the district. State transportation requirements only apply to students in grades K-8 who live more than two miles from the school. However, the state funds transportation service for high school students and for students who live between one and two miles from the school in addition to the transportation services required by the state.

The budget increases funding for this line item by \$62.9 million (14.2%) in FY 2014 compared to FY 2013 spending. FY 2015 funding increases an additional \$16.0 million (3.2%). The increases are due to prorated transportation aid and supplemental transportation payments, which, along with several other earmarks, are discussed below.

200502, Pupil Transportation			
Earmarks	FY 2014	FY 2015	
Bus Driver Training	\$ 838,930	\$	838,930
Special Education Transportation	\$ 60,469,220	\$	60,469,220
Payments In Lieu of Transportation	\$ 5,000,000	\$	2,500,000
Supplemental Transportation Aid	\$ 25,300,000	\$	23,100,000
Prorated Transportation Aid	\$ 413,385,915	\$	434,055,210
Remainder	\$ 19,462	\$	50,167
Total Funding: Pupil Transportation	\$ 505,013,527	\$	521,013,527

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.

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.

Payments In Lieu of Transportation

These funds are used to reimburse school districts that provide payments to parents in lieu of providing transportation services.

Supplemental Transportation Aid

These funds are used to provide a supplemental transportation payment for school districts with a state share index of 0.50 or more and bus ridership density at or below the state median. This payment is equal to the difference between the district's calculated transportation formula payment and the prorated amount. These payments are included in the main school funding formula and thus, are subject to the main formula's guarantee and gain cap provisions.

Prorated Transportation Aid

These funds are used to support school district costs for transporting students other than special education students. For the FY 2014-FY 2015 biennium, the budget uses a modified version of the transportation formula enacted in H.B. 1 of the 128th General Assembly, which was most recently used to allocate pupil transportation funding in FY 2010 and FY 2011 (in FY 2012 and FY 2013, the formula was not used and instead the appropriation provided funding for the bridge formula). The bill modifies the formula, which covers the transportation of all pupils in buses owned by the district or operated through a contract, by removing the formula adjustments for (1) nontraditional ridership, (2) high school ridership, (3) school districts that transport K-8 students who live between one and two miles from school, and (4) efficiency. As a result, funding is based only on the greater of per rider or per mile costs for each district. ODE is required to prorate the calculated amount for each district to fit within the appropriation. In addition to formula funds, this earmark supports payments to school districts for students transported by means other than school bus service. These payments are based on a method determined separately through rules adopted by the State Board. Like supplemental transportation payments, prorated transportation aid is included in the main school funding formula, meaning that the payments are subject to the main formula's guarantee and gain cap provisions.

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 including the Jon Peterson Special Needs Scholarship Program.

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. A portion of the funds in appropriation item 200321, Operating Expenses, provides 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.

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 budget allows ODE to place a noncompliant sponsor on probationary status and to prohibit the sponsor from sponsoring additional schools if it does not implement a plan to remedy its noncompliance, potentially resulting in fewer temporary sponsorship duties for ODE. The budget also requires ODE to approve or disapprove the sponsor's compliance plan and creates a process by which a sponsor can submit a revised plan if the compliance plan is not initially approved.

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.

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.

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. Under the waiver, Ohio no longer mandates school choice and supplemental services be offered for school districts that fail to make the federal designation of adequate yearly progress (AYP) for two years or more in a row. Instead, a school district identified as having a priority or focus school must direct 20% of its Title I allocation to those schools. 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.

Straight A Fund (200648)

This new line item provides grants to local educational entities. It includes the following earmarks.

200648, Straight A Fund			
Earmarks	FY 2014		FY 2015
Kids Unlimited of Toledo	\$	70,000	\$ 70,000
Promise Neighborhood Implementation Grants	\$	250,000	\$ 250,000
Cleveland Plan Implementation	\$	6,000,000	\$ -
Pupil Transportation Efficiency Program	\$	5,000,000	\$ 5,000,000
Remainder - Straight A Program Grants	\$	88,680,000	\$ 144,680,000
Total Funding: Straight A Fund	\$	100,000,000	\$ 150,000,000

Kids Unlimited of Toledo

This funding is used to provide quality after-school tutoring and mentoring programs in Lucas County elementary schools. Participating schools may include traditional public schools, community schools, or chartered nonpublic schools.

