

# Greenbook

## LBO Analysis of Enacted Budget

### Ohio Department of Education

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Attachments:

    Appropriation Spreadsheet

# LBO Greenbook

## Ohio Department of Education

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### Quick look...

- The Ohio Department of Education (ODE) oversees a K-12 public education system that enrolls approximately 1.7 million students.
- ODE is governed by the State Board of Education consisting of 11 elected and eight appointed members.
- Total budget: \$11.75 billion in FY 2020 and \$11.99 billion in FY 2021.
  - The GRF and lottery profits comprise 79.0% of the total budget.
  - About 98% of ODE’s budget is paid out as subsidy, mainly in the form of school foundation aid.
- The budget provides every school district, in both FY 2020 and FY 2021, the same amount of foundation aid received in FY 2019. Public schools will receive an additional \$275 million in FY 2020 and \$400 million in FY 2021 in Student Wellness and Success Funds (SWSF).
  - SWSF is appropriated from a dedicated purpose fund, but is separated out in the table below because it is funded through a GRF transfer.
  - SWSF must be used for certain services that address nonacademic barriers to student success.

Fund Group	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
General Revenue	\$7,994,050,683	\$8,144,005,270	\$8,187,203,556	\$8,079,038,142
Lottery	\$1,111,537,056	\$1,111,159,360	\$1,151,000,000	\$1,327,000,000
Student Wellness & Success	\$0	\$0	\$275,000,000	\$400,000,000
Other state non-GRF	\$57,061,814	\$34,064,731	\$42,954,753	\$63,279,411
Federal	\$1,829,824,357	\$1,886,860,077	\$2,093,937,196	\$2,115,861,054
Total	\$10,992,473,910	\$11,176,089,438	\$11,750,095,505	\$11,985,178,607
% change	--	1.7%	5.1%	2.0%
<i>GRF + Lottery + SWSF</i>	\$9,105,587,739	\$9,255,164,630	\$9,613,203,556	\$9,806,038,142
<i>% change</i>	--	1.6%	3.9%	2.0%

## Overview

### Agency overview

The Ohio Department of Education (ODE) oversees a public education system consisting of 610 public school districts, 49 joint vocational school districts (JVSDs), and approximately 325 public community and STEM schools. This system enrolls approximately 1.7 million students in grades K-12 and graduates approximately 121,000 students each year. In addition, ODE monitors 52 educational service centers (ESCs), other regional education providers, early learning programs, and approximately 700 state-chartered nonpublic schools. ODE also administers the school funding system, collects school fiscal and performance data, develops academic standards and model curricula, administers the state achievement tests, issues district and school report cards, administers Ohio's school choice programs, provides professional development, and licenses teachers, administrators, treasurers, superintendents, and other education personnel. Details of ODE's many programs and initiatives are given in the "Analysis of FY 2020-FY 2021 budget" section of this Greenbook.

### Appropriation summary

The budget provides total appropriations of \$11.75 billion in FY 2020 and \$11.99 billion in FY 2021 for ODE. The appropriations from the GRF and State Lottery Fund (SLF) Group make up a majority of ODE's funding for the biennium at 79.0%. Adding in Student Wellness and Success Funds (SWSF), a Dedicated Purpose Fund (DPF) Group fund supported through a GRF transfer, increases this percentage to 81.8%. Federal funds account for the next largest portion at 17.7%. The remaining DPF Group and the Internal Service Activity (ISA) Fund Group account for the remaining 0.5%.

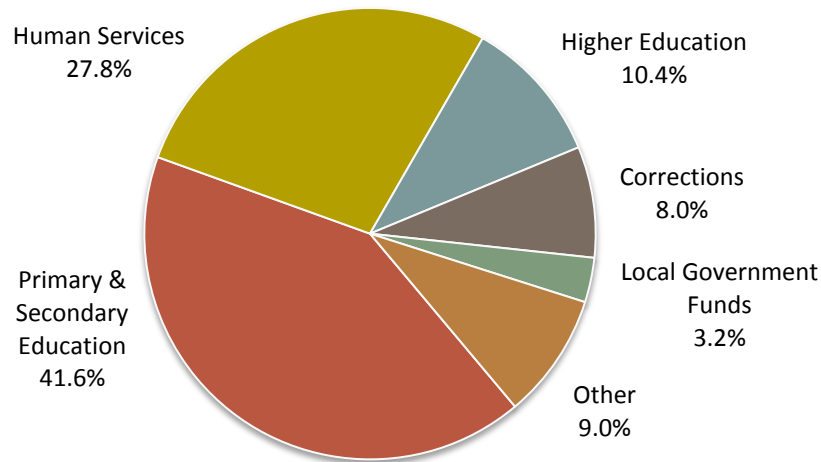
### Primary and secondary education share of the state GRF budget<sup>1</sup>

The four major spending areas of the state budget are: primary and secondary education, human services, higher education, and corrections. State-source GRF appropriations total \$53.03 billion for the FY 2020-FY 2021 biennium. Chart 1 shows these recommendations 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 41.6% of the budget. The proportions for the other areas of spending are: 27.8% for human services, 10.4% for higher education, 8.0% for corrections, 3.2% for local government funds, and 9.0% for all other areas.

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<sup>1</sup> 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 (LPEF) but does not include spending reimbursed by the federal government.

**Chart 1: State-Source GRF Appropriations by Program Area  
FY 2020-FY 2021 Biennium**

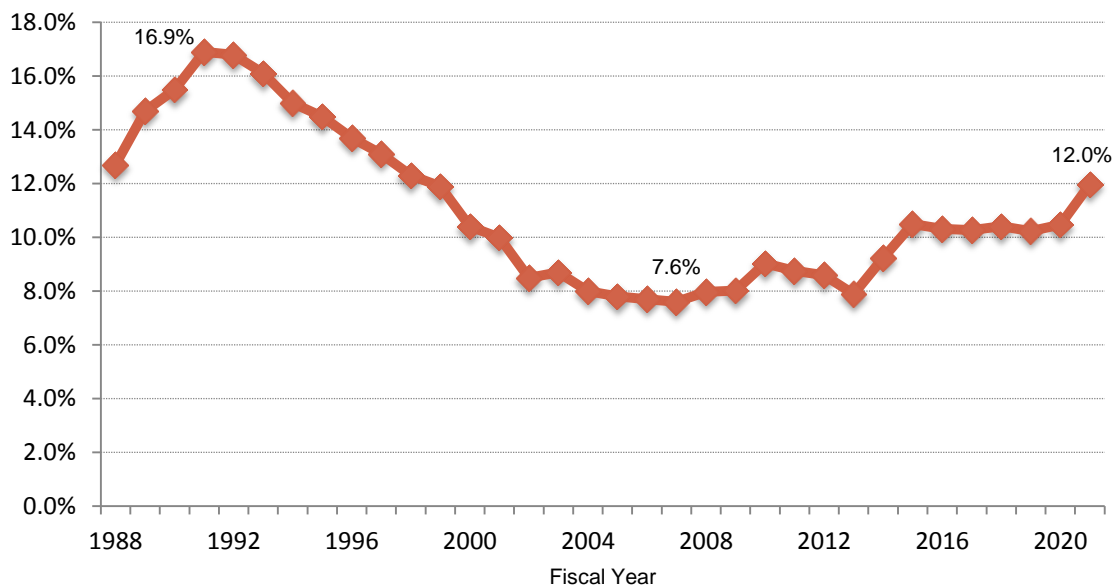


## Lottery profits and state spending on education

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, the majority of lottery profits in each year are combined with the GRF to provide foundation funding to schools.

Chart 2 shows the percentage of state GRF and LPEF spending on primary and secondary education that comes from lottery profits. As seen in the chart, 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 a record low of 7.6% in FY 2007. This percentage then stabilized between around 8.0% and 9.0% until the emergence of VLTs at Ohio racinos in FY 2014, which along with other factors, significantly increased lottery profits. In FY 2015, lottery profits spending on primary and secondary education reached 10.5%, and stabilized at a little over 10% through FY 2020 before increasing to 12.0% in FY 2021. Since reaching a high of \$718.7 million in FY 1999, the annual dollar amount of lottery profits accounted for in the budget fell to \$637.9 million in FY 2007 before rising to a then record of \$745.0 million in FY 2010. The budgeted commitment of lottery profits was below this amount until FY 2014, when lottery profit commitments reached \$840.1 million. Lottery profit commitments have continued to increase, reaching a level of \$1.11 billion in FY 2019. The budget increases lottery profits spending by \$39.8 million (3.6%), to \$1.15 billion in FY 2020 and by an additional \$176.0 million (15.3%) to \$1.33 billion in FY 2021.

**Chart 2: Lottery Profits as a Percentage of Total State GRF and Lottery Spending for K-12 Education, FY 1988-FY 2021**



## School foundation aid

In FY 2020 and FY 2021, the budget provides every traditional school district and JBSD with the same amount of foundation aid the districts received in FY 2019. The foundation aid allocation for traditional districts for FY 2019 was \$8.07 billion statewide while the allocation for JBSDs, which are funded separately from traditional districts, was \$306.5 million.

### Deductions and transfers

Students are counted in the district in which they reside for foundation funding purposes. However, some students are educated outside of the district where they reside; for example, students attending a community school, students attending a science, technology, engineering, and mathematics (STEM) school, students attending another district through open enrollment, students attending a college or university through the College Credit Plus Program, and students attending a nonpublic school through a state-funded scholarship program. Funding for these students is deducted from the state aid allocation of the resident district and transferred to the educating district or school.

For FY 2020 and FY 2021, the budget specifies that (1) the “formula amount” used to compute the payments equals the formula amount for FY 2019 (\$6,020) and (2) the amounts deducted and paid to community and STEM schools for targeted assistance and economically disadvantaged funds, which are computed based on an amount calculated for a student’s resident district, and for transportation (for those schools who accept responsibility to transport their students) must be the same per-pupil amounts deducted and paid for FY 2019.



## Other payments

The budget requires that each community and STEM school's graduation and third grade reading bonuses, which are paid directly by the state, must be recalculated each year using a formula amount of \$6,020.

For purposes of computing other payments for FY 2020 and FY 2021 for which a district's "state share index" or "state share percentage" is a factor, ODE must use the state share index or state share percentage computed for the district for FY 2019. This mainly applies to payments for preschool special education, special education transportation, special education for school-age children at county developmental disabilities (DD) boards and institutions, and special education catastrophic cost payments.

For a detailed analysis of the FY 2019 system of funding public schools in Ohio, including state, local, and federal revenues, please refer to LBO's "**School Funding Complete Resource**," which is available on LSC's website.

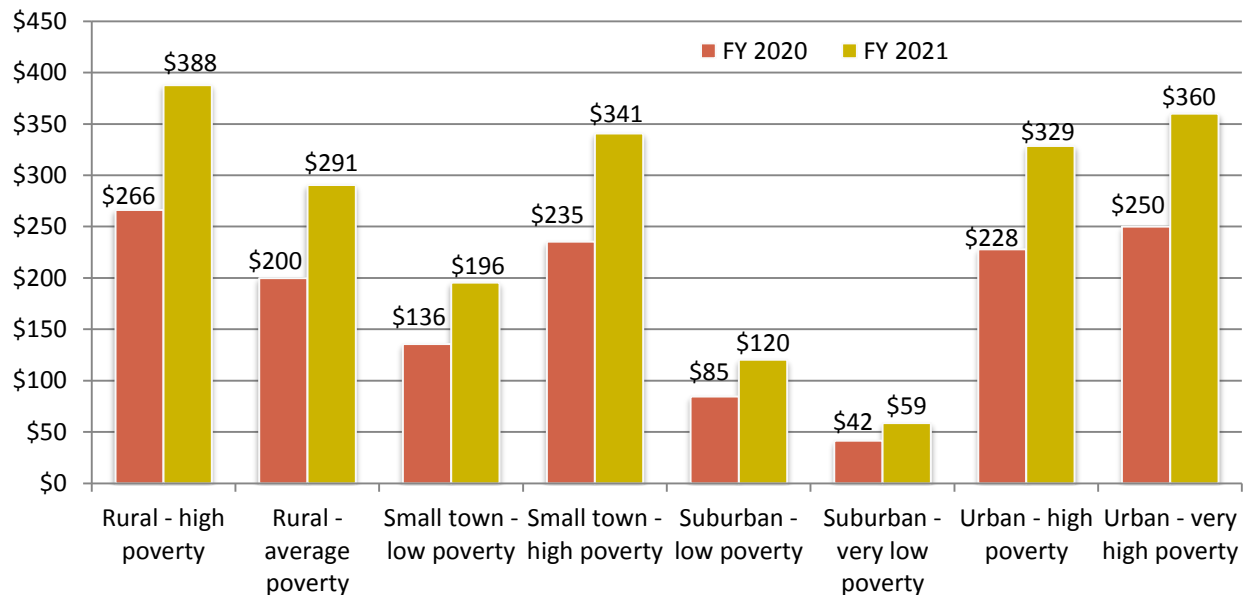
## Student wellness and success funds

In addition to school foundation payments, the budget provides \$275 million in FY 2020 and \$400 million in FY 2021 to support the creation of the Student Wellness and Success Funds (SWSF) initiative. The funding is distributed directly to school districts, JVSDs, community schools, and STEM schools based on the number of students the district or school educates. School districts are allocated per-pupil funding according to a sliding scale based on federal census poverty data. Districts are divided into five groups (quintiles) based on the percentage of the district's students with a family income below 185% of federal poverty guidelines. The per-pupil amounts for each quintile range from \$20 to \$250 per pupil in FY 2020 and from \$30 to \$360 per pupil in FY 2021. Payments to JVSDs, site-based community schools, and STEM schools are based on the per-pupil amount for each student's resident district. Every school district, JVSD, community school, and STEM school is guaranteed to receive a minimum of \$25,000 in FY 2020 and \$36,000 in FY 2021. E-schools receive a flat amount equal to the minimum for traditional districts and JVSDs. Additionally, student wellness and success enhancement funding is provided for school districts, JVSDs, community schools, and STEM schools that received supplemental targeted assistance funding for FY 2019. These enhancement funds are calculated based on per-pupil amounts of \$50 in FY 2020 and \$75 in FY 2021, which are scaled to provide more funding to districts with higher concentrations of poverty. The table below lists the estimated amounts of funding that each type of school district will receive under the proposal.

Estimated Student Wellness and Success Funding by School Type (\$ in millions)		
School Type	FY 2020	FY 2021
Traditional school districts	\$248.1	\$357.8
Community and STEM schools	\$20.2	\$29.1
JVSDs	\$7.5	\$10.9
<b>Total</b>	<b>\$275.8</b>	<b>\$397.8</b>

Chart 3 below illustrates the average per-pupil amount of SWSF funds by district comparison group (typology). As expected, the average per-pupil amount of funding is greater for higher poverty districts. The estimated statewide average per-pupil amount provided is \$164 in FY 2020 and \$237 in FY 2021.

