

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Department of Education

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Ohio Facts 2018 – K-12 Education

School Funding Complete Resource

Catalog of Budget Line Items (COBLI)

Appropriation Spreadsheet

LBO Redbook

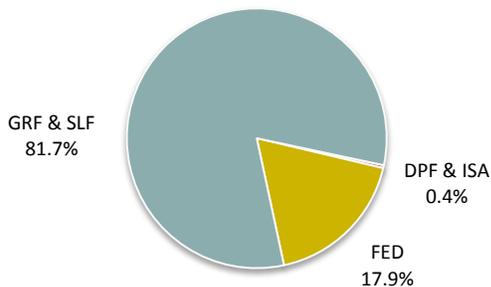
Ohio Department of Education

Quick look...

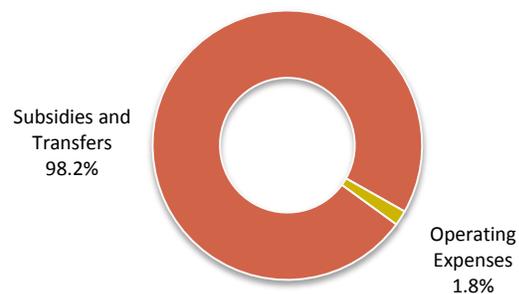
- The Ohio Department of Education (ODE) oversees a K-12 public education system that enrolls approximately 1.7 million students.
- ODE is governed by the State Board of Education consisting of 11 elected and eight appointed members.
- Total proposed budget: \$11.69 billion in FY 2020 and \$11.78 billion in FY 2021.
 - The GRF and lottery profits comprise 81.7% of the total proposed budget.
 - About 98% of ODE’s budget is paid out as subsidy, mainly in the form of school foundation aid.
- The proposed 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 \$250 million in FY 2020 and \$300 million in FY 2021 in proposed Student Wellness and Success Funds (SWSF).
 - SWSF must be used for certain services that address nonacademic barriers to student success.

Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
General Revenue	\$7,994,050,683	\$8,117,761,609	\$8,431,827,487	\$8,441,662,073
Lottery	\$1,111,537,056	\$1,113,630,000	\$1,126,000,000	\$1,177,000,000
Other state non-GRF	\$57,061,814	\$38,682,514	\$42,954,753	\$43,279,411
Federal	\$1,829,824,357	\$2,056,824,289	\$2,093,937,196	\$2,115,861,054
Total	\$10,992,473,910	\$11,326,898,412	\$11,694,719,436	\$11,777,802,538
% change	--	3.0%	3.2%	0.7%
GRF + Lottery	\$9,105,587,739	\$9,231,391,609	\$9,557,827,487	\$9,618,662,073
% change	--	1.4%	3.5%	0.6%

**Chart 1: ODE Budget by Fund Group
FY 2020-FY 2021 Biennium**



**Chart 2: ODE Budget by Expense Category
FY 2020-FY 2021 Biennium**



Biennial total: \$23.47 billion

Overview

Agency overview

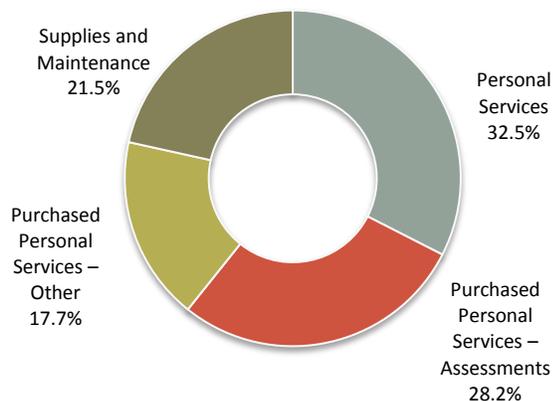
The Ohio Department of Education (ODE) oversees a public education system consisting of 610 public school districts, 49 joint vocational school districts (JVSDs), and approximately 325 public community and STEM schools. This system enrolls approximately 1.7 million students in grades K-12 and graduates 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 proposal" section of this Redbook.

Appropriation summary

The executive budget provides total appropriations of \$11.69 billion in FY 2020 and \$11.78 billion in FY 2021 for ODE. The preceding table and Chart 1 shown on the "Quick look" section present the executive recommended appropriations by fund group. As Chart 1 shows, appropriations from the GRF and State Lottery Fund (SLF) Group make up a majority of ODE's funding for the biennium at 81.7%. Federal funds account for the next largest portion at 17.9%. The Dedicated Purpose Fund (DPF) Group and the Internal Service Activity (ISA) Fund Group account for the remaining 0.4%.

Chart 2 on the "Quick look" section shows the executive recommended appropriations by object of expense. About 98% of ODE's budget is paid out as subsidies, mainly to traditional school districts, but also to JVSDs, community schools, ESCs, chartered nonpublic schools, and other education providers. ODE retains approximately \$429.4 million (1.8%) of its total recommended budget for the biennium at the state level for operating expenses used for personal services, purchased services, and supplies and maintenance. Chart 3 shows the breakdown of the \$429.4 million retained at the state level for ODE's operating expenses over the FY 2020-FY 2021 biennium. As seen from the chart, personal services, including salaries, benefits, and various other payroll-related charges, account for \$139.6 million (32.5%) of the funds expended at the state level. Purchased personal service spending on contracts to run the state's assessment system accounts for \$121.2 million (28.2%) of the