Promise Neighborhood Implementation Grants

This funding provides grants to programs in city school districts that have applied for or received a Promise Neighborhood Implementation Grant from the U.S. Department of Education. The Promise Neighborhood Program aims to transform distressed communities in order to improve the educational and developmental outcomes of children in those communities. State grants awarded to these programs must be used for administrative costs associated with the program. Programs that receive state administrative cost grants are required to provide matching funds equal to the amount of the state grant.

Cleveland Plan Implementation

This funding is distributed to the Cleveland Municipal School District (CMSD) to be used to implement provisions, as determined by ODE, of Am. Sub. H.B. 525 of the 129th General Assembly (known as the Cleveland Plan). That bill makes changes to levies, teacher evaluations and teacher contracts, and the management of CMSD and participating community schools.

Pupil Transportation Efficiency Program

This funding provides support to low-wealth, low-density school districts to establish innovations that aim to improve the efficiency of pupil transportation. The budget specifies that this funding may include the purchase of buses and other equipment. Funds are distributed based on each district's qualifying ridership.

Remainder – Straight A Program Grants

The bulk of this appropriation is for a new program to provide grants to school buildings and districts, JVSDs, ESCs, community schools, STEM schools, institutions of higher education, college preparatory boarding schools, consortia consisting of public K-12 schools, and private entities partnering with educational entities. The grantees must 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. Grants may not exceed \$15 million for education consortia or \$5 million for other entities.

EdChoice Expansion (200666)

This new line item supports expanding EdChoice scholarship eligibility to include students whose family income is less than 200% of the federal poverty guidelines (FPG), currently \$47,100 for a family of four. The 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, at least 2,000 scholarships will be available (\$8.5 million / \$4,250 maximum scholarship) and in FY 2015, at least 4,000 scholarships will be available (\$17.0 million / \$4,250 maximum scholarship). The EdChoice expansion is outlined in greater detail in the "**Overview**" section of this Greenbook.

Property Tax Reimbursements

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

Appropriations 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	\$ 1,156,402,000
General Revenue Fund Subtotal			\$ 1,138,800,000	\$ 1,156,402,000
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	\$ 1,666,402,000

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 taxpayers in Ohio. These provisions are often referred to as property tax "rollbacks." This line item funds the rollback reimbursements for school districts and JVSDs. The bill limits the application of the 10% and 2.5% real property tax rollbacks to existing levies and renewal levies. The rollbacks will not be applied to reduce the taxes due on new or replacement levies approved at the November 2013 election and onward.

This line item also funds the portion of the Homestead Exemption Program for the elderly and disabled payable to school districts. Formerly, the Homestead Exemption Program included 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). The bill alters the program so that the homestead exemption only applies to elderly or disabled homeowners who have an Ohio adjusted gross income of less than \$30,000. Prior to 2007, the homestead exemption was also means-tested. Persons currently receiving the exemption for their current home will not lose it, but homeowners who do not receive the exemption for tax year 2013 and who become eligible thereafter will only receive the exemption if they meet the income qualifications.

School District Property Tax Replacement – Business (200909)

This line item provides direct reimbursements to school districts and JVSDs for the value of the lost property tax revenue above the increase in state aid caused by the phase-out of the tax on general business tangible personal property enacted in Am. Sub. H.B. 66 of the 126th General Assembly. The reimbursements are funded by 35% of the

revenues from the commercial activity tax (CAT). Under prior law, the direct reimbursements were scheduled to begin to be phased out beginning in tax year (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.

School District Property Tax Replacement – Utility (200900)

These funds provide direct reimbursements to school districts for the value of the lost property tax revenue above the increase in state aid caused by Am. Sub. S.B. 3 and Am. Sub. S.B. 287 of the 123rd General Assembly, which deregulated electric and natural gas utilities in Ohio, reduced the property tax assessment rates on utility property, and created new taxes on utility output. The direct reimbursements are funded by a portion of the kilowatt hour (kWh) tax. 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.

Educational Enhancements

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

Appropriations 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	\$ 9,372,999	\$ 9,372,999
GRF	200566	Literacy Improvement	\$ 150,000	\$ 150,000
General Revenue Fund Subtotal			\$ 166,654,833	\$ 167,654,833
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			\$ 186,433,236	\$ 187,433,236

Special Education Enhancements (200540)

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 departments of Health, Rehabilitation and Correction, and Youth Services to fund special education and related services for primary and

secondary school students. For FY 2014 and FY 2015, the budget modifies the funding formula in statute for distributing special education and related services funds to county boards of developmental disabilities and institutions, which has not been used since FY 2009 (the per pupil amount received by each board and institution was increased by 0.75% over the previous year in FY 2010 and FY 2011 and was held flat in FY 2012 and FY 2013). For each child, a county board will receive the formula amount plus additional special education aid based on the amount for the student's special education category and the state share index of 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.