**Chart 3: Estimated Average Student Wellness and Success Funds Per Pupil by District Type, FY 2020-FY 2021**



The budget requires schools to use the SWSF funds for certain services that address the nonacademic barriers to student success, including mental health services, family engagement and support services, and mentoring. They are also required to coordinate with at least one community partner in using SWSF funds. Furthermore, schools must report annually on how the SWSF funds were spent. The budget provides an additional \$350,000 in FY 2020 for ODE to conduct a return on investment study on services funded with SWSF funds and to provide technical assistance to districts on implementing services.

## Enrollment growth supplement

The budget provides \$15.5 million in FY 2020 and \$23.0 million in FY 2021 to make an additional payment to each school district with a student enrollment of at least 50 that experienced an average annual percentage change in its enrollment between FY 2016 and FY 2019 that is greater than zero. The payment is equal to a district's percentage times 100 times the number of students enrolled in the district in FY 2019 times a per pupil amount of \$20 for FY 2020 and \$30 for FY 2021.

## Quality community schools support

The budget allocates \$30 million per year from lottery profits to create a new Quality Community School Support initiative to provide additional funds to community schools that are designated as a Community School of Quality. A Community School of Quality receives per-pupil

funding of \$1,750 for students who are identified as economically disadvantaged and \$1,000 for students not identified as economically disadvantaged. The designation is based on certain criteria, which include report card grades, sponsor ratings, and other factors. Under the budget, community and STEM schools that are designated as a Community School of Quality will maintain the designation for two fiscal years following the fiscal year that the school initially received the designation.

## **Industry-recognized credentials**

The budget provides \$25 million in each fiscal year from the GRF to incentivize high school students to earn industry-recognized credentials and school districts to create new credentialing programs. Specifically, the budget allocates:

- \$8.0 million each fiscal year to expand an existing credential reimbursement program for economically disadvantaged students to all students and requires school districts to pay for costs associated with earning the credential up front (eliminating the possibility of out-of-pocket costs for students);
- \$12.5 million each fiscal year for the Innovative Workforce Incentive Program, which makes payments to school districts of \$1,250 for each credential a student earns from a list of priority credentials to be determined by the Superintendent of Public Instruction;
- \$4.5 million each fiscal year to provide funds to districts to establish credentialing programs for credentials that qualify for the \$1,250 incentive under the Innovative Workforce Incentive Program.

## **Academic distress commissions**

The budget prohibits the Superintendent from establishing any new academic distress commissions for the 2019-2020 school year. In FY 2019, three districts had an established ADC: Youngstown City School District, Lorain City School District, and East Cleveland City School District.

## **End-of-course examinations**

The budget eliminates the English language arts 1 end-of-course examination for students entering ninth grade after July 1, 2019 (the class of 2023). The budget also requires ODE to seek a waiver from the U.S. Secretary of Education to make algebra 1 – rather than geometry – the primary high school math assessment, and if approved, eliminates the geometry end-of-course examination.

## **Graduation requirements**

The bill establishes new graduation requirements for public and chartered nonpublic students starting with the class of 2023, and makes them optional for students in the classes of 2018-2022. The new requirements for a high school diploma stipulate a student must meet curriculum requirements under continuing law and do both of the following: (1) attain a competency score on both algebra 1 and English language arts II end-of-course examinations (or use an approved alternative demonstration of competency) and (2) attain at least two state diploma seals.

## **State diploma seals**

Of the two state diploma seals that are required for graduation, at least one must be the existing biliteracy seal, the existing OhioMeansJobs-readiness seal, or one of the newly established seals. The budget establishes ten new state diploma seals, which can be earned in any of the following areas: (1) an industry-recognized credential, (2) college readiness, (3) military enlistment, (4) citizenship, (5) science, (6) an honors diploma, (7) technology, (8) community service, (9) fine and performing arts, and (10) student engagement. The budget codifies requirements for seals 1-7 in permanent law and specifies that requirements for seals 8-10 are set by the district or school.

## **At-risk students**

The budget establishes a few provisions related to students who are at risk of not graduating. It requires students that fail the required competency exams to retake them at least once and requires school districts to offer such students remedial support. The budget also permits students who fail the retakes to demonstrate competency in the following ways: (1) completing course credit through the College Credit Plus Program, (2) providing evidence the student has enlisted in one of the branches of the U.S. armed forces, or (3) completing two additional options, one of which must be “foundational” and may encompass scoring proficient on four state technical assessments, obtaining an industry-recognized credential, or completing a pre-apprenticeship, an apprenticeship, or providing evidence of acceptance into a post-high school apprenticeship program. The budget also requires districts and schools to adopt a policy for students at risk of not graduating, and the Superintendent, in consultation with the Chancellor and the Governor’s Office of Workforce Transformation, is required to establish a committee to develop policy recommendations regarding students who complete twelfth grade but do not qualify for a diploma.

## **EdChoice Scholarship provisions**

### **Expansion of grade levels**

The budget expands eligibility for the income-based Educational Choice Scholarship Program (“EdChoice”) to all students entering grades K-12 for the first time beginning with FY 2021. For FY 2020, students in grades K-6 are eligible for the income-based EdChoice scholarship.

### **Limit on number of scholarships**

Continuing law provides up to 60,000 traditional EdChoice scholarships each school year. Under the budget, if the number of applicants for a school year exceeds 90% of the maximum number of scholarships permitted, ODE is required to increase the maximum number of scholarships permitted for the following school year by 5%. The new maximum number of scholarships is to be used for each subsequent school year until ODE is again required to increase the number of scholarships due to the number of scholarship applications.

### **Eligibility of high school students**

The budget expands eligibility for traditional EdChoice scholarships to students who meet both of the following conditions: (1) the student was enrolled in a public or nonpublic

school or was homeschooled in the prior school year and completed any of grades 8-11 in that school year, and (2) the student would be assigned to a building in the school year for which the scholarship is sought that serves any of grades 9-12 and that received a grade of “D” or “F” for the four-year adjusted cohort graduation rate in two of the three most recent report cards or is a building that otherwise qualifies the student for EdChoice by meeting certain other criteria.

### **Scholarship computations**

The budget specifies that scholarships awarded under the traditional and income-based EdChoice Scholarship programs be computed as the lesser of (1) the base tuition amount of the chartered nonpublic school in which the student is enrolled minus applicable tuition discounts, or (2) the scholarship amount prescribed under continuing law. The “tuition discount” is defined in the budget as a deduction from the base tuition amount (gross amount) for one or more of the following conditions: (1) the student’s family has multiple children enrolled in the same school, (2) the student’s family is a member of or affiliated with a religious or secular organization that provides oversight of the school or from which the school has agreed to enroll students, (3) the student’s parent is an employee of the school, or (4) some other qualification not based on family income or the student’s athletic or academic ability, for which all students in the school may qualify.

## **Provisions related to community schools**

### **Community school sponsor evaluations**

Under continuing law, ODE annually assigns an overall rating to the sponsors of community schools based on a combination of: (1) the academic performance of students enrolled in community schools under the sponsor’s oversight, (2) the sponsor’s adherence to quality practices, and (3) the sponsor’s compliance with laws and administrative rules. The budget contains several provisions modifying laws related to the evaluation system. The budget requires ODE to evaluate community school sponsors that receive “effective” or “exemplary” overall ratings for three or more consecutive years only once every three years.

The budget also allows a community school sponsor to review information used by ODE to determine the sponsor’s rating on the academic performance component of the sponsor evaluation system. The community school sponsor is permitted, if it believes there is an error in ODE’s evaluation, to request adjustments to the ratings of the component based on documentation previously submitted. If an adjustment is valid, ODE must then recalculate the component rating or the overall rating. Under continuing law, sponsors are permitted to review and request adjustments on the “adherence to quality practices” and “compliance with laws and rules” components of the sponsor evaluation system.

### **Community school mergers**

The budget allows two or more community schools to merge upon the adoption of a resolution by the governing authority of each school. The surviving community school is required to enter into a new contract with a sponsor. The bill clarifies that participating in a merger does not exempt a community school from closure and requires ODE to use report card ratings of the surviving community school, whether the report cards were issued before or after the merger, for various matters that depend on report card ratings or measures. A community

school is prohibited from merging if its sponsor has notified the school of the sponsor's intent to terminate or not renew the sponsor contract or if the community school has met the criteria for involuntary closure for one of the last two years.

### **Community school closure criteria**

The budget changes the number of years of underperformance, as measured on the state report cards, that trigger the closure of a community school. First, it changes the number of times a community school that is not a dropout recovery school must receive state report card grades of "F" on specified graded measures before it must close from two of the three most recent school years to the three most recent school years. Similarly, in the case of a dropout recovery school, closure is triggered when the school receives a designation of "Does Not Meet Standards" for the three most recent school years, rather than two of the three most recent school years as under prior law.

### **Dropout prevention and recovery community school report cards and school closure**

The budget requires ODE to recalculate the 2017-2018 school year report card ratings for dropout prevention and recovery community schools and calculate the 2018-2019 school year report card ratings for those schools using the cumulative performance score on the end-of-course exams. Accordingly, the budget prohibits the closure of a dropout prevention and recovery community school, beginning in the 2019-2020 school year, based on the report cards issued for the school for the 2017-2018 or 2018-2019 school year if the school receives an overall rating of "meets standards" or "exceeds standards" for either of those years using the new state test passage rate measure. Finally, the budget requires ODE to recalculate the community school sponsor rating for the 2017-2018 school year for each sponsor of a dropout prevention and recovery community school that receives recalculated report card ratings for the 2017-2018 school year based on the revised rating system.

### **Payments to STEM schools**

For STEM schools that operate within a group, the budget requires ODE to pay all funds for a STEM school directly to the governing body of the group of STEM schools, and the governing body must then distribute to each STEM school within the group the full amount of state aid determined by ODE for that school. The budget also requires ODE to assign a separate internal retrieval number (IRN) to each STEM school within a group.

### **Annual e-school reports**

The budget requires each internet- or computer-based community school (e-school) to prepare and submit to ODE, in a time and manner prescribed by ODE, a report that contains information about (1) classroom size, (2) student-teacher ratio per classroom, (3) the number of student-teacher meetings conducted in person or by video conference, and (4) any other information determined necessary by ODE. The budget then requires ODE to annually prepare and submit to the State Board of Education a report that contains the e-school reporting information received by ODE.

## **Educator provisions**

### **Properly certified requirement for community school teachers**

The budget eliminates the requirement that community school teachers providing instruction in core subject areas be “properly certified or licensed” to teach in the subject areas and grade levels in which they provide instruction. Core subject areas include reading and language arts, mathematics, science, social studies, foreign language, and fine arts. The budget also eliminates the requirement that community school paraprofessionals employed by a program supported with federal Title I funds be “properly certified” in order to provide academic support in core subject areas. These provisions were enacted in S.B. 216 of the 132<sup>nd</sup> General Assembly.

### **Alternative resident educator licenses**

The budget replaces an option for an alternative resident educator license applicant to meet pedagogical training requirements through a teacher preparation program summer training institute offered by a nonprofit organization with a teacher preparation program preservice training approved by the Chancellor of Higher Education as one of the two methods by which an applicant may satisfy training requirements. The bill permits the Chancellor to approve any such teacher preparation program that meets the criteria required of a program. The budget maintains the second method, which is successful completion of the pedagogical training institute.

The budget also requires applicants for an alternative resident educator license to have either a cumulative undergraduate grade point average (GPA) of 2.5 out of 4.0 or a cumulative graduate school GPA of 3.0 out of 4.0. Prior law specified that applicants had to have an undergraduate GPA of 2.5 out of 4.0.

### **Teachers of computer science**

The budget permits school districts, community schools, and STEM schools, for the 2019-2020 and 2020-2021 school years, to allow an individual who holds a valid educator license in any of grades 7 through 12 to teach a computer science course if, prior to teaching the course, the individual completes a professional development program approved by the district superintendent or school principal that provides content knowledge specific to the course the individual will teach. Furthermore, an individual is not permitted to teach a computer science course in a school district or school other than the school district or school that employed the individual at the time the individual completed the professional development program.

The budget requires a district superintendent or school principal to approve any professional development program endorsed by the organization that creates and administers the national Advanced Placement examinations (the College Board) as appropriate for the course the individual will teach.

### **State minimum teacher salary schedule**

The budget increases the minimum base salary for beginning teachers with a bachelor’s degree from \$20,000 to \$30,000 and increases proportionally the minimum salaries in the

statutory stepped teacher salary schedule for teachers with different levels of education and experience. Teacher salaries vary by region and other district demographic factors. In FY 2018, salaries for teachers employed by traditional districts averaged \$58,266 statewide.

## **Annual reporting of behavioral prevention initiatives**

The budget requires each school district, community school, STEM school, and college-preparatory boarding school to annually report to ODE on the types of prevention-focused programs, services, and supports the schools use to promote healthy behavior and decision-making by students and their understanding of the consequences of risky behaviors. Schools are required to report various information on prevention-focused programs, services, and supports including: (1) curriculum and instruction provided during the school day, (2) programs and supports provided outside of the classroom or outside of the school day, (3) professional development for teachers, administrators, and other staff, (4) partnerships with community coalitions and organizations to provide prevention services and resources, (5) school efforts to engage parents and the community, and (6) activities designed to communicate with and learn from other schools or professionals with expertise in prevention education. Under the budget, ODE is permitted to use these reports as a factor to determine the distribution of any funding for prevention-focused behavioral initiatives.

## **Vetoed provisions**

### **Per-pupil funding guarantee for certain school districts**

The Governor vetoed a provision that guaranteed, beginning in FY 2022, each city, local, and exempted village school district receive at least as much funding per pupil as the statewide per-pupil amount paid for chartered nonpublic schools in Auxiliary Services funds and for administrative cost reimbursement.

### **Deadline for ODE to publish certain lists**

The Governor vetoed a provision that required ODE to publish lists of community schools subject to closure, community schools that are at risk of being subject to closure, and “challenged” school districts by August 31 of each year.

### **Properly certified or licensed teacher requirements**

The Governor vetoed a provision that eliminated the “properly certified or licensed” requirement for traditional school district and STEM school teachers.

### **Accredited nonpublic schools**

The Governor vetoed a provision that established a category of nonpublic schools called “accredited nonpublic schools” for nonpublic schools accredited by the Independent Schools Association of the Central States (ISACS). The provision specified certain exemptions for such schools and required a joint committee of the General Assembly to study the effects of the creation of accredited nonpublic schools.



# Analysis of FY 2020-FY 2021 budget

## Introduction

This section provides an analysis of the funding for each appropriation line item (ALI) in ODE's budget and for two school-related property tax reimbursement appropriation items that are located in the State Revenue Distribution (RDF) section of the budget bill. For organizational purposes, these ALIs are grouped into ten major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the ODE and RDF sections of the budget bill.

In the analysis, each appropriation item's actual expenditures for FY 2019 and appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used. If the appropriation is earmarked, the earmarks are listed and described.