**Chart 3: ODE Operating Expenses by Category
FY 2020-FY 2021 Biennium**

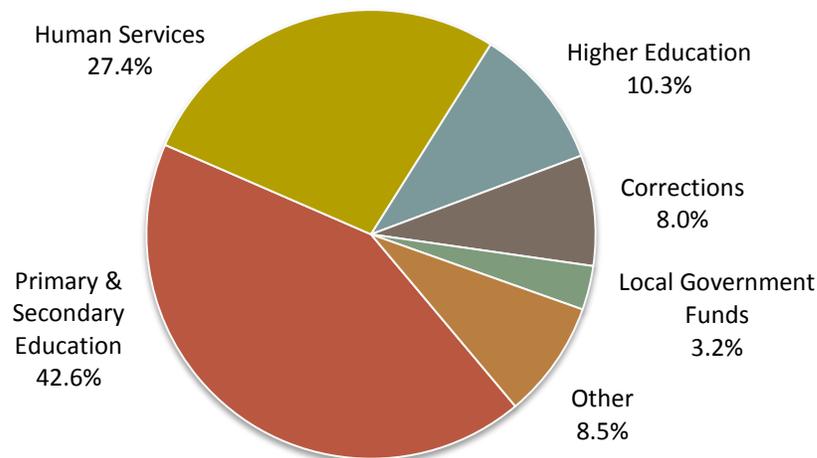


operating expense total while purchased personal service spending on other contracts account for \$76.1 million (17.7%) of the total. The remaining \$92.5 million (21.5%) is allocated to supplies and maintenance.

Primary and secondary education share of the state GRF budget¹

The four major spending areas of the state budget are: primary and secondary education, human services, higher education, and corrections. The executive GRF budget recommendations total \$52.81 billion for the FY 2020-FY 2021 biennium. Chart 4 shows these recommendations broken down by the four major spending areas as well as spending allocated to local government funds and all other areas. Under the executive budget, spending on primary and secondary education continues to be the largest spending area at 42.6% of the executive recommendations. The proportions for the other areas of spending are: 27.4% for human services, 10.3% for higher education, 8.0% for corrections, 3.2% for local government funds, and 8.5% for all other areas.

**Chart 4: State-Source GRF Appropriations by Program Area
FY 2020-FY 2021 Biennium**



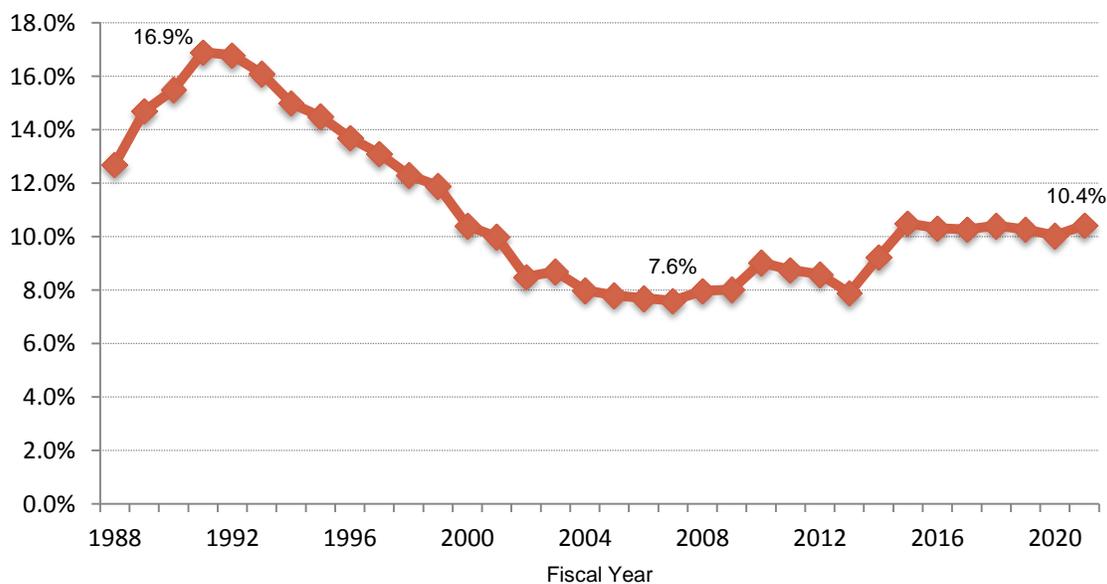
Lottery profits and state spending on education

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.

¹ For this section, the state GRF budget includes allocations from the General Revenue Fund (GRF), as well as from the local government funds (LGFs), and the Lottery Profits Education Fund (LPEF) but does not include spending reimbursed by the federal government.

Chart 5 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 earnest in FY 2014, which along with other factors, significantly increased lottery profits. In FY 2015, lottery profits spending on primary and secondary education spending reached a recent peak of 10.5%. Recently, the percentage has stabilized at a little over 10%, a trend that is expected to continue in each year of the upcoming biennium. 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. From FY 1988 to FY 2018, total state GRF and lottery spending on primary and secondary education increased by \$7.23 billion (210.0%). Of this growth, \$675.9 million (9.3%) was provided by the lottery. The executive budget increases lottery profits spending by \$12.4 million (1.1%), to \$1.13 billion, in FY 2020 compared to the FY 2019 estimate and by an additional \$51.0 million (4.5%) to \$1.18 billion in FY 2021.

Chart 5: 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 executive budget provides every traditional school district and JVSD with the same amount of foundation aid the districts received in FY 2019. Currently, the foundation aid allocation for traditional districts for FY 2019 is estimated at \$8.07 billion statewide while the allocation for JVSDs, which are funded separately from traditional districts, is estimated at \$304.5 million.

Deductions and transfers

Under current law, continuing in the executive proposal, all 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 executive budget continues these transfers, but 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, must be the same per-pupil amounts deducted and paid for FY 2019.

Other payments

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 current system of funding public schools in Ohio, including state, local, and federal revenues, please refer to the “**School Funding Complete Resource**” section of this document.