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.

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.

Remainder – 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. Formerly, state funding for preschool special education and related services provided by school districts, educational service centers, and county boards of developmental disabilities was distributed through units, which are based on the minimum number of students per class, teacher degree, and teacher experience. The 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. Educational service centers and county boards will continue to receive this funding, though the budget provides it through transfers from the amounts allocated to the school districts with which those entities have service agreements.

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.

Career-Technical Education Enhancements (200545)

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	\$	600,000	\$ 600,000
VoAg Programs	\$	162,200	\$ 162,200
Ohio ProStart School Restaurant Program	\$	108,100	\$ 108,100
Total Funding: Career-Technical Education Enhancements	\$	9,372,999	\$ 9,372,999

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, H.B. 153 of the 129th General Assembly. While the budget 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.

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.

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.

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. A new provision in the budget also permits the funds to support supervised agricultural experience that occurs any time outside of the regular school day.

VoAg Programs

These funds are distributed to the Cleveland Municipal School District and the Cincinnati City School District for a VoAg Program in one at-risk nonvocational school in each district. Each year, the Cleveland Municipal School District would receive an amount equal to \$78,600 minus the amount of career-technical education formula funds allocated to the district for students participating in the VoAg Program. The distribution to the Cincinnati City School District is similar, though the starting amount is \$83,600 each year. The budget allocates formula funding of \$4,750 in FY 2014 and \$4,800 in FY 2015 for each FTE student enrolled in career-technical education programs in agricultural and environmental systems.

Ohio ProStart School Restaurant Program

This funding is used to prepare students for careers in culinary arts and restaurant management under the Ohio ProStart school restaurant program. Ohio ProStart is a two-year program for students in the 11th and 12th grades with curriculum developed by the National Restaurant Association Educational Foundation that provides students with restaurant management and culinary arts training through teaching, testing, and relevant work-based experiences. Students meeting high standards in the program are awarded industry-recognized certificates.

Literacy Improvement (200566)

This line item is used for the Read, Baby, Read! Program, a research-based book club program aligned with state and national English language arts standards. The program operates in conjunction with school districts, public libraries, and arts and cultural institutions across Ohio.

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 resume. 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.

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.

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 OIP and enhance the development and expansion of teacher-based leadership teams, the newest and thus least-developed component of OIP.

School Medicaid Administrative Claims (200603)

This federal funding is used to administer the Ohio Medicaid Schools Program, which provides districts with reimbursement for providing administrative services to Medicaid-eligible students. ODE receives claims and financial reports from districts and schools and then submits the claims to the Ohio Department of Medicaid for reimbursement. ODE also provides technical assistance and program monitoring.

Math Science Partnerships (200667)

This federal 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.

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.

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.

Rural and Low Income Technical Assistance (200639)

This federal grant is 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.

Nonpublic School Support

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

Appropriations for Nonpublic School Support				
Fund	ALI	Title	FY 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200511	Auxiliary Services	\$ 130,499,457	\$ 138,214,374
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 58,951,750	\$ 62,436,882
General Revenue Fund Subtotal			\$ 189,451,207	\$ 200,651,256
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			\$ 190,780,117	\$ 201,980,166

Auxiliary Services (200511)

This line item funds services for chartered nonpublic schools and includes an earmark, which is shown in the following table.

200511, Auxiliary Services			
Earmarks		FY 2014	FY 2015
Post-Secondary Enrollment Options Program		\$ 1,888,106	\$ 1,944,949
Remainder – Auxiliary Services		\$ 128,611,351	\$ 136,269,425
Total Funding: Auxiliary Services		\$ 130,499,457	\$ 138,214,374

Post-Secondary Enrollment Options Program

The Post-Secondary Enrollment Options (PSEO) Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. These funds are used to pay the costs of the program for participants from nonpublic schools. In FY 2012, 1,202 nonpublic students participated. As described in the "**Overview**" section of this Greenbook, the PSEO Program may experience changes in the upcoming biennium, as the Board of Regents is required to make recommendations regarding a new dual enrollment program, entitled College Credit Plus, midway through FY 2014.

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 2013, the average per pupil amount of these auxiliary funds was about \$710.

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, subject to a maximum per pupil reimbursement rate. The budget increases the maximum per pupil rate from \$325 to \$360. In FY 2013, the average per pupil amount of these reimbursements was about \$320.

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.