**Categorization of ODE's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget**

Fund	ALI	ALI Name	Category
<b>General Revenue Fund Group</b>			
GRF	200321	Operating Expenses	C9:1 State Administration
GRF	200408	Early Childhood Education	C5:1 Early Childhood Education
GRF	200420	Information Technology Development and Support	C9:2 State Administration
GRF	200422	School Management Assistance	C6:3 School Operations Support
GRF	200424	Policy Analysis	C4:5 Curriculum, Assessment, and Accountability
GRF	200426	Ohio Educational Computer Network	C6:1 School Operations Support
GRF	200427	Academic Standards	C4:4 Curriculum, Assessment, and Accountability
GRF	200437	Student Assessment	C4:1 Curriculum, Assessment, and Accountability
GRF	200439	Accountability/Report Cards	C4:3 Curriculum, Assessment, and Accountability
GRF	200442	Child Care Licensing	C5:2 Early Childhood Education
GRF	200446	Education Management Information System	C4:2 Curriculum, Assessment, and Accountability
GRF	200448	Educator Preparation	C7:1 Educator Quality
GRF	200455	Community Schools and Choice Programs	C1:5 Basic Public School Support
GRF	200465	Education Technology Resources	C6:2 School Operations Support

**Categorization of ODE's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget**

Fund	ALI	ALI Name		Category
GRF	200478	Industry-Recognized Credentials High School Students	C2:2	Educational Enhancements
GRF	200502	Pupil Transportation	C1:1	Basic Public School Support
GRF	200505	School Lunch Match	C6:8	School Operations Support
GRF	200511	Auxiliary Services	C3:1	Nonpublic School Support
GRF	200532	Nonpublic Administrative Cost Reimbursement	C3:2	Nonpublic School Support
GRF	200540	Special Education Enhancements	C2:1	Educational Enhancements
GRF	200545	Career-Technical Education Enhancements	C2:3	Educational Enhancements
GRF	200550	Foundation Funding	C1:1	Basic Public School Support
GRF	200566	Literacy Improvement	C8:2	Academic Achievement
GRF	200572	Adult Education Programs	C8:1	Academic Achievement
GRF	200573	EdChoice Expansion	C1:3	Basic Public School Support
GRF	200574	Half-Mill Maintenance Equalization	C1:4	Basic Public School Support
GRF	200576	Adaptive Sports Program	C2:4	Educational Enhancements
GRF	200597	Program and Project Support	C2:5	Educational Enhancements
GRF	657401	Medicaid in Schools	C2:6	Educational Enhancements
<b>Dedicated Purpose Fund Group</b>				
4520	200638	Charges and Reimbursements	C9:4	State Administration
4550	200608	Commodity Foods	C6:6	School Operations Support
4L20	200681	Teacher Certification and Licensure	C7:2	Educator Quality
5980	200659	Auxiliary Services Reimbursement	C3:3	Nonpublic School Support
5H30	200687	School District Solvency Assistance	C6:5	School Operations Support
5KX0	200691	Ohio School Sponsorship Program	C1:8	Basic Public School Support
5MM0	200677	Child Nutrition Refunds	C6:7	School Operations Support
5U20	200685	National Education Statistics	C4:6	Curriculum, Assessment, and Accountability
5VS0	200604	Student Wellness and Success	C1:2	Basic Public School Support
5VU0	200663	School Bus Purchase	C1:9	Basic Public School Support
6200	200615	Educational Improvement Grants	C8:5	Academic Achievement
<b>Internal Service Activity Fund Group</b>				
1380	200606	Information Technology Development and Support	C9:2	State Administration
4R70	200695	Indirect Operational Support	C9:3	State Administration
4V70	200633	Interagency Program Support	C5:3	Early Childhood Education

## Categorization of ODE's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget

Fund	ALI	ALI Name		Category
<b>State Lottery Fund Group</b>				
7017	200602	School Climate Grants	C8:3	Academic Achievement
7017	200612	Foundation Funding	C1:1	Basic Public School Support
7017	200614	Accelerate Great Schools	C8:4	Academic Achievement
7017	200631	Quality Community Schools Support	C1:6	Basic Public School Support
7017	200636	Enrollment Growth Supplement	C1:7	Basic Public School Support
7017	200684	Community School Facilities	C6:4	School Operations Support
<b>Federal Fund Group</b>				
3670	200607	School Food Services	C6:12	School Operations Support
3700	200624	Education of Exceptional Children	C2:11	Educational Enhancements
3AF0	657601	Schools Medicaid Administrative Claims	C2:6	Educational Enhancements
3AN0	200671	School Improvement Grants	C8:7	Academic Achievement
3C50	200661	Early Childhood Education	C5:4	Early Childhood Education
3EH0	200620	Migrant Education	C2:10	Educational Enhancements
3EJ0	200622	Homeless Children Education	C2:9	Educational Enhancements
3FE0	200669	Striving Readers	C8:8	Academic Achievement
3GE0	200674	Summer Food Service Program	C6:11	School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	C6:13	School Operations Support
3HF0	200649	Federal Education Grants	C8:10	Academic Achievement
3HI0	200634	Student Support and Academic Enrichment	C2:7	Educational Enhancements
3L60	200617	Federal School Lunch	C6:8	School Operations Support
3L70	200618	Federal School Breakfast	C6:9	School Operations Support
3L80	200619	Child/Adult Food Programs	C6:10	School Operations Support
3L90	200621	Career-Technical Education Basic Grant	C1:12	Basic Public School Support
3M00	200623	ESEA Title 1A	C1:10	Basic Public School Support
3M20	200680	Individuals with Disabilities Education Act	C1:11	Basic Public School Support
3T40	200613	Public Charter Schools	C8:11	Academic Achievement
3Y20	200688	21 <sup>st</sup> Century Community Learning Centers	C8:6	Academic Achievement
3Y60	200635	Improving Teacher Quality	C7:3	Educator Quality
3Y70	200689	English Language Acquisition	C8:9	Academic Achievement
3Y80	200639	Rural and Low Income Technical Assistance	C2:8	Educational Enhancements
3Z20	200690	State Assessments	C4:1	Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	C9:5	State Administration

## Categorization of ODE's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget

Fund	ALI	ALI Name		Category
State Revenue Distribution				
GRF	200903	Property Tax Reimbursement – Education	C10:1	Property Tax Reimbursements
7047	200902	Property Tax Replacement Phase Out – Education	C10:2	Property Tax Reimbursements

## Category 1: Basic Public School Support

This category of ALIs includes the major sources of state and federal formula driven support for all public school students.

### C1:1: Foundation funding (ALIs 200550, 200502, and 200612)

Excluding the specific earmarks, GRF line items 200550 and 200502 and Lottery Fund 7017 line item 200612 are used to collectively support state foundation aid payments for all public school students in the state. As seen in the table below, the appropriations for state foundation aid payments total \$8.37 billion in both FY 2020 and FY 2021.

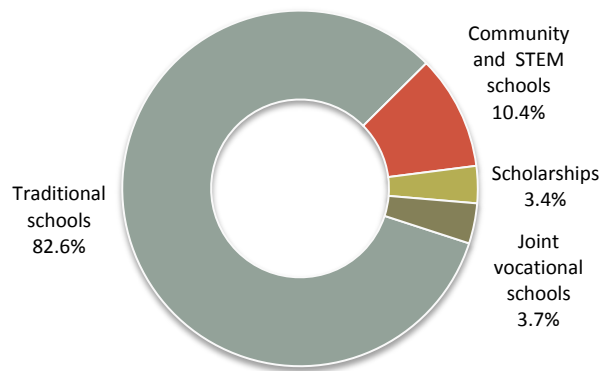
Fund/ALI	Foundation Aid		
	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200550, Foundation Funding			
Earmarks	\$120,194,311	\$125,022,000	\$125,260,000
Remainder – Foundation aid	\$6,850,177,910	\$6,817,858,845	\$6,649,358,845
GRF ALI 200502, Pupil Transportation			
Earmarks	\$61,308,149	\$61,308,150	\$61,308,150
Remainder – Foundation aid	\$465,821,658	\$465,821,659	\$465,821,659
Fund 7017 ALI 200612, Foundation Funding	\$1,087,030,000	\$1,081,400,000	\$1,249,900,000
Total foundation aid	\$8,403,029,568	\$8,365,080,504	\$8,365,080,504
% change	--	-0.5%	0.0%

The foundation aid payment allocations are determined through two main funding formulas: one for traditional school districts and one for JVSDs. Foundation aid for traditional districts includes funding for the operating costs of transporting students to and from school, distributed through line item 200502, Pupil Transportation. The remaining funding is distributed through items 200550 and 200612. As discussed in the “**Overview**” section, the budget specifies that every traditional school district and JVSD receive the same amount of foundation aid in FY 2020 and FY 2021 as it received in FY 2019. The school funding formula that was used to determine FY 2019 funding is discussed in detail in the School Funding Resource, which is available on the LSC website under Budget Central --> Budget Reference Documents.

The budget also requires ODE to conduct a study that reviews and determines the effectiveness of the criteria used in the FY 2019 school funding formula to define economically disadvantaged students and researches how other states define economically disadvantaged students and address them in their school funding formulas. ODE must complete its study by December 31, 2020.

In the FY 2019 formula, public school students are counted in their resident district's average daily membership (ADM)<sup>2</sup> for purposes of foundation aid payment calculations. When a student attends a school that is not a part of the resident district, the foundation aid for the student is deducted from the resident district and transferred to the school where the student is educated. Chart 4 shows the distribution of FY 2019 school foundation aid by school type. About 83% of foundation aid flows to traditional school districts. Community and STEM schools receive 10.4%, followed by JVSDs (3.7%) and nonpublic schools through state scholarship programs (3.4%). The "Overview" section discusses the budget's impact on these transfers. Generally, in FY 2020 and FY 2021, deductions and transfers will be determined by using FY 2019 per-pupil amounts and current year student counts. The various deductions are described below followed by a description of the earmarks for these line items.

**Chart 4: Foundation Aid by School Type  
FY 2019**



### Community and STEM schools

Community schools are public schools that are exempt from certain state requirements. These schools are not part of any school district and do not have taxing authority. Community schools were first established in Ohio in FY 1999. Community schools include e-schools, which provide educational services electronically instead of in a traditional classroom setting, and the more traditional brick and mortar schools. STEM schools were first authorized by law in June 2007. These public schools are similar to community schools in many respects, including the way they are funded, but must operate in collaboration with higher education institutions and business organizations. In FY 2019, 319 community schools and seven STEM schools educated about 105,800 FTE students. The total amount transferred for community and STEM schools statewide was \$871.3 million for FY 2019.

The budget requires ODE to study and make recommendations on the feasibility of a new funding system for e-schools. In doing so, ODE must consider models that are based on competency and course completion and models used in other states, including Florida and New Hampshire. ODE must complete its study by December 31, 2019.

<sup>2</sup> ADM is the formula's measure of the number of students.

## **Open enrollment**

Each school district in Ohio can choose to accept students from other districts under an open enrollment policy. Districts may offer open enrollment to students from adjacent districts or from any Ohio district. While districts are not required to permit enrollment of students from other districts, they may not prohibit students from leaving their district through open enrollment. If a student chooses to attend a district other than the one in which the student resides under open enrollment, the formula amount of \$6,020 in FY 2019 and any career-technical education per-pupil amount applicable to the student are deducted from the resident district's state aid and transferred to the educating district. If the student receives special education, the costs of this education above the formula amount are billed from the educating district to the resident district.

About 75% of school districts (including joint vocational school districts) allow statewide open enrollment, 8% of school districts allow adjacent district open enrollment only, and the remaining 17% of school districts do not accept open enrollment students. In FY 2019, about 82,800 FTE students attended schools other than their resident district schools through the open enrollment option and an estimated \$498.7 million in state foundation aid was transferred on behalf of those students.

## **Educational Choice Scholarship Program**

Foundation payments support the Educational Choice Scholarship Program ("EdChoice") that awards scholarships that can be used to attend participating nonpublic schools. All traditional scholarship students are counted in their resident district's ADM for the purposes of calculating funding through the school funding formula. The budget maintains the maximum scholarship amounts of \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. In FY 2019, about 23,000 students received scholarships amounting to about \$113.4 million.

Under continuing law, a student is eligible for an EdChoice scholarship if the public school the student would normally be assigned to is "low performing." EdChoice scholarships are also provided to certain low-income students, regardless of the performance of their public school. However, these scholarships are paid for directly from GRF line item 200573, EdChoice Expansion, not through a deduction of school district foundation funding. As described in the "**Overview**" section, the budget makes several permanent law changes to both of the EdChoice Scholarship programs.

## **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 \$27,000, is then deducted from the resident district's state aid and paid to the alternative provider. In FY 2019, 297 providers were registered to participate in the program and about 3,500 students received scholarships amounting to about \$87.0 million.

### **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 an Individualized Education Program (IEP) established by their resident school districts. Funding for the program is provided in the same way as that of the Autism Scholarship Program, through a transfer of state aid from the resident district to the alternative provider. Scholarship students are also counted in their district's ADM for the purposes of the state funding formula. The amount of the scholarship cannot exceed \$27,000 and is the lesser of the tuition charged by the alternate provider and the sum of the formula amount and the applicable special education amount for the student's disability category. In FY 2019, 413 providers were registered to participate and about 6,000 students received scholarships amounting to about \$64.4 million.

### **Cleveland Scholarship and Tutoring Program**

The Cleveland Scholarship and Tutoring Program is partially supported through a deduction from the 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 2019, there were 42 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, with a maximum scholarship of \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. In FY 2018, 8,362 students participated in the program. Scholarship students generally 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 earmarks \$23.5 million in each fiscal year from CMSD's state aid to pay for the program. The budget sets aside \$1.0 million in each fiscal year from this earmark for CMSD to provide tutorial assistance.

### **College Credit Plus (CCP) Program**

The CCP Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. Under the CCP 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. If a student attends another district under open enrollment, a community school, or a JVSD, state funding follows the student. Ultimately, the educating district or school pays the tuition cost. In general, CCP payments made by ODE are based on the number of credit hours in which a student is enrolled and certain "default ceiling" or "default floor" per-credit hour amounts unless an agreement specifying an alternative payment structure is entered into by the high school and the college. For FY 2018, about \$48.6 million was paid to colleges under the program.

GRF ALI 200550, Foundation Funding, Earmarks			
Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Catastrophic cost supplement	\$40,000,000	\$40,000,000	\$40,000,000
Gifted education – educational service centers	\$3,800,000	\$3,800,000	\$3,800,000
Educational service centers state subsidy	\$39,931,814	\$40,000,000	\$40,000,000
School improvement initiatives – educational service centers	\$3,254,975	\$3,500,000	\$3,500,000
Valuation adjustments/payments for nuclear power plant districts	\$3,159,809	\$7,000,000	\$7,000,000
School choice programs	\$25,763,127	\$26,400,000	\$26,400,000
College Credit Plus for home-instructed students	\$1,170,094	\$2,000,000	\$2,000,000
Private Treatment Facility Project	\$700,000	\$700,000	\$700,000
Bright New Leaders for Ohio Schools	\$1,500,000	\$0	\$0
Academic distress commissions	\$914,492	\$1,172,000	\$1,760,000
Student wellness and success funds – study	\$0	\$350,000	\$0
Montessori community schools	\$0	\$100,000	\$100,000
GRF ALI 200550, Earmark total	\$120,194,311	\$125,022,000	\$125,260,000
% change	--	4.0%	0.2%

As indicated earlier, GRF line item 200550, Foundation Funding, also includes funding for various earmarks. These earmarks are listed in the table above and described briefly below.