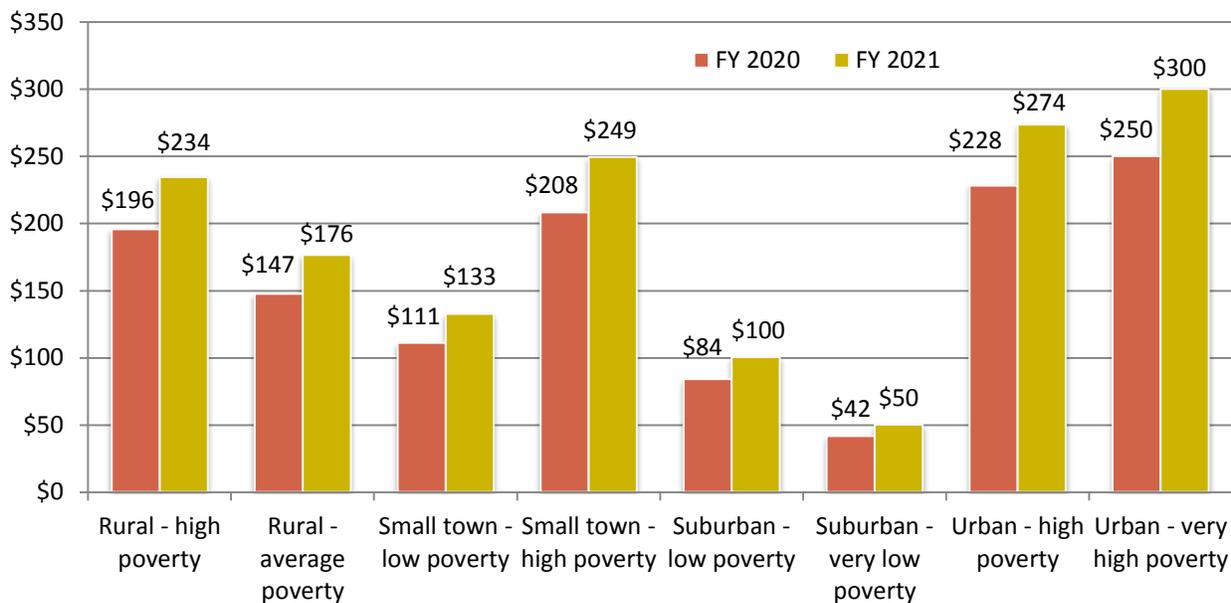
Student wellness and success funds

In addition to school foundation payments, the executive proposal provides \$250 million in FY 2020 and \$300 million in FY 2021 to support the creation of the Student Wellness and Success Funds (SWSF) initiative. The funding will be distributed directly to school districts, JVSDs, community schools, and STEM schools. The amount distributed is based on the number of students the district or school educates and according to a sliding scale based on federal census poverty data. Under the executive proposal, schools 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 \$25 to \$300 per pupil in FY 2021. Every school district, JVSD, community school, and STEM school is guaranteed to receive a minimum of \$25,000 in FY 2020 and \$30,000 in FY 2021. 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	\$223.6	\$268.0
Community and STEM schools	\$20.0	\$24.0
JVSDs	\$6.3	\$7.6
Total	\$250.0	\$299.6

Chart 6 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 \$148 in FY 2020 and \$177 in FY 2021.

Chart 6: Estimated Average Student Wellness and Success Funds Per Pupil by District Type, FY 2020-FY 2021



The executive 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 executive proposal 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.

Quality community schools support

The Governor's 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 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 designation is based on certain criteria, which include report card grades, sponsor ratings, and other factors. Under the executive proposal, 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 executive proposal 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 upfront (eliminating the possibility of out-of-pocket costs for students);
- \$12.5 million each fiscal year for the Innovative Workforce Incentive Program, which will make 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.

Interventions for low-performing school districts

The bill creates a tiered system of additional support for low-performing school districts. A district that receives an overall state report card grade of "F," receives a designation of "substantial and intensive support" status, which includes various improvement actions. A district in that status for at least two consecutive years is subject to a variety of interventions that the Superintendent of Public Instruction may choose based on the needs of the district. The bill requires ODE to conduct an academic performance review and resource utilization analysis of a district designated as in substantial and intensive support status. In addition, the Superintendent of Public Instruction must establish and appoint members to several advisory groups for each district in substantial and intensive support status. A school district may appeal the implementation of an intervention. Additional details are provided in the LSC Bill Analysis for H.B. 166 of the 133rd General Assembly.

The bill's system appears somewhat similar to the differentiated accountability system currently managed by the Department pursuant to its plan under the federal Every Student Succeeds Act (ESSA). Currently, Ohio places districts into one of four support categories depending on its academic performance (from high to low): Independent Support, Moderate

Support, Intensive Support, and Academic Distress Commission. According to ODE, each category of support receives a distinct package of supports from the Department that correspond to improvement needs. A school district is designated in Intensive Support status if it receives an overall grade of “F” on the report card or meets certain other conditions. The Department indicates that a district in Intensive Support must conduct a needs assessment to identify areas of critical need. The information from the needs assessment and stakeholder input drives the development of a three-year continuous improvement plan that includes evidence-based strategies.

Academic distress commissions

The executive proposal makes substantial changes to the laws governing academic distress commissions (ADCs). The establishment of an ADC would no longer be mandatory for certain underperforming districts. Instead, establishing an ADC is one option among many school intervention models the Superintendent of Public Instruction may choose for a school district with three consecutive overall “F” grades (the criteria that currently triggers an ADC).

While ADCs are still an option under the executive proposal, the proposal changes the composition of an ADC, eliminates some ADC duties, provides district boards with more input, and limits the authority of the commission’s chief executive officer (CEO), among other changes. Furthermore, if a school district already has an ADC established on the effective date of the bill, the Superintendent of Public Instruction may choose to continue with the commission already in place or select a different improvement intervention plan. Currently, three districts have an established ADC: Youngstown City School District, Lorain City School District, and East Cleveland City School District. Under current law, ODE anticipates up to four additional districts becoming subject to an ADC over the next two years.

Annual reporting of behavioral prevention initiatives

The executive proposal 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.

Analysis of FY 2020-FY 2021 budget proposal

Introduction

This section provides an analysis of the Governor’s recommended 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 estimated expenditures for FY 2019 and recommended appropriations for FY 2020 and FY 2021 are listed in a table. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described.