School Operations Support

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

Appropriations 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)

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 for 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.

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.

Ohio Educational Computer Network (200426)

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. 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 back-up site for the state network.

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. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources.

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.

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. The budget requires that ODE develop an expenditure plan to facilitate instructional technology/blended learning initiatives and subjects the plan to the review and approval of the State Chief Information Officer and the Education Technology Division of BOR. The budget also permits OBM, at the request of ODE, to authorize the expenditure in FY 2015 of any unexpended and unencumbered portion of this earmark at the end of FY 2014.

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.

Technology Integration and Professional Development (200465)

This line item uses funding from appropriation item 935411, Technology Integration and Professional Development, which is transferred from the former eTech Ohio Commission to ODE and the Ohio Board of Regents. ODE will use funding under this line item to provide grants to educational television stations working with partner education technology centers to provide school districts with instructional resources and services, with priority given to services aligned with the state academic content standards.

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 budget provides 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. Under continuing law, the Controlling Board is permitted 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 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.

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 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.

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.

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.

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.

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.

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.

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.

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.

Community School Facilities (200684)

This line item provides brick and mortar community schools and STEM schools with an amount equal to \$100 per each full-time equivalent student to assist with the costs of facilities. The 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 budget appropriates \$7.5 million in FY 2014 and 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 budget decreases funding by \$2.3 million (82.0%) in FY 2014. ODE will spend down these remaining grant funds. This line item is not 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.

Appropriations 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 (LEAs) 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.

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 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.

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 is passed through to 440 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.

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.

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.

Early Childhood Education

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

Appropriations for Early Childhood Education				
Fund	ALI	Title	FY 2014	FY 2015
General Revenue Fund (GRF)				
GRF	200408	Early Childhood Education	\$ 33,318,341	\$ 45,318,341
GRF	200442	Child Care Licensing	\$ 827,140	\$ 827,140
General Revenue Fund Subtotal			\$ 34,145,481	\$ 46,145,481
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			\$ 55,965,230	\$ 67,965,230

Early Childhood Education (200408)

This line item funds the early childhood education program in schools, ESCs, and certain childcare centers, and the "Ready, Set, Go . . . to Kindergarten" Program in Lorain County.

200408, Early Childhood Education			
Earmarks	FY 2014	FY 2015	
Ready, Set, Go...to Kindergarten Program	\$ 50,000	\$ 50,000	
Early Childhood Support and Technical Assistance	\$ 666,367	\$ 906,367	
Remainder – Early Childhood Education Grants	\$ 32,601,974	\$ 44,361,974	
Total Funding: Early Childhood Education	\$ 33,318,341	\$ 45,318,341	

Ready, Set, Go . . . to Kindergarten Program

This funding is used to support the operations of the "Ready, Set, Go . . . to Kindergarten" Program at the Horizon Education Center in Lorain County. The budget requires the program's effectiveness to be evaluated and reported to ODE in a study that includes statistics on program participants' scores for the "Get It, Got It, Go!" assessment and the kindergarten readiness assessment.

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 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 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. In addition to continuing the program at school districts, JVSs, and ESCs, the budget adds community schools, chartered nonpublic schools, and specific childcare providers licensed by JFS as providers eligible to receive funds. 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.

The budget requires the Early Childhood Advisory Council to issue recommendations regarding an early childhood voucher program to ODE, the Governor's Office of 21st Century Education, and certain members of the General Assembly by October 1, 2013, and specifies that any decisions on the implementation of an early childhood voucher program be made by the Governor's Office of 21st Century Education.

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.

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 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.

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 and Addiction Services will each be using portions of the total grant award to implement components of the program.

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.

Educator Quality

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

Appropriations 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 table below lists the earmarks enacted in the budget for this line item.

200448, Educator Preparation			
Earmarks		FY 2014	FY 2015
State System of Support Assistance	\$	500,000	\$ 500,000
Educator Standards Board	\$	100,000	\$ 100,000
Remainder – Educator Preparation	\$	536,737	\$ 964,237
Total Funding: Educator Preparation	\$	1,136,737	\$ 1,564,237

State System of Support Assistance

The 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 2001" 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.

Educator Standards Board

The budget authorizes ODE to use up to \$100,000 in each fiscal year from this item to support the Educator Standards Board, which is responsible for the development and implementation of statewide standards for Ohio's teachers and principals.

Remainder – Educator Preparation

In FY 2015, the 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.

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 former eTech Ohio Commission (line item 935607, Gates Foundation Grants) to ODE under the budget.

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.

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%).