### **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.

### **Gifted education – educational service centers**

These funds are used to provide gifted education services at educational service centers (ESCs). Prior to FY 2010, gifted education was funded based on units. H.B. 1 of the 128<sup>th</sup> General Assembly changed gifted funding for school districts in 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.

### **Educational service centers state subsidy**

These funds are provided as state support to the 52 ESCs in Ohio. An ESC's high-performing status determines the level of per-pupil state operating funding it receives.



“High-performing” ESCs are ESCs that demonstrated cost savings of at least 5% in the previous fiscal year for its client school districts and community schools across five primary services identified by the ESC. According to ODE, all 52 ESCs qualified for the “high-performing” designation for FY 2019 funding purposes because they all exceeded the 5% threshold. High-performing ESCs receive \$26 per pupil. An ESC not designated as high-performing receives state per-pupil funding of \$24. The budget establishes a moratorium on additional school districts joining ESCs during FY 2020 and FY 2021.

### **School improvement initiatives – educational service centers**

These funds are used by ESCs to provide direct services to districts in support of their continuous improvement initiatives. All schools and districts benefit from this support; however, focus is placed on those identified with the highest level of need.

### **Valuation adjustments/payments for nuclear power plant districts**

These funds are used for two purposes: (1) payments to school districts resulting from property tax refunds and certain recomputations of state foundation aid due to changes in property value and (2) payments to guarantee that a school district that lost at least 50% of its public utility tangible personal property (TPP) value between tax year (TY) 2016 and TY 2017 due to nuclear power plant devaluation receives at least 97% of the district’s average total resources per pupil from FY 2015 to FY 2018. This latter provision only applies to Benton Carroll Salem Local School District in Ottawa County. Under the budget, this earmark will not support payments under item (1) in FY 2020 and FY 2021, as it did in FY 2019. If the amount allocated for payments under item (2) is not sufficient, the budget permits the Superintendent of Public Instruction to reallocate excess funds for other purposes supported by item 200550 to make the full amount of the payment.

The budget eliminates the deduction from a school district’s state foundation aid of the difference between (1) the district’s aid as originally computed with, generally, three-year average total taxable value and (2) as recomputed with value from the preceding tax year. Under prior law, this deduction was made for each district that experienced an increase in public utility tangible personal property (PUTPP) value of more than 10% compared to its total taxable value in the second preceding tax year, which resulted in lower foundation aid when aid was recomputed. ODE must credit districts for funds deducted due to such valuation increases between tax years 2017 and 2018.

### **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 above). 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.

### **College Credit Plus for home-instructed students**

This funding is used to make payments on behalf of students instructed at home and enrolled in the CCP Program. The budget reappropriates the unexpended, unencumbered balance of this earmark at the end of FY 2020 for the same purpose for FY 2021. In FY 2018,

878 home-instructed students applied for and received funding for 9,056 credit hours out of a total of 22,001 credit hours requested.

### **Private Treatment Facility Project**

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

### **Academic distress commissions**

This funding is used for duties and activities related to the establishment of academic distress commissions (ADCs). These costs include the salary of the CEO appointed by each ADC. In the FY 2018-FY 2019 biennium, any remaining funds after establishing the ADC and compensating the CEO were only to be used as matching funds for monetary contributions made by a school district for which an ADC is established or by the district's local community to support innovative education programs or a high-quality school accelerator. The budget removes matching funds as a permissible use of the earmark and, instead, permits ODE to use the funds to provide support and assistance to an ADC and the districts subject to an ADC. In FY 2019, three districts were subject to an ADC: Youngstown City School District, Lorain City School District, and East Cleveland City School District. The budget increases the amount of the set-aside by \$572,000 in FY 2020 and by an additional \$588,000 in FY 2021 to pay for the CEO salary in those three districts and potentially others that may become subject to an ADC in FY 2021 (after the expiration of the moratorium described in the "**Overview**") and to allow ODE to provide more technical assistance and support.

### **Student wellness and success funds – study**

These funds are used by ODE to conduct return on investment studies for services funded with SWSF funds and to provide technical assistance to districts on implementing services.

### **Montessori community schools**

This funding is used to make payments to eligible Montessori community schools that enroll students younger than four years old. The budget requires ODE to pay each community school that operates a program that uses the Montessori method as its primary method of instruction an amount equal to the formula amount (\$6,020) for each student younger than four years old who is enrolled in the school.

<b>GRF ALI 200502, Pupil Transportation, Earmarks</b>			
<b>Earmark</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>
Bus driver training	\$838,930	\$838,930	\$838,930
Special education transportation	\$60,469,219	\$60,469,220	\$60,469,220
ALI 200502, Earmark total	\$61,308,149	\$61,308,150	\$61,308,150
% change	--	0.0%	0.0%

GRF line item 200502, Pupil Transportation, also includes funding for two earmarks. These earmarks are listed in the table above and described briefly below.

### **Bus driver training**

ODE uses these funds to contract with seven ESCs and one JVSD to provide instruction for the Ohio Preservice Driver Training Program. The program provides training for approximately 3,000 new bus drivers and recertification training for an additional 3,000 veteran drivers each year. These funds also provide annual in-service training and may be used for costs to enroll bus drivers in the retained applicant fingerprint database.

### **Special education transportation**

Funding from this earmark partially reimburses school districts and county boards of developmental disabilities for the operating costs of transporting public and nonpublic special education students. Funding for transporting these students is distributed based on rules and formulas adopted by the State Board of Education. In FY 2018, approximately 37,500 special education students were transported at a cost of over \$242 million. The state reimbursed approximately 25% of these expenses.

## **C1:2: Student Wellness and Success (ALI 200604)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5VSO ALI 200604, Student Wellness and Success	\$0	\$275,000,000	\$400,000,000
	% change	--	N/A

As described in the “**Overview**” section, these funds are distributed directly to school districts, JVSDs, community schools, and STEM schools to provide certain services that address nonacademic barriers to student success, including mental health services, family engagement and support services, and mentoring. The funds are distributed based on the number of students the districts or schools educate. School districts are allocated per-pupil funding according to a sliding scale based on federal census poverty data. The per-pupil amounts range from \$20 to \$250 per pupil in FY 2020 and from \$30 to \$360 per pupil in FY 2021. Payments to JVSDs, site-based community schools, and STEM schools are based on the per-pupil amount for the student’s resident district. Every school district, JVSD, and community or STEM school is guaranteed to receive a minimum of \$25,000 in FY 2020 and \$36,000 in FY 2021. E-schools receive a flat amount equal to the minimum for traditional districts and JVSDs. Additionally, student wellness and success enhancement funding is provided for school districts, JVSDs, community schools, and STEM schools that received supplemental targeted assistance funding for FY 2019. These enhancement funds are calculated based on per-pupil amounts of \$50 in FY 2020 and \$75 in FY 2021, which are scaled to provide more funding to districts with higher concentrations of poverty. The budget authorizes the transfer of \$275.0 million in FY 2020 and \$400.0 million in FY 2021 from the GRF to the Student Wellness and Success Fund (Fund 5VSO), which is created for this line item.

**C1:3: EdChoice Expansion (ALI 200573)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200573, EdChoice Expansion	\$44,636,864	\$57,223,340	\$121,017,418
% change	--	28.2%	111.5%

This line item supports the EdChoice scholarships provided to students whose family income is less than 200% of the federal poverty guidelines (FPG), regardless of the academic rating of the school they would otherwise attend. The budget continues to phase in additional grades under continuing law by increasing the funding to account for eligible students in the sixth grade in FY 2020 and expanding eligibility to all students entering grades K-12 for the first time beginning with FY 2021. In FY 2019, over 10,800 K-5 students receive income-based scholarships. ODE projects that the recommended appropriation levels will support about 13,300 scholarships in FY 2020 and at least 24,300 scholarships in FY 2021. In recent years, ODE has conducted a lottery for expansion slots because the available appropriation was not sufficient to meet demand. As described in the “**Overview**” section, the budget also makes changes to how scholarship awards are calculated.

**C1:4: Half-Mill Maintenance Equalization (ALI 200574)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200574, Half-Mill Maintenance Equalization	\$18,651,951	\$18,849,207	\$18,128,526
% change	--	1.1%	-3.8%

Funding from this line item equalizes the one-half mill levy required of school districts to help pay for the maintenance costs of new or renovated buildings financed through the Ohio Facilities Construction Commission’s (OFCC) Classroom Facilities Assistance Program. Payments are made to districts for which the per-pupil tax revenues from this half-mill levy are less than the state average. A district’s payment equals the difference between the district’s tax revenue per pupil from the levy and the state average per pupil at the time the district enters into the project agreement with OFCC.

**C1:5: Community Schools and Choice Programs (ALI 200455)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200455, Community Schools and Choice Programs	\$4,423,627	\$4,867,763	\$4,912,546
% change	--	10.0%	0.9%

This item is used by ODE to provide oversight of community schools and their sponsors and, along with funding provided in an earmark of appropriation item 200550, Foundation Funding, administration of other school choice programs. According to ODE, the funding

increase for the FY 2020-FY 2021 biennium will pay for projected cost increases associated with salary and benefits for existing staff.

As described in the “**Overview**” section of this Greenbook, the budget includes an array of permanent law revisions related to community schools. Notably, it makes changes with respect to sponsor evaluations, report cards for dropout prevention and recovery community schools, and closure criteria for community schools and dropout prevention and recovery community schools. The budget also establishes a process for two or more community schools to merge.

### **C1:6: Quality Community Schools Support (ALI 200631)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7017 ALI 200631, Quality Community Schools Support	\$0	\$30,000,000	\$30,000,000
% change	--	--	0.0%

This appropriation is to provide additional funds to community schools that are designated as a Community School of Quality. The designation is based on certain criteria, which include report card grades, sponsor ratings, and other factors. A Community School of Quality will receive per-pupil funding of \$1,750 for students who are identified as economically disadvantaged and \$1,000 for students not identified as economically disadvantaged. The payments are calculated using the final adjusted full-time equivalent (FTE) number of students enrolled in a community school for the prior fiscal year, unless the school is in its first year of operation. In this instance, the FTE number for the current fiscal year is used.

### **C1:7: Enrollment Growth Supplement (ALI 200636)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7017 ALI 200636, Enrollment Growth Supplement	\$0	\$15,000,000	\$23,000,000
% change	--	--	48.4%

This funding is to provide additional funds to certain school districts experiencing a growth in enrollment between FY 2016 and FY 2019, as described in the “**Overview**” section.

### **C1:8: Ohio School Sponsorship Program (ALI 200691)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5KX0 ALI 200691, Ohio School Sponsorship Program	\$1,045,354	\$1,250,000	\$1,250,000
% change	--	19.6%	0.0%

The Ohio School Sponsorship Program allows ODE to sponsor community schools. Like other community school sponsors, ODE's Office of School Sponsorship reviews and makes decisions on sponsorship applications from schools desiring to be sponsored by the Office; oversees sponsored schools with respect to academic, fiscal, and governance standards; and provides technical assistance. In addition to sponsoring schools that apply to the Office, it also temporarily assumes sponsorship of schools whose sponsors have had their sponsorship authority revoked. In FY 2019, ODE sponsored 31 community schools under the program. These schools each pay ODE a sponsorship fee of up to 3% of their operating revenue to support ODE's administrative duties associated with sponsorship. These fees are deposited into the Ohio School Sponsorship Fund (Fund 5KX0).

### **C1:9: School Bus Purchase (ALI 200663)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5VU0 ALI 200663, School Bus Purchase	\$0	\$0	\$20,000,000
% change	--	--	--

This appropriation item is used to assist school districts in purchasing school buses in accordance with a program developed jointly between the departments of Education and Public Safety. The cash for the fund is provided from a cash transfer from the FY 2019 GRF ending balance to the School Bus Purchase Fund.

### **C1:10: ESEA Title 1A (ALI 200623)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3M00 ALI 200623, ESEA Title 1A	\$523,713,131	\$600,000,000	\$600,000,000
% change	--	14.6%	0.0%

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.

Ohio's spending of these and other federal funds is guided by Ohio's consolidated state plan under the Every Student Succeeds Act (ESSA), the most recent reauthorization of the Elementary and Secondary Education Act (ESEA). In January 2018, the U.S. Department of Education approved ODE's State Board of Education-approved state plan. Full implementation of the plan began during the 2017-2018 school year.

**C1:11: Individuals with Disabilities Education Act (ALI 200680)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3M20 ALI 200680, Individuals with Disabilities Education Act	\$469,672,228	\$454,770,591	\$455,000,000
% change	--	-3.2%	0.1%

This line item supports the provision of special education and related services to students with disabilities. 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. A portion of these funds may be used by ODE for administration and other state-level activities.

**C1:12: Career-Technical Education Basic Grant (ALI 200621)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3L90 ALI 200621, Career-Technical Education Basic Grant	\$43,354,453	\$45,946,927	\$46,000,000
% change	--	6.0%	0.1%

These federal funds support the development of academic, career, and technical skills of secondary and postsecondary 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. ODE may use up to 10% of the state's grant allocation for state leadership activities in career-technical education and up to 5% for administration of the federally required state plan for career-technical education. 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.

**Category 2: Educational Enhancements**

This category of ALIs provides additional funding for special education, career-technical education, and the education of at-risk students.

**C2:1: Special Education Enhancements (ALI 200540)**

The majority of funding provided under this GRF item is used for formula payments for preschool special education services and school-age special education services provided by county developmental disabilities (DD) boards and institutions. This item also includes several other earmarks as shown in the table below.

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Special education at DD boards and institutions	\$33,372,250	\$33,000,000	\$33,000,000
Parent mentoring programs	\$1,127,301	\$1,350,000	\$1,350,000
School psychology interns	\$3,042,094	\$3,000,000	\$3,000,000
Vocational rehabilitation services	\$3,000,000	\$3,250,000	\$3,500,000
Secondary transition services	\$1,704,412	\$2,000,000	\$2,000,000
Remainder – Preschool special education	\$109,999,999	\$110,000,000	\$110,000,000
GRF ALI 200540 total	\$152,246,055	\$152,600,000	\$152,850,000
% change	--	0.2%	0.2%

### 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. State funding for preschool special education and related services provided by school districts, educational service centers, and county DD boards is distributed through a per-pupil based approach. Specifically, each school district and state institution receives \$4,000 for each preschool student with disabilities plus additional special education aid based on the applicable special education amount for each student and the resident district's state share index. Special education aid is then multiplied by 0.5 to reflect the half-day nature of those programs. Educational service centers and county DD boards receive this funding through transfers from the amounts allocated to the school districts with which those entities have service agreements. In FY 2020 and FY 2021, the budget specifies that ODE must compute preschool special education payments using the resident district's state share index for FY 2019.