Categorization of ODE’s Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget Proposal

Fund	ALI	ALI Name	Category
General Revenue Fund Group			
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	C1:4 Basic Public School Support

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

Fund	ALI	ALI Name		Category
GRF	200465	Education Technology Resources	C6:2	School Operations Support
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	C6:10	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	C1:2	Basic Public School Support
GRF	200574	Half-Mill Maintenance Equalization	C1:3	Basic Public School Support
GRF	200598	Innovative Shared Services at Schools	C6:4	School Operations Support
GRF	657401	Medicaid in Schools	C2:4	Educational Enhancements
Dedicated Purpose Fund Group				
4520	200638	Charges and Reimbursements	C9:4	State Administration
4550	200608	Commodity Foods	C6:5	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	C6:6	School Operations Support
5KX0	200691	Ohio School Sponsorship Program	C1:5	Basic Public School Support
5MM0	200677	Child Nutrition Refunds	C6:8	School Operations Support
5U20	200685	National Education Statistics	C4:6	Curriculum, Assessment, and Accountability
6200	200615	Educational Improvement Grants	C8:4	Academic Achievement
Internal Service Activity Fund Group				
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
State Lottery Fund Group				
7017	200602	School Climate Grants	C8:3	Academic Achievement
7017	200612	Foundation Funding	C1:1	Basic Public School Support

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

Fund	ALI	ALI Name	Category
7017	200631	Quality Community Schools Support	C1:5 Basic Public School Support
7017	200684	Community School Facilities	C6:5 School Operations Support
Federal Fund Group			
3670	200607	School Food Services	C6:13 School Operations Support
3700	200624	Education of Exceptional Children	C2:9 Educational Enhancements
3AF0	657601	Schools Medicaid Administrative Claims	C2:4 Educational Enhancements
3AN0	200671	School Improvement Grants	C8:6 Academic Achievement
3C50	200661	Early Childhood Education	C5:4 Early Childhood Education
3EH0	200620	Migrant Education	C2:8 Educational Enhancements
3EJ0	200622	Homeless Children Education	C2:6 Educational Enhancements
3FE0	200669	Striving Readers	C8:7 Academic Achievement
3GE0	200674	Summer Food Service Program	C6:12 School Operations Support
3GG0	200676	Fresh Fruit and Vegetable Program	C6:14 School Operations Support
3HF0	200649	Federal Education Grants	C8:9 Academic Achievement
3HI0	200634	Student Support and Academic Enrichment	C2:5 Educational Enhancements
3L60	200617	Federal School Lunch	C6:9 School Operations Support
3L70	200618	Federal School Breakfast	C6:10 School Operations Support
3L80	200619	Child/Adult Food Programs	C6:11 School Operations Support
3L90	200621	Career-Technical Education Basic Grant	C1:9 Basic Public School Support
3M00	200623	ESEA Title 1A	C1:7 Basic Public School Support
3M20	200680	Individuals with Disabilities Education Act	C1:8 Basic Public School Support
3T40	200613	Public Charter Schools	C8:10 Academic Achievement
3Y20	200688	21st Century Community Learning Centers	C8:5 Academic Achievement
3Y60	200635	Improving Teacher Quality	C7:3 Educator Quality
3Y70	200689	English Language Acquisition	C8:8 Academic Achievement
3Y80	200639	Rural and Low Income Technical Assistance	C2:7 Educational Enhancements
3Z20	200690	State Assessments	C4:1 Curriculum, Assessment, and Accountability
3Z30	200645	Consolidated Federal Grant Administration	C9:5 State Administration
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 include the major sources of state and federal formula driven support for all public school students.

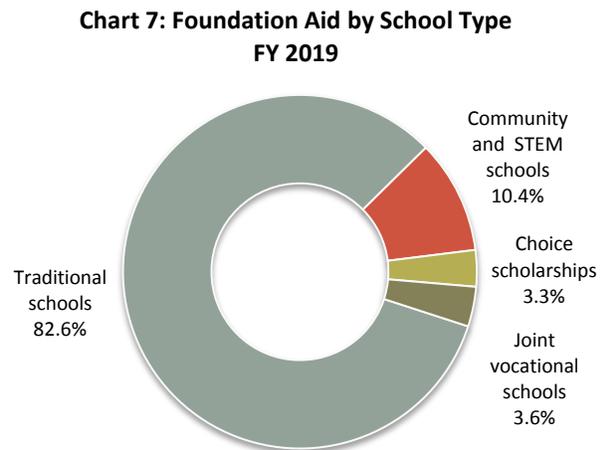
C1:1: Foundation funding (ALIs 200550, 200502, and 200612)

Excluding the specific earmarks (which are discussed in sections that immediately follow this discussion), 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, the same amount appropriated for the payments in FY 2019.

Foundation Aid Appropriations			
Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200550, Foundation Funding			
Earmarks	\$125,000,000	\$374,422,000	\$424,660,000
Remainder – Foundation aid	\$6,812,228,845	\$6,821,858,845	\$6,770,858,845
GRF ALI 200502, Pupil Transportation			
Earmarks	\$61,308,150	\$61,308,150	\$61,308,150
Remainder – Foundation aid	\$465,821,659	\$465,821,659	\$465,821,659
Fund 7017 ALI 200612, Foundation Funding			
	\$1,087,030,000	\$1,077,400,000	\$1,128,400,000
Total foundation aid	\$8,365,080,504	\$8,365,080,504	\$8,365,080,504
% change	--	0.0%	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. Transportation funds are mostly allocated based on the prior year's costs and either current year ridership or miles driven. The school funding formulas are typically revised every two years during the biennial budget process. As discussed in the "**Overview**" section, the Governor's budget recommends 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. How the current school funding formulas work are discussed in great detail in the attached School Funding Complete Resource.

All public school students are included in their resident district's enrollments for purposes of foundation aid payment calculations. When a student attends a school (a public community school or a nonpublic school through a school choice program) other than the student's resident school, the foundation aid for the student is deducted from the resident district and transferred to the school where the student is enrolled. Chart 7 shows the distribution of FY 2019 school foundation aid by school type. About 83% of foundation aid flows to traditional school districts. Community schools receive about 10%, followed by JVSDs (4%) and nonpublic schools through state scholarship programs (3%).