Curriculum, Assessment, and Accountability

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

Appropriations 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.

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. During the FY 2014-FY 2015 biennium, Ohio's New Learning Standards, including the Common Core State Standards in English language arts and mathematics and revised or new state-developed standards in science, social

studies, world languages, fine arts, financial literacy, and business education will be fully implemented for use in grades K-12.

Student Assessment (200437 and 200690)

This funding supports the development, printing, distribution, collection, scoring, and reporting of state assessments. Federal funding for assessments is appropriated in line item 200690, State Assessments. 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 students in grades K-3 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 budget modifies the timeline for administering kindergarten readiness assessments beginning July 1, 2014. Under prior law, the assessments were to be administered not earlier than four weeks prior to the first day of the school year and not later than October 1. The bill requires that the assessments 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.

Remainder – Student Assessment

These funds support all other state assessments, including the implementation of 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 Ohio Graduation Tests (OGT) with a series of ten end-of-course exams in core high school subjects and a nationally standardized college readiness assessment (the PSAT), 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 2013-2014 school year. In addition to supporting the development of new assessments, the funding in this item also supports the current generation of assessments.

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. H.B. 555 of the 129th General Assembly implemented a new accountability rating system that 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.

Performance Management Web Site

The budget requires ODE to create a performance management section on its web site that includes academic and financial performance metrics for each school district, based on performance index score and expenditure per equivalent pupils, and graphs with comparisons of the performance of like districts. The budget 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.

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. 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 ITCs using a per pupil formula based on the enrollment of member districts.

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 budget specifies 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

Continuing 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 budget 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 various categories of expenditures. Prior law required that financial information be provided at either the school district or the school building level, but not both. The bill also requires the revised format to include information on total revenue and expenditures, per pupil revenue, 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 bill 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 make these financial reports available in a way that allows for comparison with reports produced in prior years, post the 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. 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.

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 American 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.

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.

State Administration

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

Appropriations 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	Fees and Refunds	\$ 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.

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.

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.

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.

Fees and Refunds (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.

Educational Improvement Grants (200615)

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

Indirect Operational Support (200695)

This funding is a consolidation of indirect administrative costs associated with ODE's management of federal grants and contracts. These indirect costs include such things as human resources and accounting costs. These indirect costs are combined into a single fund and recouped from the federal government.

Interagency Program Support (200633)

This line item is supported by funding from other state agencies for specific programs that require assistance from ODE.

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Line Item Detail by Agency

Line Item Detail by Agency					Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015		
					FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Main Operating Appropriations Bill					Version: Enacted					
EDU Department of Education										
GRF	200100	Personal Services	\$ 8,421,779	\$ 6,098	\$0	N/A	\$0	N/A		
GRF	200320	Maintenance and Equipment	\$ 2,833,948	\$ 12,485	\$0	N/A	\$0	N/A		
GRF	200321	Operating Expenses	\$ 0	\$ 13,088,196	\$ 13,142,780	0.42%	\$ 13,142,780	0.00%		
GRF	200408	Early Childhood Education	\$ 23,185,585	\$ 22,703,835	\$ 33,318,341	46.75%	\$ 45,318,341	36.02%		
GRF	200416	Career-Technical Education Match	\$ 2,227,490	\$ 6,300	\$0	N/A	\$0	N/A		
GRF	200420	Information Technology Development and Support	\$ 4,090,042	\$ 4,137,681	\$ 4,241,296	2.50%	\$ 4,241,296	0.00%		
GRF	200421	Alternative Education Programs	\$ 6,950,100	\$ 7,415,016	\$ 7,403,998	-0.15%	\$ 7,403,998	0.00%		
GRF	200422	School Management Assistance	\$ 2,425,977	\$ 2,558,586	\$ 3,000,000	17.25%	\$ 3,000,000	0.00%		
GRF	200424	Policy Analysis	\$ 314,572	\$ 333,633	\$ 328,558	-1.52%	\$ 328,558	0.00%		
GRF	200425	Tech Prep Consortia Support	\$ 434,375	\$ 258,246	\$ 260,542	0.89%	\$ 260,542	0.00%		
GRF	200426	Ohio Educational Computer Network	\$ 16,097,181	\$ 17,282,315	\$ 29,625,569	71.42%	\$ 19,625,569	-33.75%		
GRF	200427	Academic Standards	\$ 3,826,352	\$ 3,428,547	\$ 3,800,000	10.83%	\$ 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	\$ 59,859,053	\$ 55,895,000	-6.62%	\$ 75,895,000	35.78%		
GRF	200439	Accountability/Report Cards	\$ 3,393,204	\$ 3,343,572	\$ 3,500,000	4.68%	\$ 3,750,000	7.14%		
GRF	200442	Child Care Licensing	\$ 681,021	\$ 699,585	\$ 827,140	18.23%	\$ 827,140	0.00%		
GRF	200446	Education Management Information System	\$ 5,494,454	\$ 6,226,803	\$ 6,833,070	9.74%	\$ 6,833,070	0.00%		
GRF	200447	GED Testing	\$ 816,367	\$ 751,668	\$ 879,551	17.01%	\$ 879,551	0.00%		
GRF	200448	Educator Preparation	\$ 589,776	\$ 514,162	\$ 1,136,737	121.09%	\$ 1,564,237	37.61%		
GRF	200455	Community Schools and Choice Programs	\$ 1,683,248	\$ 2,328,567	\$ 2,438,685	4.73%	\$ 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	\$ 505,013,527	14.23%	\$ 521,013,527	3.17%		