### Special education at DD boards and institutions

This funding is provided to county DD boards and state institutions operated by the Department of Health, the Department of Rehabilitation and Correction, and the Department of Youth Services to fund special education and related services provided by these entities for school-age children. For each child, a county DD board receives the full per-pupil formula amount plus the applicable special education amount for that child's disability category, the latter of which is adjusted by the state share index of the child's resident district. Each state institution receives funding based on the applicable special education amount specified for each child receiving services for a disability. Like the preschool special education payments discussed above, in FY 2020 and FY 2021, the budget specifies that ODE must compute the special education payments for county DD boards using the resident district's state share index for FY 2019.



### 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.

### Vocational rehabilitation services

This allocation provides state matching funds for the Opportunities for Ohioans with Disabilities Agency (OOD) in order to receive federal funding for vocational rehabilitation services. The budget requires that the funds be transferred to OOD via an intrastate transfer voucher and be used to hire vocational rehabilitation counselors to provide services for students with disabilities. Counselors must work with school districts in offering services, which can include career planning, general work experience, and job placement and retention for eligible students.

### Secondary transition services

This funding supports regional training, support, and program delivery of secondary transition services for students with disabilities beginning at 14 years of age. Types of services include job exploration counseling, work-based learning experiences, counseling for postsecondary opportunities, and specific life skills training. Enhancements must support any student with a disability, regardless of partnering agency eligibility requirements. They must also support the expansion of training opportunities for special education intervention specialists to develop specific competencies in order to meet the secondary transition needs of students with disabilities aged 14 years and older.

## **C2:2: Industry-Recognized Credentials High School Students (ALI 200478)**

Funding provided under this GRF item is used for Industry-Recognized Credential Reimbursements, the Innovative Workforce Incentive Program (IWIP), and a program to assist school districts in establishing credentialing programs that qualify for IWIP. The earmarks for these purposes are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Industry-recognized credential reimbursements	\$0	\$8,000,000	\$8,000,000
Innovative Workforce Incentive Program (IWIP)	\$0	\$12,500,000	\$12,500,000
IWIP credentialing program start-up funds	\$0	\$4,500,000	\$4,500,000
GRF ALI 200478 total	\$0	\$25,000,000	\$25,000,000
% change	--	N/A	0.0%

### **Industry-recognized credential reimbursements**

This earmark provides funding for reimbursements to school districts, community schools, STEM schools, and JVsDs for the cost of an industry-recognized credential or an equivalent certification. In conjunction with the Department of Higher Education and the Governor's Office of Workforce Transformation (OWT), ODE must develop a schedule for the distribution of reimbursements that lists reimbursable credentials, the time needed to earn such a credential, and the cost to obtain it. If the total amount requiring reimbursement is greater than the appropriation, ODE must prorate the payments to each school or district.

In both FY 2018 and FY 2019, \$750,000 was earmarked from GRF line item 200545, Career-Technical Education Enhancements, for reimbursements to school districts for industry-recognized credentials earned by economically disadvantaged students. The budget expands the reimbursement program to all students. Accordingly, the budget substantially increases funding for the reimbursements. The budget also requires the educating entity to pay up front for the cost of the credential and claim reimbursement from the state.

### **Innovative Workforce Incentive Program**

These funds are to be used to establish and operate the Innovative Workforce Incentive Program (IWIP). OWT must maintain a list of credentials that qualify for the program. ODE pays each school district, community school, STEM school, and JVsD \$1,250 for each qualifying credential earned by a student attending the district or school during each fiscal year. The funding supports full payment for up to 10,000 qualifying credentials each year. If the number of qualifying credentials earned in a given year surpasses that threshold, ODE must prorate the payments.

### **IWIP credentialing program start-up funds**

These funds are to be used to assist school districts, community schools, STEM schools, and JVsDs in establishing credentialing programs that qualify for IWIP. ODE must prioritize new senior-only credentialing programs. Funds can be used for a broad array of expenses including equipment, supplies, and facilities. The \$4.5 million earmarked for this purpose is based upon a payment of \$10,000 each for an estimated 450 new programs each year.

## **C2:3: Career-Technical Education Enhancements (ALI 200545)**

This appropriation item supports career-technical education at institutions, the Ohio State School for the Blind (OSSB), and the Ohio School for the Deaf (OSD), and various other career-technical education programs and initiatives. This appropriation item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Institution career-technical programs	\$2,442,903	\$2,563,568	\$2,563,568
Tech prep expansion grants	\$2,477,692	\$2,686,474	\$2,686,474
High Schools That Work	\$2,839,908	\$3,000,850	\$3,000,850
Agriculture 5th Quarter Project	\$517,031	\$600,000	\$600,000
OhioMeansJobs website	\$543,757	\$550,000	\$550,000
Jobs for Ohio's Graduates	\$100,000	\$100,000	\$100,000
Ohio ProStart School Restaurant Program	\$100,000	\$150,000	\$150,000
Creative Builders Trades Academy	\$0	\$100,000	\$100,000
Industry-recognized credential reimbursements	\$1,750,000	\$0	\$0
VoAg programs	\$162,000	\$0	\$0
GRF ALI 200545 total	\$10,933,291	\$9,750,892	\$9,750,892
% change	--	-10.8%	0.0%

### **Institution career-technical programs**

Roughly 90% of these funds support career-based intervention programs at correctional institutions operated by the departments of Rehabilitation and Correction and Youth Services. The remaining portion is distributed to OSD and OSSB. Students are provided instructional programming in work and family literacy, career-based intervention, and workforce development. The 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 competitive grants that support Tech Prep enrollment expansion and new Tech Prep programming. Eligible grantees include school districts, postsecondary entities, and other eligible recipients. Funds are initially distributed by formula to each of the six Ohio College Tech Prep Regional Centers (representing 23 community and technical colleges, 14 universities, and 90 career-technical education planning districts). The Ohio Department of Higher Education 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 onsite speakers, print and electronic materials, and a website 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 onsite coaching.

### **Agricultural 5<sup>th</sup> Quarter Project**

The Agricultural 5<sup>th</sup> 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.

### **OhioMeansJobs website**

These funds support career planning and reporting through the K-12 Student Portal of the OhioMeansJobs website. The Portal allows students to take a career interest survey, browse detailed job descriptions, obtain wage and salary data, receive guidance on which courses to take for certain career tracks, research college financial aid and scholarship opportunities, and access practice tests for the SAT, ACT, Advanced Placement exams, and computer skills training, all free of charge. The OhioMeansJobs website is administered by the Ohio Department of Job and Family Services (ODJFS) in partnership with the jobseeker site Monster.com. The Superintendent of Public Instruction and the Governor's Office of Workforce Transformation consult with ODJFS in the development and maintenance of the portal.

### **Jobs for Ohio's Graduates**

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

### **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 eleventh and twelfth 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.

### **Creative Builders Trades Academy**

These funds support a pre-apprenticeship program at Creative Builders Trades Academy in Cleveland.

## **C2:4: Adaptive Sports Program (ALI 200576)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200576, Adaptive Sports Program	\$50,000	\$250,000	\$250,000
% change	--	400.0%	0.0%

This line item is used by ODE, in collaboration with the Adaptive Sports Program of Ohio (ASPO), to fund adaptive sports programs in school districts across the state. ASPO's goal for these funds is to increase the educational, physical, emotional, and social outcomes for students with physical disabilities through participation in school-based adaptive athletic programs.

### **C2:5: Program and Project Support (ALI 200597)**

Funding provided under this GRF item is provided to the Tri-State Early College STEM School, Ohio Adolescent Health Centers, and Ruling Our eXperiences (ROX). This appropriation item is fully earmarked for these purposes, which are listed in the table below in the order in which they appear in the bill.

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Tri-State Early College STEM School	\$0	\$500,000	\$0
Ohio Adolescent Health Centers	\$0	\$500,000	\$500,000
Ruling Our eXperiences	\$0	\$125,000	\$125,000
GRF ALI 200597 total	\$0	\$1,125,000	\$625,000
% change	--	N/A	-44.4%

#### **Tri-State Early College STEM School**

This funding is provided to Tri-State Early College STEM School to provide additional support for facility renovations and operations, including professional development, educational materials, equipment, marketing, and recruitment.

#### **Ohio Adolescent Health Centers**

Ohio Adolescent Health Centers (OAHC) conduct risk avoidance education in Ohio schools. Five sessions of programming costs approximately \$24 per student. OAHC estimates that these funds will allow them to reach almost 21,000 additional students primarily in grades six through nine.

#### **Ruling Our eXperiences**

These funds support Ruling Our eXperiences (ROX) programming in schools. ROX trains and licenses school counselors, social workers, and licensed educators to deliver evidence-based programs to girls in grades 5-12 in their schools. The curriculum focuses on team building, healthy communication, dealing with bullying, healthy relationships, navigating social media, body image, support systems, sexual harassment, safety and violence prevention, stress and coping, academic and career development, and leadership.

**C2:6: Medicaid in Schools Program (ALIs 657401 and 657601)**

Medicaid in Schools Program Appropriations			
Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 657401, Medicaid in Schools	\$290,628	\$297,978	\$297,978
Fund 3AF0 ALI 657601, Schools Medicaid Administrative Claims	\$187,305	\$295,500	\$295,500
Total Medicaid in Schools Program	\$477,933	\$593,478	\$593,478
% change	--	24.2%	0.0%

The Medicaid in Schools Program provides districts and schools with reimbursement for services to Medicaid-eligible students. These funds support ODE's cost to administer the program, including technical assistance and program monitoring to verify federal program mandates and assure program compliance and accountability. GRF line item 657401, Medicaid in Schools supplements the federal reimbursement (claimed at 50%) it receives for this program in federal Fund 3AF0 line item 657601, Schools Medicaid Administrative Claims.

**C2:7: Student Support and Academic Enrichment (ALI 200634)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3H10 ALI 200634, Student Support and Academic Enrichment	\$25,668,733	\$40,042,720	\$40,042,720
% change	--	56.0%	0.0%

This item provides federal block grant dollars to school districts for a wide range of activities in three broad categories: (1) well-rounded education, (2) safe and drug-free learning environments and healthy students, and (3) effective use of technology. ODE must distribute at least 95% of the state's award for subgrants to local education agencies (LEAs). ODE may set aside up to 5% of the grant award for state activities aligned with its federal Every Student Succeeds Act of 2015 (ESSA) plan.

**C2:8: Rural and Low Income Technical Assistance (ALI 200639)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3Y80 ALI 200639, Rural and Low Income Technical Assistance	\$3,300,185	\$3,600,000	\$3,600,000
% change	--	9.1%	0.0%

This line item provides supplemental federal funds to address the unique needs of rural and low-income school districts that may lack the personnel and resources needed to compete for federal competitive grants or receive federal formula allocations that are too small to be

effective in meeting their intended purpose. The funds must be used to increase academic performance by supplementing activities available under various federal grants.

### **C2:9: Homeless Children Education (ALI 200622)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3EJ0 ALI 200622, Homeless Children Education	\$2,983,632	\$3,295,203	\$3,300,000
% change	--	10.4%	0.1%

This federal grant ensures access to a free and appropriate education for homeless school-age children and youth. The funds support competitive 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.

### **C2:10: Migrant Education (ALI 200620)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3EH0 ALI 200620, Migrant Education	\$2,432,727	\$2,700,000	\$2,700,000
% change	--	11.0%	0.0%

This federal grant supports educational opportunities for migrant children to help reduce the educational disruptions and other problems that result from repeated moves. ODE distributes subgrants to local operating entities, such as school districts and educational service centers, based on the numbers and needs of migrant children, those students at risk of failing, and the availability of other funds to serve migrant children. ODE may use up to 1% of the federal allocation for program administration.

### **C2:11: Education of Exceptional Children (ALI 200624)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3700 ALI 200624, Education of Exceptional Children	\$1,624,424	\$2,000,000	\$2,000,000
% change	--	23.1%	0.0%

These federal funds, provided through the State Personnel Development Grant (SPDG) Program, provide professional development, consultation, and technical assistance for school districts to improve instruction for and performance of students with disabilities. In 2017, Ohio was awarded a new five-year grant that supports evidence-based professional development to improve early language and literacy skills for all students, but particularly those with disabilities, English learners, and other at-risk students.

Specifically, the new initiative has two main goals: (1) train designated regional specialists to increase district and building capacity to implement evidence-based early literacy practices for English learners, system-level coaching, and family and community engagement in ten school districts and (2) train designated administrators and literacy coaches to support teachers' implementation of evidence-based classroom instruction and interventions for students and families through a pilot program involving 15 districts and 25 buildings.

### Category 3: Nonpublic School Support

This category of appropriations provides funding to support chartered nonpublic schools. There are approximately 700 chartered nonpublic schools in Ohio.

#### C3:1: Auxiliary Services (ALI 200511)

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Earmark – College Credit Plus Program	\$1,979,390	\$2,600,000	\$2,600,000
Remainder – Auxiliary Services	\$148,536,240	\$152,339,134	\$152,339,134
GRF ALI 200511 total	\$150,515,630	\$154,939,134	\$154,939,134
% change	--	2.9%	0.0%

#### Auxiliary Services

Auxiliary Services funding provides assistance to chartered nonpublic schools on a per nonpublic-pupil basis to purchase secular textbooks; instructional equipment, including computers and media content; health services; guidance, counseling, and social work services; remedial services; programs for children with disabilities or for gifted children; and mobile units used in the provision of certain services; among other purposes. Funds can also be used to pay for security services and to provide language and academic support services to English learners attending nonpublic schools. ODE may pay these funds directly to a chartered nonpublic school that is not religiously affiliated or does not have a curriculum containing religious content, if the school elects to receive the funds directly. In FY 2019, auxiliary services funding was roughly \$900 per pupil.

#### College Credit Plus Program

The budget earmarks funds to pay for the costs of the CCP Program for participants from nonpublic schools. The CCP Program allows qualified Ohio high school students to take college courses at state expense for both college and high school credit. In FY 2018, 3,314 nonpublic students received funding for 31,417 credit hours out of a total of 44,731 credit hours requested, with upper-class students receiving priority in the number of credits awarded.



### C3:2: Nonpublic Administrative Cost Reimbursement (ALI 200532)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200532, Nonpublic Administrative Cost Reimbursement	\$67,241,077	\$69,997,735	\$69,997,735
% change	--	4.1%	0.0%

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, including the preparation, filing, and maintenance of forms, reports, or records related to state chartering or approval of the school; pupil attendance; transportation of pupils; teacher certification and licensure; and other education-related data. The reimbursement is based on the actual costs from the prior year with a maximum statutory reimbursement rate of \$360 per pupil. The budget permits ODE to make reimbursement payments to a nonpublic school of up to \$446 per student in FY 2020 and FY 2021, notwithstanding the \$360 per student limitation in statute.

### C3:3: Auxiliary Services Reimbursement (ALI 200659)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5980 ALI 200659, Auxiliary Services Reimbursement	\$629,310	\$1,300,000	\$1,300,000
% change	--	106.6%	0.0%

These funds are used to replace and repair mobile units that 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. No transfers have occurred since FY 2013. A portion of the funds may also be used to make payments for chartered nonpublic school students participating in the College Credit Plus Program, although funds have not been used for this purpose in recent years. According to ODE, the appropriation amount for this line item reflects the amount that can be supported based on the available cash balance in the fund.