The majority of school choice programs are funded through the foundation aid deduction and transfer mechanism, including public community and STEM schools, open enrollment, the Educational Choice Scholarship Program, the Autism Scholarship Program, the Jon Peterson Special Needs Scholarship Program, and the College Credit Plus (CCP) Program. The state also provides some direct funding for choice scholarships through GRF appropriation item 200573, which will be discussed later.

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. In FY 2019, 319 community schools are educating about 103,500 FTE students. 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 but must operate in collaboration with higher education institutions and business organizations. Currently, there are seven STEM schools that are governed independently from any school district. In FY 2019, STEM schools are educating about 3,300 FTE students. The total amount to be transferred for community and STEM schools statewide is estimated at \$871.9 million for FY 2019.

E-school funding study

The executive budget also requires ODE to study and make recommendations on the feasibility of a new funding system for Internet- or computer-based community schools (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.

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 82,500 FTE students are attending schools other than their resident district schools through the open enrollment option and an estimated \$496.5 million in state foundation aid will be 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. Under current law, the maximum scholarship amount is set at \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. The executive budget maintains the maximum scholarship amounts. In FY 2019, about 23,000 students are receiving scholarships amounting to about \$113.3 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 currently paid for directly from GRF line item 200573, EdChoice Expansion, not through a deduction of school district foundation funding.

Autism Scholarship Program

Foundation payments also support the Autism Scholarship Program. Scholarship students are counted in their district's ADM for the purposes of the state funding formula. The amount of the scholarship, the lesser of the total fees charged by the alternative provider or \$27,000, is then deducted from the resident district's state aid and paid to the alternative provider. Currently, 297 providers are registered to participate in the program. In FY 2019, about 3,500 students are receiving scholarships amounting to about \$85.8 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 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. Under current law, 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. Currently, 413 providers are registered to participate. In FY 2019, about 5,900 students are receiving scholarships amounting to about \$63.0 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 are 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 executive budget earmarks \$17.6 million in each fiscal year from CMSD's state aid to pay for the Program. The executive budget sets aside \$1.0 million in each fiscal year from this earmark for CMSD to provide tutorial assistance. In both cases, the amounts are flat with FY 2019 levels.

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 JVS, 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
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	\$40,000,000	\$40,000,000	\$40,000,000
School improvement initiatives – educational service centers	\$3,500,000	\$3,500,000	\$3,500,000
Valuation adjustments/payments for nuclear power plant districts	\$7,000,000	\$7,000,000	\$7,000,000
School choice programs	\$26,400,000	\$26,400,000	\$26,400,000
College Credit Plus for home-instructed students	\$1,500,000	\$1,500,000	\$1,500,000
Private Treatment Facility Project	\$700,000	\$700,000	\$700,000
Bright New Leaders for Ohio Schools	\$1,500,000	\$0	\$0
Academic distress commissions	\$600,000	\$1,172,000	\$1,176,000
Student wellness and success funds	\$0	\$250,000,000	\$300,000,000
Student wellness and success funds – study	\$0	\$350,000	\$0
GRF ALI 200550 Earmark total	\$125,000,000	\$374,422,000	\$424,660,000
% change	--	199.5%	13.4%

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 128th 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. In FY 2018 and FY 2019, high-performing ESCs receive \$26 per pupil, the same amount proposed by the Governor for FY 2020 and FY 2021. An ESC not designated as high performing will continue to receive state per-pupil funding of \$24 as in the current biennium.

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. Due to the Governor's school funding proposal for FY 2020 and FY 2021, this earmark will not support payments under item (1) in FY 2020 and FY 2021, as it does 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.

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. 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 current biennium, any remaining funds after establishing the ADC and compensating the CEO may only 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 executive 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. Currently, three districts are subject to an ADC: Youngstown City School District, Lorain City School District, and East Cleveland City School District. The executive 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 and to allow ODE to provide more technical assistance and support. The executive budget also makes substantial changes to the law governing ADCs, including making them one of a variety of intervention options for a low-performing school district instead of mandatory once a district has received three consecutive overall "F" grades on the report cards. See the "**Overview**" section for additional information.

Student and wellness success funds

As described in the "**Overview**" section, these funds will be distributed directly to school districts, JVSDs, community schools, and STEM schools to provide certain services that address the nonacademic barriers to student success, including mental health services, family engagement and support services, and mentoring. The funds will be distributed based on the number of students the districts or schools educate and 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 \$25 to \$300 per pupil in FY 2021. Every school district, JVSD, and community or STEM school is guaranteed to receive a minimum of \$25,000 in FY 2020 and \$30,000 in FY 2021. Payments to site-based community and STEM schools and JVSDs are based on the per-pupil amount for the student's resident district. E-schools receive a flat amount equal to the minimum for traditional districts and JVSDs.

Student wellness and success funds – study

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

GRF ALI 200502, Pupil Transportation, Earmarks			
Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Bus driver training	\$838,930	\$838,930	\$838,930
Special education transportation	\$60,469,220	\$60,469,220	\$60,469,220
ALI 200502 Earmark total	\$61,308,150	\$61,308,150	\$61,308,150
% change	--	0.0%	0.0%

GRF line item 200502, Pupil Transportation, also includes funding for various 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: EdChoice Expansion (ALI 200573)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200573, EdChoice Expansion	\$47,700,000	\$57,223,340	\$71,017,418
% change	--	20.0%	24.1%

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 executive budget continues to phase in additional grades under continuing law by increasing the funding to account for eligible students in the sixth and seventh grades in FY 2020 and FY 2021, respectively. 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 about 16,000 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.

C1:3: Half-Mill Maintenance Equalization (ALI 200574)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200574, Half-Mill Maintenance Equalization	\$18,652,000	\$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.

C1:4: Community Schools and Choice Programs (ALI 200455)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200455, Community Schools and Choice Programs	\$4,632,602	\$4,867,763	\$4,912,546
% change	--	5.1%	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.

Community school mergers

The executive proposal 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.

C1:5: Quality Community Schools Support (ALI 200631)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 7017 ALI 200631, Quality Community Schools Support	\$0	\$30,000,000	\$30,000,000
% change	--	N/A	0.0%

This funding will be used 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.