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Line Item Detail by Agency

			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
GRF	200503	Bus Purchase Allowance	\$ 52,500	\$0	\$0	N/A	\$0	N/A
GRF	200505	School Lunch Match	\$ 9,099,987	\$ 9,099,938	\$ 9,100,000	0.00%	\$ 9,100,000	0.00%
GRF	200511	Auxiliary Services	\$ 124,136,876	\$ 126,176,279	\$ 130,499,457	3.43%	\$ 138,214,374	5.91%
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 56,105,714	\$ 57,062,034	\$ 58,951,750	3.31%	\$ 62,436,882	5.91%
GRF	200540	Special Education Enhancements	\$ 129,042,668	\$ 129,959,138	\$ 156,871,292	20.71%	\$ 157,871,292	0.64%
GRF	200545	Career-Technical Education Enhancements	\$ 7,441,255	\$ 9,048,240	\$ 9,372,999	3.59%	\$ 9,372,999	0.00%
GRF	200550	Foundation Funding	\$ 5,505,853,275	\$ 5,604,808,936	\$ 5,808,098,389	3.63%	\$ 6,151,463,768	5.91%
GRF	200566	Literacy Improvement	\$ 0	\$0	\$ 150,000	N/A	\$ 150,000	0.00%
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	\$ 1,110,399,461	\$ 1,138,800,000	2.56%	\$ 1,156,402,000	1.55%
General Revenue Fund Total			\$ 7,483,874,446	\$ 7,633,621,900	\$ 7,985,459,657	4.61%	\$ 8,397,357,295	5.16%
1380	200606	Information Technology Development and Support	\$ 5,071,682	\$ 4,936,402	\$ 6,850,090	38.77%	\$ 6,850,090	0.00%
4520	200638	Fees and Refunds	\$ 295,578	\$ 80,292	\$ 500,000	522.72%	\$ 500,000	0.00%
4L20	200681	Teacher Certification and Licensure	\$ 5,642,495	\$ 6,859,329	\$ 8,313,762	21.20%	\$ 13,658,274	64.29%
5960	200656	Ohio Career Information System	\$ 312,898	\$ 416,777	\$ 529,761	27.11%	\$ 529,761	0.00%
5H30	200687	School District Solvency Assistance	\$ 14,719,218	\$ 4,030,366	\$ 25,000,000	520.29%	\$ 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	\$ 224,653	\$ 487,419	116.97%	\$ 487,419	0.00%
5KY0	200693	Community Schools Temporary Sponsorship	\$ 83,012	\$ 135,599	\$ 83,000	-38.79%	\$ 83,000	0.00%
General Services Fund Group Total			\$ 38,922,301	\$ 16,683,418	\$ 41,764,032	150.33%	\$ 47,108,544	12.80%
3090	200601	Neglected and Delinquent Education	\$ 1,648,383	\$ 1,810,171	\$ 2,168,642	19.80%	\$ 2,168,642	0.00%
3670	200607	School Food Services	\$ 5,030,639	\$ 6,654,399	\$ 8,200,664	23.24%	\$ 8,700,149	6.09%
3690	200616	Career-Technical Education Federal Enhancement	\$ 1,238,547	\$ 67,943	\$ 0	-100.00%	\$ 0	N/A
3700	200624	Education of Exceptional Children	\$ 1,895,469	\$ 1,047,764	\$ 1,530,000	46.03%	\$ 1,530,000	0.00%
3780	200660	Learn and Serve	\$ 230,780	\$ 41,379	\$ 0	-100.00%	\$ 0	N/A
3AF0	200603	Schools Medicaid Administrative Claims	\$ 189,388	\$ 274,100	\$ 750,000	173.62%	\$ 750,000	0.00%