## Category 4: Curriculum, Assessment, and Accountability

This category of ALIs supports state academic content standards and model curricula, state assessments, and the state school accountability system. The GRF ALI includes earmarks as indicated in the table.

**C4:1: Student Assessment (ALIs 200437 and 200690)**

Fund/ALI/Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200437, Student Assessment	\$58,394,211	\$56,906,893	\$56,948,365
<i>Early Learning Assessment</i>	\$2,168,321	\$2,760,000	\$2,760,000
<i>Advanced Placement test reimbursement</i>	\$0	\$543,168	\$543,168
<i>Remainder – K-12 assessments</i>	\$56,225,891	\$53,603,725	\$53,645,197
Fund 3Z20 ALI 200690, State Assessment	\$9,975,563	\$12,000,000	\$12,000,000
Total Assessment	\$68,369,774	\$68,906,893	\$68,948,365
% change	--	0.8%	0.1%

**Early Learning Assessment**

This earmark specifically supports the state’s work on the early learning assessment. This assessment measures readiness for kindergarten in various areas, including language and literacy, mathematics, social foundations, and physical well-being and motor development.

**Advanced Placement**

This earmark is used to reimburse low-income students for the costs of taking Advanced Placement Tests.

**K-12 assessments**

This funding primarily supports contracts to administer the state’s assessment system, which provides data for the school report cards and teacher evaluation system, among other purposes, as well as the administrative expenses ODE incurs in overseeing the assessments. Fund 3Z20 line item 200690, State Assessment, supports the contract for federally mandated reading and mathematics achievement assessments in grades 3-8 and high school. The budget permits the Director of Budget and Management, at the recommendation of the Superintendent of Public Instruction, to transfer unexpended and unencumbered appropriations from other GRF ALIs in ODE’s budget to item 200437 in order to fully fund the costs of the assessment system, if the specific appropriations are not sufficient.

As discussed in the “**Overview**” section, the budget eliminates the English language arts 1 end-of-course examination for students entering ninth grade after July 1, 2019 (the class of 2023). The budget also requires ODE to seek a waiver from the U.S. Secretary of Education to make algebra 1 – rather than geometry – the primary high school math assessment, and if approved, eliminates the geometry end-of-course examination.

In addition, the budget permits any chartered nonpublic school that participates in state scholarship programs to administer an alternative assessment to the state achievement assessments for students in grades 3-8. The alternative standardized assessment must be approved by ODE, and each chartered nonpublic school must report the results of each assessment administered to students to the Department. Prior law required students who

attend chartered nonpublic schools with a state scholarship (EdChoice, Cleveland, Autism, and Jon Peterson scholarship programs) to take the state achievement assessments.

The budget also permits a chartered nonpublic school to develop a written plan to excuse a student with a disability from taking state assessments if the school, in consultation with the student's parents, determines that an assessment or alternative assessment with accommodations does not accurately assess the student's academic performance and certain other conditions are met.

### **C4:2: Education Management Information System (ALI 200446)**

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
EMIS Grants	\$602,579	\$400,000	\$400,000
Information technology center subsidy	\$725,000	\$725,000	\$725,000
Remainder – EMIS	\$6,631,026	\$6,987,987	\$7,049,415
GRF ALI 200446 total	\$7,958,605	\$8,112,987	\$8,174,415
% change	--	1.9%	0.8%

#### **Education Management Information System**

These funds support the Education Management Information System (EMIS), ODE's primary system for collecting student, staff, course, program, and financial data from Ohio's public schools. The data collected through EMIS are used to determine state and federal performance accountability designations, produce report cards, calculate and administer state funding to schools, and determine federal funding allocations. This line item supports the development and implementation of data standards, the facilitation of data-driven decision making for improving academic achievement, and the ongoing development and enhancement of the Secure Data Center to allow districts to review, analyze, and validate their data in a timely manner.

#### **EMIS grants**

This earmark directs funds to information technology centers (ITCs) to provide EMIS training and professional development for school district personnel across the state.

#### **Information technology center subsidy**

This earmark supports the state's 22 ITCs with the collection and administration of EMIS data, including processing, storing, and transferring data to ensure the effective operation of EMIS. Funds are distributed to ITCs using a per-pupil formula based on the enrollment of member districts.

**C4:3: Accountability/Report Cards (ALI 200439)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200439, Accountability/Report Cards	\$858,775	\$7,517,406	\$7,565,320
Fund 5UC0 ALI 200662, Accountability/Report Cards	\$4,795,599	\$0	\$0
Accountability/Report Cards total	\$5,654,374	\$7,517,406	\$7,565,320
% change	--	32.9%	0.6%

GRF line item 200439, Accountability/Report Cards, supports the development and distribution of report cards for each of 608 school districts, 91 career-technical planning districts, almost 4,000 school buildings (including community, STEM, and vocational schools), and the state overall. About three-fourths of the budget for this work is used to make payments to vendors that assist in the work, including SAS, for the production of value-added reports, the Management Council of the Ohio Education Computer Network (MCOECN), for the teacher student linkage/roster verification process, and Battelle for Kids, which provides training and professional development on value-added reports.

In the FY 2018-FY 2019 biennium, this line item worked in conjunction with Fund 5UC0 line item 200662, Accountability/Report Cards. These non-GRF funds, which were supported by cash transfers of \$5.0 million each fiscal year from the Teacher Certification Fund (Fund 4L20), contributed the bulk of support for report card and accountability-related activities. The budget moves funding for this activity solely to the GRF, as had been the case prior to FY 2018. While the preceding table appears to indicate a substantial increase in overall funding between FY 2019 and FY 2020, it does not take into account federal funds that ODE drew down to supplement the GRF and state non-GRF resources specifically appropriated in the FY 2018-FY 2019 biennium. Notably, federal funds were supporting both the teacher student linkage/roster verification process and the contract for value-added report production. According to ODE, these federal funds will not be available in the FY 2020-FY 2021 biennium. Overall, the FY 2019 budget for accountability and report card activities, when including federal funds, is \$7.4 million.

The budget changes the grading scale used to determine letter grades assigned for the report card's value-added progress dimension. The State Board of Education may award a district or building an overall value-added progress dimension grade of "A" if the grades for the district or building's subgroup value-added dimension score is a "C" or higher, instead of a "B" or higher as under prior law. The budget also establishes a study committee to evaluate how performance measures, components, and the overall grade on the state report card are calculated and to report its findings to the General Assembly by December 15, 2019.

**C4:4: Academic Standards (ALI 200427)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200427, Academic Standards	\$3,506,445	\$4,434,215	\$4,483,525
% change	--	26.5%	1.1%

This line item supports the development and dissemination of state academic standards and model curricula to school districts, including payroll and benefits of staff who support these activities. It also funds professional development programs for teachers and the functions of the Office of Curriculum and Assessment to provide technical support to ensure effective use of Ohio's Learning Standards for effective instructional practice. The learning standards detail the skills expected of students to demonstrate mastery of the various subjects at different grade levels. H.B. 166 adds computer coding as an additional unit of instruction that can be applied to a district's foreign language requirement for graduation.

**C4:5: Policy Analysis (ALI 200424)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200424, Policy Analysis	\$432,211	\$458,232	\$457,676
% change	--	6.0%	-0.1%

This line item funds research and data collection related to education policy analysis. It supports two staff positions and some research – though ODE-funded research is generally paid from other ALIs. Additionally, these funds support the development of reports, analyses, and briefings that inform education policymakers of current trends in education practice, efficient and effective resource allocation, and evaluation of programs to improve educational outcomes. This line item also funds analytical support for all components of the state school accountability system, including Schools of Promise, which are the state's high-performing, high-poverty schools.

**C4:6: National Education Statistics (ALI 200685)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5U20 ALI 200685, National Education Statistics	\$149,879	\$170,675	\$175,000
% change	--	13.9%	2.5%

This federal funding, deposited into Fund 5U20, supports the collection of state and local education statistics that must be reported to the National Center for Education Statistics (NCES). These funds also support the position of the National Assessment of Education Progress (NAEP) state coordinator. NAEP is a nationally representative student assessment. State participation is mandatory.

## Category 5: Early Childhood Education

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

### C5:1: Early Childhood Education (ALI 200408)

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Early childhood support and technical assistance	\$1,345,857	\$1,362,336	\$1,362,336
Remainder – Early childhood education grants	\$61,738,662	\$66,754,453	\$66,754,453
GRF ALI 200408 total	\$63,084,519	\$68,116,789	\$68,116,789
% change	--	8.0%	0.0%

#### Early childhood education grants

This funding supports early childhood education programs that provide educational services for children from families with incomes below 200% of the federal poverty level. Since FY 2018, funding has been prioritized for children who are at least four years old but not yet eligible for kindergarten. However, if an early childhood education provider had remaining funding after awards were made for eligible four year olds, the provider may seek approval from ODE to consider qualified three year olds eligible for funding. However, the budget prohibits a community school that operates a preschool program that uses the Montessori method as its primary method of instruction from receiving early childhood education grant funds for children under four years old. Instead, the payment for each such student is equal to the formula amount (\$6,020) and distributed from an earmark of GRF line item 200550, Foundation Funding.

Under the budget, the GRF will fund up to 16,689 children in FY 2020 and FY 2021 at a cost of \$4,000 per child, the same number of slots funded in FY 2019. An additional 1,250 slots are supported by \$5.0 million in casino operator settlement fund moneys appropriated in Fund 5KT0 line item 600696, Early Childhood Education, in the Ohio Department of Job and Family Services (ODJFS) budget. These funds are transferred to Fund 4V70 line item 200633, Interagency Program Support, in FY 2020 and FY 2021. Overall, about 17,900 early childhood education slots will continue to be funded in the FY 2020-FY 2021 biennium.

A district may self-operate or may contract with a Head Start agency, a chartered nonpublic school, or a licensed child care provider to provide early childhood education services. These programs must align their curricula to the early learning program standards developed by ODE, administer diagnostic assessments prescribed by ODE, require all teachers to attend at least 20 hours of professional development every two years, report child progress in meeting the program standards, and participate in Ohio's tiered quality rating and improvement system. Since FY 2016, ODE has worked to develop a joint process with ODJFS synchronizing early childhood education program eligibility, application, tracking, and payments. The budget requires ODE and ODJFS to continue aligning the programs.

### Early childhood support and technical assistance

ODE uses this funding 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 for item 200408 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.

The budget also requires ODE, in consultation with ODJFS and stakeholder groups determined appropriate by ODE, to prepare a report that includes a review of early child initiatives in Ohio, including preschool, Head Start, and other early learning opportunities, and information regarding how other states support early learning opportunities. ODE must complete its study by December 31, 2020.

#### C5:2: Child Care Licensing (ALI 200442)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200442, Child Care Licensing	\$1,741,447	\$2,156,322	\$2,227,153
% change	--	23.8%	3.3%

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 developmental disabilities boards. ODE licenses and monitors roughly 1,700 child care programs across the state. According to ODE, case load ratios are about 1:200. The Department indicates the increased funding will be used for projected salary and benefit increases for existing staff.

#### C5:3: Interagency Program Support (ALI 200633)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 4V70 ALI 200633, Interagency Program Support	\$333,778	\$5,497,938	\$5,500,000
% change	--	1,547.2%	0.0%

In FY 2020 and FY 2021, this line item provides \$5.0 million in each fiscal year for preschool slots for low-income children through the early childhood education grant program mainly funded in GRF line item 200408. The funds are received from the Department of Job and Family Services through an intrastate transfer voucher (ISTV) from Fund 5KT0 line item 600696, Early Childhood Education. ODE indicates that this approach allows the Department to more easily make use of the funds. Casino operator settlement fund moneys in Fund 5KT0 have supported preschool slots since FY 2017.

Historically, this line item has supported joint initiatives or collaborations for specific programs or grants that require ODE's support. Funds are received from state agencies for such activities that require ODE support and are deposited into Fund 4V70. The budget allocates about \$500,000 in each fiscal year for those efforts.

### **C5:4: Early Childhood Education (ALI 200661)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3C50 ALI 200661, Early Childhood Education	\$12,590,622	\$12,555,000	\$12,555,000
% change	--	-0.3%	0.0%

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. A portion of the funding may be used for state-level activities.

## **Category 6: School Operations Support**

This category of ALIs includes funding to support expenses related to computer networks, management, food service, and facilities.

### **C6:1: Ohio Educational Computer Network (ALI 200426)**

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Building connectivity	\$9,300,492	\$9,686,658	\$9,686,658
Information technology centers	\$4,843,329	\$4,843,329	\$4,843,329
Remainder – Ohio Educational Computer Network	\$1,057,013	\$927,013	\$927,013
GRF ALI 200426 total	\$15,200,834	\$15,457,000	\$15,457,000
% change	--	1.7%	0.0%

### **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, Internet2, which is a private network connecting schools and universities across the country, and the back-up site for the state network.



### Information technology centers (ITCs)

This funding supports the 22 ITCs that provide computer support, software products, and information services to their member districts, including all but two large urban school districts (Akron and Columbus), community schools, JVSs, and 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.

### 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. It may also be used to support the teacher student linkage/roster verification process, and systems to support electronic sharing of student records and transcripts between entities.

### C6:2: Education Technology Resources (ALI 200465)

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
INFOhio and Union Catalog	\$2,500,000	\$2,500,000	\$2,500,000
Education Technology Centers	\$1,778,879	\$1,778,879	\$1,778,879
Ohio School Digital Literacy Program	\$0	\$200,000	\$200,000
Remainder – Education Technology Resources	\$898,617	\$700,785	\$700,785
GRF ALI 200465 total	\$5,177,496	\$5,179,664	\$5,179,664
% change	--	0.0%	0.0%

### INFOhio and Union Catalog

This earmark 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 and educators. It includes electronic resources specifically geared toward the primary and secondary school student, such as Encyclopedia Britannica, and resources supporting the teaching of state academic content standards. Another recent INFOhio initiative is Open Space, which is an open education resource that gives educators access to free lesson plans, assessments, and other resources. Students also receive access to licensed databases through Library Connects Ohio (LCO), a digital content buying consortium of libraries statewide. According to ODE, participation in LCO results in statewide savings of \$50 million annually. The Union Catalog offers students and teachers anywhere in Ohio access to library and curriculum resources.

### Education Technology Centers

This funding supports educational television stations and education technology centers that provide school districts with instructional resources and services, with priority given to services aligned with the state academic content standards. Resources may include, but are not limited to, prerecorded video material, computer software for student use, live student

courses, automated media systems, and instructional and professional development materials for teachers.

### **Ohio School Digital Literacy Program**

This earmark supports the Ohio School Digital Literacy Program to support digital learning tools, digital resources, technical support, and professional development. The budget specifies the requirements for the program, including providing a K-8 program of study for students to learn essential digital literacy skills such as computer fundamentals, computational thinking, and digital citizenship and online safety.

### **Remainder – Education Technology Resources**

This funding supports oversight for several technology-related initiatives, including administration of the federal E-Rate Program. The funds may also be used for (1) training, technical support, guidance, and assistance with compliance reporting to school districts and public libraries applying for federal E-Rate funds, (2) oversight and guidance of school district technology plans, (3) support to district technology personnel, and (4) support of the development, maintenance, and operation of a network of computer-based information and instructional systems.