C1:6: Ohio School Sponsorship Program (ALI 200691)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 5KX0 ALI 200691, Ohio School Sponsorship Program	\$1,250,000	\$1,250,000	\$1,250,000
% change	--	0.0%	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 is sponsoring 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).

C1:7: ESEA Title 1A (ALI 200623)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3M00 ALI 200623, ESEA Title 1A	\$600,000,000	\$600,000,000	\$600,000,000
% change	--	0.0%	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.

C1:8: Individuals with Disabilities Education Act (ALI 200680)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3M20 ALI 200680, Individuals with Disabilities Education Act	\$445,000,000	\$454,770,591	\$455,000,000
% change		--	2.2%
			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.

C1:9: Career-Technical Education Basic Grant (ALI 200621)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3L90 ALI 200621, Career-Technical Education Basic Grant	\$44,663,900	\$45,946,927	\$46,000,000
% change		--	2.9%
			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 on the table below.

Earmark	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Special education at DD boards and institutions	\$33,000,000	\$33,000,000	\$33,000,000
Parent mentoring programs	\$1,350,000	\$1,350,000	\$1,350,000
School psychology interns	\$3,000,000	\$3,000,000	\$3,000,000
Vocational rehabilitation services	\$3,000,000	\$3,250,000	\$3,500,000
Secondary transition services	\$2,000,000	\$2,000,000	\$2,000,000
Remainder – Preschool special education	\$110,000,000	\$110,000,000	\$110,000,000
GRF ALI 200540 total	\$152,350,000	\$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 executive budget specifies that ODE must compute preschool special education payments using the resident district's state share index for FY 2019. Under the Governor's school funding proposal, the state share index will not be updated for the upcoming biennium.

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 executive 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. The proposed funding will support 60 mentors.

School psychology interns

This funding supports school psychology interns who spend one year in the schools serving students with disabilities and receiving supervised on-the-job training prior to obtaining licensure as school psychologists. The proposed funding will support 100 interns each year.

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 the IWIP. 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
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 JVSs for the cost of an industry-recognized credential or an equivalent certification a student earns. 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 is 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 executive proposal expands the reimbursement program to all students and requires the educating entity to pay upfront for the cost of the credential and claim reimbursement from the state, reducing the credentialing cost burden on noneconomically disadvantaged students. Accordingly, the executive recommendations substantially increase funding for the reimbursements. In FY 2017, high school students earned more than 37,000 credentials. Currently, noneconomically disadvantaged students may pay out-of-pocket for costs associated with obtaining a credential, depending on the policies in place in their district. This is the only circumstance in which a student may pay in order to meet one of the state’s high school graduation pathways.²

Innovative Workforce Incentive Program

These funds will be used to establish and operate the Innovative Workforce Incentive Program (IWIP). OWT will maintain a list of credentials that qualify for the program. ODE will pay each school district, community school, STEM school, and JVS \$1,250 for each qualifying credential earned by a student attending the district or school during each fiscal year. The recommended funding will support full payment for up to 10,000 qualifying credentials each

² In general, current law permits a student to meet the testing requirements necessary to graduate by earning an industry-recognized credential and obtaining at least a certain score on the WorkKeys workforce readiness test. The other options are to earn a certain number of points on high school end-of-course exams or to earn “remediation-free” scores in mathematics and English language arts on the ACT or SAT. The state furnishes the end-of-course exams and pays one time for a student to take one of the two college admissions exams and WorkKeys.

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 will be used to assist school districts, community schools, STEM schools, and JVSs in establishing credentialing programs that qualify for the IWIP. ODE will prioritize senior-only credentialing programs in schools that currently do not operate such programs. Funds can be used for a broad array of expenses including equipment, supplies, facilities, etc. The \$4.5 million allocated for this purpose is based upon a payment of \$10,000 each for an estimated 450 new programs each year. In FY 2018, 432 new credentialing programs were created.

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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Institution career-technical programs	\$2,563,568	\$2,563,568	\$2,563,568
Tech prep expansion grants	\$1,936,474	\$2,686,474	\$2,686,474
High Schools That Work	\$3,000,850	\$3,000,850	\$3,000,850
Agriculture 5th Quarter Project	\$600,000	\$600,000	\$600,000
OhioMeansJobs website	\$550,000	\$550,000	\$550,000
Industry-recognized credential reimbursements	\$750,000	\$0	\$0
Ohio ProStart School Restaurant Program	\$100,000	\$0	\$0
Jobs for Ohio's Graduates	\$100,000	\$0	\$0
VoAg programs	\$162,000	\$0	\$0
GRF ALI 200545 total	\$9,762,892	\$9,400,892	\$9,400,892
% change	--	-3.7%	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 Corrections 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. The executive budget recommends almost \$2.7 million each year for the grants, which, in general, restores funding for the program to the more typical levels appropriated in FY 2018 and prior years.

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. In FY 2019, 115 high schools, 118 middle schools, and 28 career centers act as sites in the HSTW and MMGW initiatives.

Agricultural 5th Quarter Project

The Agricultural 5th Quarter Project provides students in an agricultural education program with a supervised agricultural experience during the summer months. School districts apply to receive either \$2,000 or \$4,000 per instructor per year, depending on how many additional school days the program includes. In FY 2018, this funding allowed over 10,000 students in 90 school districts or JVSs to receive supervised instruction from a total of 138 agricultural educators in courses relative to their projects in agriculture, food, and natural resources.

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.

C2:4: Medicaid in Schools Program (ALIs 657401 and 657601)

Medicaid in Schools Program Appropriations			
Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 657401, Medicaid in Schools	\$297,978	\$297,978	\$297,978
Fund 3AF0 ALI 657601, Schools Medicaid Administrative Claims	\$297,978	\$295,500	\$295,500
Total Medicaid in Schools Program	\$595,956	\$593,478	\$593,478
% change	--	-0.4%	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.