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			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
3AN0	200671	School Improvement Grants	\$ 812,710	\$ 32,590,864	\$ 20,400,000	-37.41%	\$ 20,400,000	0.00%
3AX0	200698	Improving Health and Educational Outcomes of Young People	\$ 459,017	\$ 384,351	\$ 0	-100.00%	\$ 0	N/A
3BK0	200628	Longitudinal Data Systems	\$ 601,001	\$ 11,540	\$ 1,250,000	10,732.26%	\$ 0	-100.00%
3C50	200661	Early Childhood Education	\$ 12,788,202	\$ 11,982,382	\$ 14,554,749	21.47%	\$ 14,554,749	0.00%
3CG0	200646	Teacher Incentive	\$ 1,385,088	\$ 1,496,204	\$ 15,125,588	910.93%	\$ 15,183,285	0.38%
3D10	200664	Drug Free Schools	\$ 4,478,137	\$ 662,142	\$ 0	-100.00%	\$ 0	N/A
3D20	200667	Math Science Partnerships	\$ 2,255,143	\$ 3,455,844	\$ 6,000,000	73.62%	\$ 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	\$ 3,355,177	\$ 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	\$ 20,692,850	\$ 0	-100.00%	\$ 0	N/A
3EC0	200653	Teacher Incentive - Federal Stimulus	\$ 3,893,939	\$ 6,820,085	\$ 1,300,000	-80.94%	\$ 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	\$ 2,848,328	\$ 2,900,000	1.81%	\$ 2,900,000	0.00%
3EJ0	200622	Homeless Children Education	\$ 2,385,251	\$ 2,839,121	\$ 2,600,000	-8.42%	\$ 2,600,000	0.00%
3EK0	200637	Advanced Placement	\$ 350,525	\$ 236,221	\$ 450,000	90.50%	\$ 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	\$ 1,869,997	\$ 1,250,000	-33.15%	\$ 0	-100.00%
3ES0	200657	General Supervisory Enhancement Grant	\$ 943,590	\$ 304,404	\$ 0	-100.00%	\$ 0	N/A
3ET0	200658	Education Jobs Fund	\$ 269,709,603	\$ 25,543,533	\$ 0	-100.00%	\$ 0	N/A
3FD0	200665	Race to the Top	\$ 72,891,986	\$ 114,263,267	\$ 136,000,000	19.02%	\$ 58,074,046	-57.30%
3FE0	200669	Striving Readers	\$ 74,760	\$ 23,162	\$ 0	-100.00%	\$ 0	N/A
3FN0	200672	Early Learning Challenge - Race to the Top	\$ 2,786	\$ 1,407,724	\$ 7,040,000	400.10%	\$ 7,040,000	0.00%
3GE0	200674	Summer Food Service Program	\$ 0	\$ 1,286,407	\$ 13,596,000	956.90%	\$ 14,003,800	3.00%