### **C6:3: School Management Assistance (ALI 200422)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200422, School Management Assistance	\$2,159,217	\$2,385,580	\$2,408,711
% change	--	10.5%	1.0%

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.

### **C6:4: Community Schools Facilities (ALI 200684)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7017 ALI 200684, Community Schools Facilities	\$16,597,038	\$20,600,000	\$20,600,000
% change	--	24.1%	0.0%

This funding, supported by lottery profits, assists community and STEM schools with the cost associated with facilities. In FY 2019, each brick and mortar school received an amount equal to \$200 per each full-time equivalent student, and internet- or computer-based community schools (e-schools) received \$25 per pupil. The budget increases the per-pupil amount for brick and mortar community schools and STEM schools to \$250 per pupil for FY 2020 and FY 2021.

### C6:5: School District Solvency Assistance (ALI 200687)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5H30 ALI 200687, School District Solvency Assistance	\$0	\$2,000,000	\$2,000,000
% change	--	N/A	0.0%

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 H.B. 650 of the 122<sup>nd</sup> General Assembly. It is now funded through repayments of advances from the shared resource account.

Unlike past budgets that specified the amounts allocated to each account, the budget requires the Superintendent of Public Instruction to determine the allocations. Expenditures from this fund vary from year to year. For example, expenditures were \$4.8 million in FY 2016 before decreasing to \$0 in FY 2017 through FY 2019. The budget continues to permit the Controlling Board to authorize a transfer of lottery profits from the Lottery Profits Reserve Fund (Fund 7018) to the School District Solvency Assistance Fund (Fund 5H30) if the cash in Fund 5H30 is insufficient to provide the needed assistance. The transferred cash is appropriated to appropriation item 200670, School District Solvency Assistance – Lottery. The budget also continues to permit the transfer of cash from the GRF or any other fund used by ODE to Fund 5H30, if necessary.

### C6:6: Commodity Foods (ALI 200608)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 4550 ALI 200608, Commodity Foods	\$223,876	\$1,000,000	\$1,000,000
% change	--	346.7%	0.0%

Beginning in FY 2019, this funding is used by ODE to deliver raw food products to commercial food processing facilities on behalf of sponsors participating in the school lunch and school breakfast programs. Prior to FY 2019, it was used by ODE to contract with commercial food processors to convert bulk or raw United States Department of Agriculture (USDA) commodities into more convenient ready-to-use end products at a reduced cost for school nutrition program sponsors. ODE obtained the donated food from the USDA and charged school districts for the processing and handling. ODE is no longer procuring processed end

products and warehousing these foodstuffs, though it will continue to order USDA foods and distribute them to participating sponsors. The goal of this change is twofold: (1) provide greater freedom for program sponsors to choose desired ready-to-use end products and (2) redirect ODE staff from contract management to providing technical assistance to program sponsors on regulatory compliance. Indeed, ODE expects to exhaust the available cash in Fund 4550 over the next two years, at which point the line item will become inactive.

### **C6:7: Child Nutrition Refunds (ALI 200677)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 5MM0 ALI 200677, Child Nutrition Refunds	\$0	\$550,000	\$550,000
% change	--	N/A	0.0%

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.

### **C6:8: School Lunch Program (ALIs 200505 and 200617)**

School Lunch Program Appropriations			
Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200505, School Lunch Match	\$8,963,500	\$8,963,500	\$8,963,500
Fund 3L60 ALI 200617, Federal School Lunch	\$366,526,694	\$418,643,500	\$430,837,000
School Lunch Program total	\$375,490,194	\$427,607,000	\$439,800,500
% change	--	13.9%	2.9%

These items support the federal National School Lunch Program, which supports over one million meals per day at almost 3,700 sites including public and nonprofit private schools, camps, and institutions. State funds from GRF 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, the state funds may also be used to partially reimburse schools that are required by the state to have a school breakfast program.

### **C6:9: Federal School Breakfast (ALI 200618)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3L70 ALI 200618, Federal School Breakfast	\$128,088,796	\$158,726,966	\$163,350,081
% change	--	23.9%	2.9%

This federal funding allows more than 77 million breakfasts to be served for low-income students at over 3,200 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.

The budget requires ODE to establish a program requiring higher poverty public schools to offer breakfast to all enrolled students either before or during the school day. The program is phased in so that in the first school year following the budget's enactment any public school in which at least 70% of students were eligible for free or reduced-price meals in the prior school year must participate in the program. The budget reduces the participation threshold to 60% in the second school year and to 50% in the third school year and each school year thereafter. However, a school district may choose not to establish this school breakfast program in a school for financial reasons or if it already has a successful breakfast program or partnership in place. ODE must publish a list of qualifying public schools, monitor participating schools, offer assistance in implementing and administering the program, and submit an annual report and student participation data regarding the program.

### **C6:10: Child/Adult Food Programs (ALI 200619)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3L80 ALI 200619, Child/Adult Food Programs	\$98,875,799	\$110,121,168	\$113,328,580
% change	--	11.4%	2.9%

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.

### **C6:11: Summer Food Service Program (ALI 200674)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3GE0 ALI 200674, Summer Food Service Program	\$13,248,708	\$15,599,467	\$16,342,299
% change	--	17.7%	4.8%

This appropriation item distributes federal funding under the USDA's Summer Food Service Program, which reimburses eligible service institutions (referred to as sponsors) that serve free meals to children up to the age of 18 during the summer when schools are closed, during the extended school vacation periods, if the school is closed because of an emergency situation, and if a school is operating a year-round program. Participating sites must be located in areas where at least 50% of the children meet the income eligibility criteria for free and reduced price meals.

**C6:12: School Food Services (ALI 200607)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3670 ALI 200607, School Food Services	\$9,415,350	\$11,469,730	\$11,897,473
% change	--	21.8%	3.7%

This federal funding is used by ODE for administrative support and monitoring of federally funded school food programs. The funds are also used to contract with external reviewers to ensure compliance with federal procurement regulations and to perform operational evaluations of local program sponsors. States are required to meet a minimum level of state investment to receive federal funds. State funds needed to comply with the federal maintenance of effort requirements associated with this grant are expended from GRF line item 200321, Operating Expenses. Fund 3670 also supports a number of small grants to local school districts. In FY 2019, ODE was awarded just over \$900,000 through the National School Lunch Program Equipment Assistance Grant to distribute funding to districts to renovate, replace, or purchase new equipment related to food service.

**C6:13: Fresh Fruit and Vegetable Program (ALI 200676)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3GG0 ALI 200676, Fresh Fruit and Vegetable Program	\$4,441,721	\$4,911,207	\$5,145,074
% change	--	10.6%	4.8%

This appropriation item distributes 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.

**Category 7: Educator Quality**

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

**C7:1: Educator Preparation (ALI 200448)**

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
State system of support assistance	\$300,640	\$339,783	\$339,783
Educator Standards Board	\$61,735	\$67,957	\$67,957
Teach For America	\$450,000	\$2,000,000	\$2,000,000
Bright New Leaders for Ohio Schools	\$0	\$1,000,000	\$1,000,000
FASTER Saves Lives training	\$100,000	\$200,000	\$200,000
Prevention professional development grants for ESCs	\$0	\$1,000,000	\$1,000,000
Credentialing grants to teach computer science	\$0	\$1,500,000	\$0
Credentialing grants to teach CCP courses	\$0	\$3,000,000	\$0
SmartOhio Financial Literacy Program	\$0	\$500,000	\$500,000
Cincinnati Zoo and Botanical Garden	\$0	\$300,000	\$300,000
STEM Educator Professional Development Collaborative	\$0	\$125,000	\$125,000
The Childhood League Center	\$100,000	\$100,000	\$100,000
Remainder – teacher and principal evaluation systems	\$628,915	\$1,652,644	\$1,652,644
GRF ALI 200448 total	\$1,641,290	\$11,785,384	\$7,285,384
% change	--	618.1%	-38.2%

GRF line item 200448, Educator Preparation, includes funding for various earmarks. These earmarks are listed in the table above and described briefly below.

**State system of support assistance**

This funding is used by ODE to monitor and support Ohio's state system of support in accordance with the Every Student Succeeds Act. Specifically, ODE will use the funds to support school improvement for struggling schools through data analysis, needs assessment, and assistance with 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. These funds are used in conjunction with the \$3.5 million annual set-aside for ESC school improvement initiatives in GRF line item 200550, Foundation Funding.

**Educator Standards Board**

This funding is used to support the Educator Standards Board, which is responsible for the development and implementation of statewide standards for Ohio's teachers and principals.

### **Teach For America**

These funds support Teach For America's corps member recruitment, teacher training and development, and the ongoing development and impact of Teach For America alumni working in Ohio.

### **Bright New Leaders for Ohio Schools**

This funding is used to provide an alternative path for individuals to receive training and development in the administration of primary and secondary education and leadership, enable those individuals to earn degrees and obtain licenses in public school administration, and to promote the placement of those individuals in public schools that have a poverty percentage greater than 50%. In the FY 2018-FY 2019 biennium, \$1.5 million in each fiscal year was earmarked for the program from GRF line item 200550, Foundation Funding.

The budget eliminates a provision of law that established the nonprofit corporation that initially created and implemented the Bright New Leaders for Ohio Schools Program and instead establishes the Ohio State University Fisher College of Business and College of Education and Human Ecology as the administrators for the program. The budget also requires the State Board of Education to issue a professional administrator license for grades pre-kindergarten through 12 to individuals who successfully complete the program, instead of an alternative principal or administrator license as under prior law.

### **FASTER Saves Lives training**

These funds support FASTER Saves Lives training for selected school staff for the purpose of stopping active shooters and treating casualties.

### **Prevention professional development grants for ESCs**

This funding will be used by ODE, in consultation with the Department of Mental Health and Addiction Services, to award professional development grants to ESCs to train educators and related school personnel in the model and tenants of prevention of risky behaviors, including substance abuse, suicide, bullying, and other harmful behaviors.

### **Credentialing grants to teach computer science**

These funds will be used by ODE, in consultation with the Department of Higher Education, to provide awards to support coursework and content testing fees for teachers to receive credentialing to teach computer science. The funding will be paid directly to teachers in the form of reimbursements. The budget gives priority first to teachers who agree to teach at least one remote computer science course at schools that lack access to computer science teachers. Second priority will be given to teachers assigned to schools with greater than 50% of students classified as economically disadvantaged and with limited or no teachers credentialed to teach computer science. Teachers must use the awards within two years of receiving the funds.

### **Credentialing grants to teach College Credit Plus courses**

This funding will be used by ODE, in consultation with the Department of Higher Education, to provide awards to support graduate coursework for high school teachers to earn credentialing to teach CCP courses in a high school setting. Priority will be given to education



consortia that include a public or private Ohio college and economically disadvantaged high schools with limited or no teachers credentialed to teach CCP courses. Teachers must use the awards within two years of receiving the funds.

### **SmartOhio Financial Literacy Program**

These funds will be used to support the SmartOhio Financial Literacy Program at the University of Cincinnati.

### **Cincinnati Zoo and Botanical Garden**

This funding will be distributed to the Cincinnati Zoo and Botanical Garden to support the zoo's educational programming and scholarships for economically disadvantaged students.

### **STEM Educator Professional Development Collaborative**

These funds will be distributed to the PAST Foundation for the STEM Educator Professional Development Collaborative to provide professional development and strategic training for teachers in STEM fields tailored to each region of the state.

### **Childhood League Center**

These funds are distributed to The Childhood League Center to provide intensive early intervention and educational services in Franklin County, to support the Play and Language for Autistic Youngsters (PLAY) Project in underserved counties, and to provide services and training for providers and families.

### **Remainder – teacher and principal evaluation systems**

This funding supports the implementation of the teacher and principal evaluation systems, including the continued incorporation of value-added reports. S.B. 216 of the 132<sup>nd</sup> General Assembly required the State Board of Education to revise the state framework for the Ohio Teacher Evaluation System and to adopt the revised framework by May 1, 2020. The budget provides an additional \$1.0 million in each fiscal year over FY 2019 funding to implement the changes required by S.B. 216. According to ODE, the additional funds will be used to create new training material, revise and update the credentialing system, support district pilots, work with the software vendor to update and realign the system, develop and deploy training, develop train-the-trainer programs, and provide support and assistance to the field.

## **C7:2: Teacher Certification and Licensure (ALI 200681)**

<b>Fund/ALI</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>
Fund 4L20 ALI 200681, Teacher Certification and Licensure	\$12,015,532	\$13,795,827	\$14,000,000
	% change	--	14.8%
			1.5%

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 DPF Fund 4L20. Fees are \$40 per year on an annualized basis for a four-year resident educator license. Approximately 128,000 licenses are issued annually. According to ODE, about 1,400 cases of educator misconduct are investigated annually, with an average of 575 cases resulting in disciplinary action. In addition to conducting these investigations and hearings, ODE also provides products and services that improve stakeholder awareness, understanding, and practice of professional conduct. The program also administers the Retained Applicant Fingerprint Database Program (RAPBACK) for Ohio educators.

### **C7:3: Improving Teacher Quality (ALI 200635)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3Y60 ALI 200635, Improving Teacher Quality	\$73,986,761	\$85,000,000	\$85,000,000
% change	--	14.9%	0.0%

Most of this federal grant 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. Up to 1% of the state's grant allocation may be used for state administration. Additional portions may be reserved for other state activities, including teacher, principal, and other school leader support or preparation academies.

## **Category 8: Academic Achievement**

This category of ALIs includes funding to support a variety of programs and initiatives designed to improve the academic achievement of Ohio's students and adults without high school diplomas.

### **C8:1: Adult Education Programs (ALI 200572)**

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
22+ Adult High School Diploma Program	\$0	\$6,900,000	\$6,900,000
Remainder – Adult Education Programs	\$9,185,261	\$3,307,674	\$3,307,674
GRF ALI 200572 total	\$9,185,261	\$10,207,674	\$10,207,674
% change	--	11.1%	0.0%

This line item supports various programs that assist individuals who dropped out of school with obtaining a high school diploma or equivalence certificate.

#### **22+ Adult High School Diploma Program**

In the FY 2020-FY 2021 biennium, the budget earmarks over two-thirds of the funding in this line item for the Adult 22+ High School Diploma Program. This program awards locally issued high school diplomas through a participating school district, community school, or two-year college. Providers receive up to \$5,000 annually for each individual enrolled in the

program depending on the extent of the individual's successful completion of high school graduation requirements.

### **Remainder – adult education programs**

Most of the remainder of this line item supports the Adult Diploma Program, which provides the education and training necessary for an individual to earn a state-issued high school diploma and an industry-recognized credential or certificate in an in-demand field. State payments to participating institutions for each student enrolled in an approved program of study are calculated according to a formula providing certain tiers of funding based on the number of hours of technical training required in the student's career pathway training program and the student's grade level upon initial enrollment into the program. This line item also supports a program that provides vouchers to lower the cost of high school equivalency exams for first-time test takers and ODE's operating expenses associated with program administration and evaluation, technical assistance, and research.