C2:5: Student Support and Academic Enrichment (ALI 200634)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3H10 ALI 200634, Student Support and Academic Enrichment	\$38,792,614	\$40,042,720	\$40,042,720
% change	--	3.2%	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.

C2:6: Rural and Low Income Technical Assistance (ALI 200639)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3Y80 ALI 200639, Rural and Low Income Technical Assistance	\$3,300,000	\$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.

C2:7: Homeless Children Education (ALI 200622)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3EJ0 ALI 200622, Homeless Children Education	\$2,600,000	\$3,295,203	\$3,300,000
% change	--	26.7%	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.

C2:8: Migrant Education (ALI 200620)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3EH0 ALI 200620, Migrant Education	\$2,700,000	\$2,700,000	\$2,700,000
% change	--	0.0%	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.

C2:9: Education of Exceptional Children (ALI 200624)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3700 ALI 200624, Education of Exceptional Children	\$2,000,000	\$2,000,000	\$2,000,000
% change	--	0.0%	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 language 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Earmark – College Credit Plus Program	\$2,600,000	\$2,600,000	\$2,600,000
Remainder – Auxiliary Services	\$147,994,178	\$147,994,178	\$147,994,178
GRF ALI 200511 total	\$150,594,178	\$150,594,178	\$150,594,178
% change	--	0.0%	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 language 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 is roughly \$900 per pupil.

College Credit Plus Program

The executive 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200532, Nonpublic Administrative Cost Reimbursement	\$68,034,790	\$68,034,790	\$68,034,790
% change	--	0.0%	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. However, as in the current biennium, the executive proposal permits ODE to make reimbursement payments to a nonpublic school of up to \$405 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 5980 ALI 200659, Auxiliary Services Reimbursement	\$2,000,000	\$1,300,000	\$1,300,000
% change	--	-35.0%	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 level of recommended funding 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

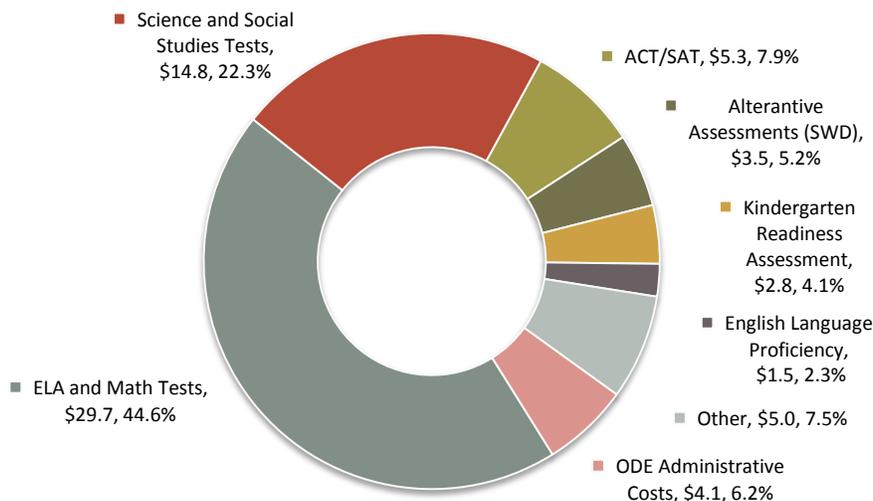
This category of ALIs supports state academic content standards and model curricula, state assessments, and the state school accountability system.

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

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200437, Student Assessment	\$56,025,042	\$56,363,725	\$56,405,197
Fund 3Z20 ALI 200690, State Assessment	\$11,500,000	\$12,000,000	\$12,000,000
Total Assessment	\$67,525,042	\$68,363,725	\$68,405,197
% change	--	1.2%	0.1%

This funding primarily supports contracts to administer the state’s assessment system, which provide 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 10. Chart 8 below summarizes ODE’s assessments budget for FY 2019. In the chart, “Other” includes Ohio Graduation Tests (OGT) for students in the Class of 2017 or earlier who still need to pass the OGT to graduate (\$2.0 million), scoring verification (\$1.8 million), dropout recovery school assessment (\$500,000), Technical Advisory Committee and Assessment and Evaluation Services (\$300,000), translator reimbursements to districts (\$250,000), and the WorkKeys assessment (\$200,000).

**Chart 8: K-12 Assessments Budget (\$ in millions)
FY 2019**



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

Earmarks	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
EMIS Grants	\$400,000	\$400,000	\$400,000
Information technology center subsidy	\$725,000	\$725,000	\$725,000
Remainder – Education Management Information System	\$6,548,848	\$6,987,987	\$7,049,415
GRF ALI 200446 total	\$7,673,848	\$8,112,987	\$8,174,415
% change	--	5.7%	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. According to ODE, the 5.7% increase from FY 2019 to FY 2020 (approximately \$439,000) will primarily support additional salary and benefit expenses for existing employees.

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

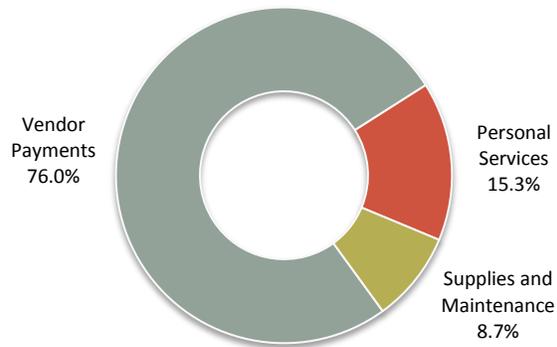
This earmark supports the state's 22 ITCs with the collection and administration of EMIS data, including processing, storing, and transferring data to ensure the effective operation of EMIS. Funds are distributed to ITCs using a per-pupil formula based on the enrollment of member districts.

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

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200439, Accountability/Report Cards	\$927,005	\$7,517,406	\$7,565,320
Fund 5UC0 ALI 200662, Accountability/Report Cards	\$5,000,000	\$0	\$0
Accountability/Report Cards total	\$5,927,005	\$7,517,406	\$7,565,320
% change	--	26.8%	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. As shown in Chart 9, 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.