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			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
3GF0	200675	Miscellaneous Nutrition Grants	\$0	\$ 291,995	\$ 700,000	139.73%	\$ 700,000	0.00%
3GG0	200676	Fresh Fruit and Vegetable Program	\$0	\$ 3,413,115	\$ 4,738,000	38.82%	\$ 4,880,140	3.00%
3H90	200605	Head Start Collaboration Project	\$ 185,998	\$ 158,724	\$ 225,000	41.76%	\$ 225,000	0.00%
3L60	200617	Federal School Lunch	\$ 340,090,544	\$ 359,921,399	\$ 350,608,075	-2.59%	\$ 361,126,273	3.00%
3L70	200618	Federal School Breakfast	\$ 100,296,361	\$ 108,160,935	\$ 108,480,590	0.30%	\$ 112,819,813	4.00%
3L80	200619	Child/Adult Food Programs	\$ 94,548,435	\$ 99,017,088	\$ 106,992,650	8.05%	\$ 110,202,428	3.00%
3L90	200621	Career-Technical Education Basic Grant	\$ 42,133,727	\$ 44,524,682	\$ 44,663,900	0.31%	\$ 44,663,900	0.00%
3M00	200623	ESEA Title 1A	\$ 528,844,064	\$ 547,971,348	\$ 560,000,000	2.20%	\$ 560,000,000	0.00%
3M20	200680	Individuals with Disabilities Education Act	\$ 429,430,482	\$ 427,840,829	\$ 443,170,050	3.58%	\$ 443,170,050	0.00%
3S20	200641	Education Technology	\$ 4,193,937	\$ 2,429,165	\$ 0	-100.00%	\$ 0	N/A
3T40	200613	Public Charter Schools	\$ 5,835,894	\$ 2,772,231	\$ 500,000	-81.96%	\$ 0	-100.00%
3Y20	200688	21st Century Community Learning Centers	\$ 40,952,869	\$ 45,645,478	\$ 48,201,810	5.60%	\$ 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	\$ 87,428,092	\$ 101,900,000	16.55%	\$ 101,900,000	0.00%
3Y70	200689	English Language Acquisition	\$ 8,370,320	\$ 9,072,959	\$ 9,700,000	6.91%	\$ 9,700,000	0.00%
3Y80	200639	Rural and Low Income Technical Assistance	\$ 2,466,374	\$ 3,014,637	\$ 3,300,000	9.47%	\$ 3,300,000	0.00%
3Z20	200690	State Assessments	\$ 12,872,972	\$ 10,124,356	\$ 11,800,000	16.55%	\$ 11,800,000	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$ 6,754,158	\$ 5,873,592	\$ 7,949,280	35.34%	\$ 7,949,280	0.00%
Federal Special Revenue Fund Group Total			\$ 2,238,673,568	\$ 1,999,636,141	\$ 2,038,044,998	1.92%	\$ 1,977,403,455	-2.98%
4540	200610	GED Testing	\$ 1,055,415	\$ 1,023,761	\$ 1,050,000	2.56%	\$ 250,000	-76.19%
4550	200608	Commodity Foods	\$ 16,440,152	\$ 12,835,687	\$ 24,000,000	86.98%	\$ 24,000,000	0.00%
4R70	200695	Indirect Operational Support	\$ 5,055,570	\$ 5,229,130	\$ 6,600,000	26.22%	\$ 6,600,000	0.00%
4V70	200633	Interagency Program Support	\$ 441,438	\$ 234,160	\$ 717,725	206.51%	\$ 717,725	0.00%
5980	200659	Auxiliary Services Reimbursement	\$ 801,669	\$ 413,053	\$ 1,328,910	221.73%	\$ 1,328,910	0.00%
5BB0	200696	State Action for Education Leadership	\$ 306,723	\$ 59,462	\$ 0	-100.00%	\$ 0	N/A
5BJ0	200626	Half-Mill Maintenance Equalization	\$ 17,398,854	\$ 17,751,520	\$ 19,000,000	7.03%	\$ 20,000,000	5.26%

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			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
EDU Department of Education								
5MM0	200677	Child Nutrition Refunds	\$0	\$ 85	\$ 500,000	588,135.29%	\$ 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	\$ 169,340	\$ 300,000	77.16%	\$ 300,000	0.00%
6200	200615	Educational Improvement Grants	\$ 167,287	\$ 107,038	\$ 300,000	180.27%	\$ 300,000	0.00%
State Special Revenue Fund Group Total			\$ 41,890,485	\$ 37,823,234	\$ 53,996,635	42.76%	\$ 54,149,635	0.28%
7017	200612	Foundation Funding	\$ 717,500,000	\$ 680,500,000	\$ 775,500,000	13.96%	\$ 853,000,000	9.99%
7017	200648	Straight A Fund	\$0	\$0	\$ 100,000,000	N/A	\$ 150,000,000	50.00%
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	\$ 1,131,094	\$ 0	-100.00%	\$ 0	N/A
7018	200686	Early Learning Programs	\$ 0	\$ 324,174	\$ 0	-100.00%	\$ 0	N/A
Lottery Profits Education Fund Group Total			\$ 717,500,000	\$ 681,955,268	\$ 891,500,000	30.73%	\$ 1,027,500,000	15.26%
7047	200909	School District Property Tax Replacement-Business	\$ 728,329,088	\$ 482,144,127	\$ 482,000,000	-0.03%	\$ 482,000,000	0.00%
7053	200900	School District Property Tax Replacement-Utility	\$ 31,586,068	\$ 27,959,682	\$ 28,000,000	0.14%	\$ 28,000,000	0.00%
Revenue Distribution Fund Group Total			\$ 759,915,155	\$ 510,103,808	\$ 510,000,000	-0.02%	\$ 510,000,000	0.00%
Department of Education Total			\$ 11,280,775,954	\$ 10,879,823,770	\$ 11,520,765,322	5.89%	\$ 12,013,518,929	4.28%

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