### **C8:2: Literacy Improvement (ALI 200566)**

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Read, Baby, Read! Program	\$0	\$100,000	\$100,000
Remainder – Literacy Improvement	\$1,109,857	\$1,352,876	\$1,352,172
GRF ALI 200566 total	\$1,109,857	\$1,452,876	\$1,452,172
% change	--	30.9%	0.0%

These funds support regional literacy professional development teams that are established by ESCs or consortia of ESCs. These teams work to bolster early literacy activities to align state, local, and federal efforts to improve all students' reading success. A portion of this line item's funds are used by ODE to provide oversight and coordination of statewide literacy work through a third grade reading administrator and two Ohio literacy leads. Funds also support the Read, Baby, Read! Program.

### **C8:3: School Climate Grants (ALI 200602)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7017 ALI 200602, School Climate Grants	\$75,922	\$2,000,000	\$2,000,000
% change	--	2,534.3%	0.0%

These funds support competitive grants to traditional school districts and community schools for implementation of positive behavioral interventions and support frameworks or research-based social and emotional learning initiatives. Eligible schools are buildings serving any of grades K-3, with priority geared towards schools with a higher than average percentage of economically disadvantaged students and those with high suspension rates. This line item is

supported by lottery profits. These grants are not to exceed \$5,000 per eligible school building, up to a maximum of \$50,000 per applicant.

#### **C8:4: Accelerate Great Schools (ALI 200614)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7017 ALI 200614, Accelerate Great Schools	\$0	\$1,500,000	\$1,500,000
% change	--	--	0.0%

This line item supports the Accelerate Great Schools public-private partnership that works to provide high quality education to new and existing schools in Cincinnati. In the FY 2018-FY 2019 biennium, funds for Accelerate Great Schools were earmarked through DPF appropriation item 200662, Accountability/Report Cards.

#### **C8:5: Educational Improvement Grants (ALI 200615)**

Earmarks	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Lake and Geauga County Manufacturing K-12 Partnership	\$100,000	\$0	\$0
Remainder – Educational Improvement Grants	\$470,975	\$594,443	\$600,000
Fund 6200 ALI 200615 total	\$570,975	\$594,443	\$600,000
% change	--	4.1%	0.9%

This line item is supported by miscellaneous education grants from private sources. Expenditures are dependent on the number and amount of grants received and are directed towards the grantor's specified purpose.

#### **C8:6: 21<sup>st</sup> Century Community Learning Centers (ALI 200688)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3Y20 ALI 200688, 21 <sup>st</sup> Century Community Learning Centers	\$40,176,408	\$47,500,000	\$47,500,000
% change	--	18.2%	0.0%

These federal funds provide grants to school districts and community and faith-based organizations to create community learning centers that provide academic enrichment and a wide variety of additional services for children, with particular emphasis on students in low-performing, high-poverty schools. Grants are awarded on a competitive basis for a five-year period, with a maximum of \$200,000 per year the first three years, and gradually reduced maximum amounts for the final two years. ODE may use up to 2% of the funds for administrative purposes and up to 5% for state-level activities.

**C8:7: School Improvement Grants (ALI 200671)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3AN0 ALI 200671, School Improvement Grants	\$13,022,857	\$17,000,000	\$17,000,000
% change	--	30.5%	0.0%

These federal funds were awarded competitively to the state's lowest performing schools, which were required to implement an evidence-based strategy in one or more key priority areas designated by ODE. This grant program was eliminated by the federal Every Student Succeeds Act of 2015 (ESSA), the most recent reauthorization of the federal Elementary and Secondary Education Act. The last awards, made in 2016, provide funding for up to three or four years and end in FY 2022. Up to 5% of these funds may be used by ODE for administration, evaluation, and technical assistance. In place of the grant program, ESSA requires a state to reserve 7% or more of its federal Title 1, Part A funding allotment for subgrants to schools in need of comprehensive support and accountability.

**C8:8: Striving Readers (ALI 200669)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3FE0 ALI 200669, Striving Readers	\$12,841,794	\$12,507,905	\$12,511,000
% change	--	-2.6%	0.0%

These federal funds support competitive grants to local education providers to advance literacy skills for children from birth to grade 12. The grants support services and activities shown to be effective in improving literacy instruction, including screening and assessment and targeted interventions for those students reading below grade level. Priority is given to providers serving large numbers of students in poverty, students with disabilities, and English learners.

**C8:9: English Language Acquisition (ALI 200689)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3Y70 ALI 200689, English Language Acquisition	\$10,096,230	\$10,500,000	\$10,500,000
% change	--	4.0%	0.0%

These federal funds assist school districts in helping their English learners meet the state's academic content and student achievement standards. These funds help ensure English learners have equal educational opportunities and assist districts to close the achievement gap between these students and their peers. ODE may use 5% of these funds to standardize entrance and exit procedures for English learner status, and provide planning, evaluation, administration, technical, and professional development activities to school districts. In

FY 2019, there were approximately 56,000 students identified as English learners across the state.

### **C8:10: Federal Education Grants (ALI 200649)**

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3HF0 ALI 200649, Federal Education Grants	\$9,275,919	\$7,049,677	\$7,056,327
% change	--	-24.0%	0.1%

This line item consolidates funding for the activities of several federal grants, most of which were formerly funded through separate line items. Grants supported by this line item are briefly described below. Also, in FY 2019, ODE spent about \$6.0 million from this line item in one-time federal funding under the Temporary Emergency Impact Aid for Displaced Students Program, which distributes funding to reimburse school districts for expenses incurred to provide educational services for students displaced by natural disasters during the prior school year.

#### **Project Aware**

Project Aware supports student, teacher, and community engagement with mental health awareness and advocacy in order to create safe and healthy schools. The initiative's focus population is students and families in 30 high-need school districts served by the ESCs in Cuyahoga, Warren, and Wood counties. Grant funds are used by the three ESCs to develop, enhance, or expand systems of support for, and technical assistance to, schools in implementing evidence-based models of behavioral supports to improve student behavioral outcomes and learning conditions for all students.

#### **Neglected and Delinquent Education**

This federal funding 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.

#### **School Climate Transformation**

These federal funds are used by ODE to build and expand the statewide resources and local implementation of a multi-tiered behavioral framework to improve school climate. The recently formed and ODE-sponsored Ohio Positive Behavioral Interventions and Supports (PBIS) Network increases the training, coaching, and resources available to school districts to support PBIS implementation and evaluation. The Ohio PBIS Network is composed of PBIS specialists from each of Ohio's 16 regional State Support Teams (SST). The PBIS Network specialists are integrated into the SSTs and are able to provide multi-tiered behavioral supports in a manner that is coordinated and aligned with other Ohio-specific change and improvement initiatives.

## Head Start Collaboration Project

These federal funds provide funding for the coordination of federal, state, and local policies to support a coordinated early childhood education and child care system. Funds 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.

### Troops to Teachers

A relatively small portion of the line item supports ODE's administrative expenses with respect to the federal Troops to Teachers Program, which assists eligible veterans with the transition to careers in education. According to the Department, its Troops to Teachers office identifies servicemen and servicewomen that have the necessary skills and experience and helps facilitate the process of obtaining teaching certificates and finding employment as a teacher.

### C8:11: Public Charter Schools (ALI 200613)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3T40 ALI 200613, Public Charter Schools	\$763,868	\$7,000,000	\$7,000,000
% change	--	816.4%	0.0%

This federal funding is used by ODE to support planning, design, and initial implementation of high-quality charter schools, known in Ohio as community schools. Grants are made for start-up costs in planning, development, and early implementation phases of community school development.

## Category 9: State Administration

### C9:1: Operating Expenses (ALI 200321)

Earmark	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
FAFSA Completion Program	\$0	\$75,000	\$75,000
Remainder – Operating Expenses	\$14,467,299	\$15,078,032	\$16,490,951
GRF ALI 200321 total	\$14,467,299	\$15,153,032	\$16,565,951
% change	--	4.7%	9.3%

This line item funds personal services, maintenance, and equipment for administrative functions not directly related to one program. This line item also supports the administrative expenses necessary to meet certain federal match or maintenance of effort (MOE) requirements. An earmark supports twelfth grade students in completing the Free Application for Federal Student Aid (FAFSA).

### **C9:2: Information Technology Development and Support (ALIs 200420 and 200606)**

<b>Fund/ALI</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>
GRF ALI 200420, Information Technology Development and Support	\$3,535,719	\$4,004,299	\$4,026,960
Fund 1380 ALI 200606, Information Technology Development and Support	\$6,624,761	\$7,939,104	\$8,047,645
Information Technology Development and Support total	\$10,160,480	\$11,943,403	\$12,074,605
% change	--	17.5%	1.1%

GRF funding in line item 200420 supports development and implementation of information technology solutions to improve ODE's performance and service provision. It also supports data-driven decision making, differential instruction, and web-based application development to communicate academic content standards and curriculum models to schools. GRF line items that cannot fully pay the cost of IT programming access these funds.

Non-GRF funding through line item 200606 supports information technology services for various ODE programs through development and maintenance of network infrastructure and software, purchase of computer software and hardware, project management, program services, and funding for ODE staff and information technology contracts. The item is supported by charges assessed to ODE offices based on usage of IT services and from program offices for specific projects.

### **C9:3: Indirect Operational Support (ALI 200695)**

<b>Fund/ALI</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Appropriation</b>	<b>FY 2021 Appropriation</b>
Fund 4R70 ALI 200695, Indirect Operational Support	\$6,377,238	\$7,856,766	\$7,856,766
% change	--	23.2%	0.0%

This line item supports a variety of administrative functions not directly tied to a specific funding source, including accounting, human resources, grants management, and auditing. Funding for these costs is recouped from the federal government and other various funds used by ODE containing payroll expenses by applying an indirect cost rate that is approved annually by the U.S. Department of Education. Revenue from the indirect charges is then deposited into Fund 4R70 via intrastate transfer voucher (ISTV).



### C9:4: Charges and Reimbursements (ALI 200638)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 4520 ALI 200638, Charges and Reimbursements	\$959,858	\$1,000,000	\$1,000,000
% change	--	4.2%	0.0%

This line item is supported by funds received through fees for products or services provided by ODE, including publications, sponsored conferences, and donations. These funds support the use of materials and facilities for ODE conferences and purposes specified by donations. Additionally, this line item distributes the assets of permanently closed community schools. Once the community school's employees, the employee's retirement funds, and private creditors receive due compensation, the remaining amount is distributed to each resident district in proportion to its share of the community school's total enrollment.

### C9:5: Consolidated Federal Grant Administration (ALI 200645)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 3Z30 ALI 200645, Consolidated Federal Grant Administration	\$9,187,530	\$10,701,635	\$10,900,000
% change	--	16.5%	1.9%

This line item acts as an administrative pool of various federal grant funds, which allows for the consolidation of administrative dollars to effectively manage, administer, and coordinate all grants received under the federal Elementary and Secondary Education Act (ESEA). This line item also supports the dissemination of information regarding model programs and practices, establishing peer-review mechanisms for the various federal grants, training personnel in monitoring these activities, and technical assistance to grant recipients.

## Category 10: Property Tax Reimbursements

This category of ALIs includes reimbursements to school districts for property tax losses due to state tax policy. The two line items used to make the payments are included in the State Revenue Distributions (RDF) section of the budget, which contains appropriations for line items used by several agencies to distribute money to designated recipients under various programs. Each of the funds in the RDF section of the budget is administered by a state agency, but the funds are not included as part of the budget of the administering agency.

### C10:1: Property Tax Reimbursement – Education (ALI 200903)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
GRF ALI 200903, Property Tax Reimbursement – Education	\$1,161,678,777	\$1,197,715,000	\$1,207,908,150
% change	--	3.1%	0.9%

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 JVSs. H.B. 59 of the 130<sup>th</sup> General Assembly eliminated the rollbacks on new property taxes levied after tax year (TY) 2014. This line item also funds the portion of the Homestead Exemption Program for the elderly and disabled payable to school districts. The Homestead Exemption Program includes all homeowners who are 65 years of age or older or who are disabled, and have an Ohio adjusted gross income of \$32,800 or less. Prior to 2007, the homestead exemption was also means-tested. Persons who became eligible for the exemption from 2007 through 2013 were not subject to any income qualifications. H.B. 59 reinstated means-testing for persons who had not received the exemption for TY 2013 and who became eligible for the exemption thereafter. Each homeowner receives an exemption equal to \$8,750 of taxable value (\$25,000 of true value).

### C10:2: Property Tax Replacement Phase Out – Education (ALI 200902)

Fund/ALI	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
Fund 7047 ALI 200902, Property Tax Replacement Phase Out – Education	\$162,559,214	\$135,105,080	\$111,196,773
% change	--	-16.9%	-17.7%

This item supports the payments replacing the loss in school district tax revenues due to both the phase-out of general business tangible personal property (TPP) tax and changes in the taxation of utilities. TPP replacement payments are supported by 13% of receipts from the commercial activities tax, deposited into the School District Tangible Property Tax Replacement Fund (Fund 7047).

The budget largely maintains the prior law mechanisms to phase down the replacement payments. Beginning in FY 2018, fixed-rate operating levy replacement payments are reduced from the prior year’s payment by an amount equal to  $\frac{5}{8}$  of one mill (0.000625) of the average of the total taxable value of the district for TY 2014, TY 2015, and TY 2016. Replacement payments based on emergency levies are phased out over five years, while payments for permanent improvement levies ended after FY 2016.

The budget provides a temporary exception to the phase-down schedule for school districts that have a nuclear power plant in their territory (Benton Carroll Salem Local in Ottawa County and Perry Local in Lake County). In FY 2020 and FY 2021, the replacement payments for those two districts will be equal to the payments received in FY 2017. This provision increases TPP reimbursement payments by a total of \$1.6 million in FY 2020 and \$2.2 million in FY 2021 relative to what they would have been under prior law.

## Cash transfers and fund abolishments

The budget requires the Director of Budget and Management to transfer the cash balance of various funds used by ODE, all but one of which is inactive, to certain other funds at the beginning of FY 2020. Upon completion of each transfer, the budget abolishes the fund from which the cash balance was transferred. The table below lists each fund used by ODE to be abolished and the receiving fund.

Cash Transfer and Fund Abolishment Summary			
Fund to be Abolished		Receiving Fund	
Fund	Fund Name	Fund	Fund Name
5UC0	Accountability/Report Cards	4L20	Teacher Certification
5T30	Gates Foundation Grants	6200	Educational Grants
5RB0	Straight A Fund	6200	Educational Grants
5W20	Head Start Plus/Head Start	GRF	General Revenue Fund
5X90	NGA STEM	6200	Educational Grants
4D10	Ohio Prevention/Education Resource Center	6200	Educational Grants
5KY0	Community Schools Temporary Sponsorship	5KX0	Ohio School Sponsorship Program
6210	Pre-School Foreign Language	6200	Educational Grants
5B10	Child Nutrition Services	GRF	General Revenue Fund
3DL0	IDEA Preschool – Federal Stimulus	GRF	General Revenue Fund