**Chart 9: GRF ALI 200439 Budget by Expense Category
FY 2020-FY 2021 Biennium**



In the current biennium, this line item works in conjunction with Fund 5UC0 line item 200662, Accountability/Report Cards. These non-GRF funds, which are 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 executive budget proposes funding this activity solely through 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 has drawn down to supplement the GRF and state non-GRF resources specifically appropriated in the current biennium. Notably, federal funds are 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 upcoming biennium. Overall, the FY 2019 budget for accountability and report card activities, when including federal funds, is \$7.4 million.

C4:4: Academic Standards (ALI 200427)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200427, Academic Standards	\$3,894,552	\$4,434,215	\$4,483,525
	% change	--	13.9%
			1.1%

This line item supports the development and dissemination of state academic standards and model curricula to school districts. 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. The executive proposal adds computer coding as an additional unit of instruction that can be applied to a district’s foreign language requirement for

graduation. The primary reasons for the 13.9% increase (approximately \$540,000) from FY 2019 to FY 2020 are payroll and benefits for personnel associated with this line item's activities.

C4:5: Policy Analysis (ALI 200424)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200424, Policy Analysis	\$433,861	\$458,232	\$457,676
% change	--	5.6%	-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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 5U20 ALI 200685, National Education Statistics	\$150,000	\$170,675	\$175,000
% change	--	13.8%	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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Early childhood support and technical assistance	\$1,362,336	\$1,362,336	\$1,362,336
Remainder – Early childhood education grants	\$66,754,453	\$66,754,453	\$66,754,453
GRF ALI 200408 total	\$68,116,789	\$68,116,789	\$68,116,789
% change	--	0.0%	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. Beginning in FY 2018, H.B. 49 prioritized funding 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, H.B. 49 permitted the provider to seek approval from ODE to consider qualified three-year-olds eligible for funding. Under the executive proposed level of funding, 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 currently 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. The executive budget proposes to continue supporting an additional 1,250 slots through moneys in Fund 5KT0. These funds will be 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 upcoming 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 executive 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 executive 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 executive budget requires ODE to conduct an annual survey of each provider to obtain information on any tuition or fees charged by the provider for the program and to provide an annual report regarding early childhood education programs and the early learning program standards.

C5:2: Child Care Licensing (ALI 200442)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200442, Child Care Licensing	\$1,913,927	\$2,156,322	\$2,227,153
% change	--	12.7%	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, current case load ratios are about 1:200. The Department indicates the increased funding in the executive proposal will be used for projected salary and benefit increases for existing staff.

C5:3: Interagency Program Support (ALI 200633)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4V70 ALI 200633, Interagency Program Support	\$500,000	\$5,497,938	\$5,500,000
% change	--	999.6%	0.0%

In FY 2020 and FY 2021, this line item will provide \$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 will be received from the Department of Job and Family Services through an intrastate transfer voucher (ISTV) from Fund 5KT0 line item 600696, Early Childhood Education. Casino operator settlement fund moneys in Fund 5KT0 have supported preschool slots since FY 2017. ODE indicates that the proposed approach in the executive budget will allow the Department to more easily make use of the funds.

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 Governor's proposal continues to allocate about \$500,000 in each fiscal year for those efforts.

C5:4: Early Childhood Education (ALI 200661)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3C50 ALI 200661, Early Childhood Education	\$12,555,000	\$12,555,000	\$12,555,000
% change	--	0.0%	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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Building connectivity	\$9,686,658	\$9,686,658	\$9,686,658
Information technology centers	\$4,843,329	\$4,843,329	\$4,843,329
Remainder – Ohio Educational Computer Network	\$927,013	\$927,013	\$927,013
GRF ALI 200426 total	\$15,457,000	\$15,457,000	\$15,457,000
% change	--	0.0%	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. In FY 2018, these funds subsidized connections to 22 information technology centers (ITCs), over 3,300 district and community school buildings, and 276 chartered nonpublic schools. 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
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
Remainder – Education Technology Resources	\$900,785	\$900,785	\$900,785
GRF ALI 200465 total	\$5,179,664	\$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. According to ODE, in FY 2018, education technology centers delivered more than 1,000 educational sessions to educators and students and logged approximately 100,000 service hours.

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 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200422, School Management Assistance	\$2,131,467	\$2,385,580	\$2,408,711
% change	--	11.9%	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. The recommended funding increase of about \$245,000 in FY 2020 is for an anticipated increase in personnel and related expenses for existing employees.

C6:4: Innovative Shared Services at Schools (ALI 200598)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200598, Innovative Shared Services at Schools	\$0	\$1,000,000	\$1,000,000
% change	--	N/A	0.0%

This new line item supports competitive grants of up to \$100,000 in each fiscal year to traditional school districts, JVSDs, community schools, STEM schools, and educational consortia for projects that aim to achieve significant advancement in the use of a shared services delivery model that demonstrates increased efficiency and effectiveness, long-term sustainability, and scalability. The grants will be awarded by a five-member governing board. The governing board will select grant advisors to evaluate the proposals according to a system established by ODE. The proposed program is very similar to the former Straight A Fund Program, but is focused solely on projects that improve the efficiency of school operations.

C6:5: Community Schools Facilities (ALI 200684)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 7017 ALI 200684, Community Schools Facilities	\$16,600,000	\$16,600,000	\$16,600,000
% change	--	0.0%	0.0%

This funding, supported by lottery profits, assists community and STEM schools with the cost associated with facilities. Currently, each brick and mortar school receives an amount equal to \$200 per each full-time equivalent student. Internet- or computer-based community schools (e-schools) receive \$25 per pupil in each fiscal year. The executive proposal recommends maintaining both of the per-pupil amounts for FY 2020 and FY 2021.

C6:6: School District Solvency Assistance (ALI 200687)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
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 122nd 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 executive proposal 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 and FY 2018. The executive proposal continues to permit the Controlling Board to authorize a transfer of lottery profits from the Lottery Profits Reserve Fund (Fund 7018) to the School District Solvency Assistance Fund (Fund 5H30) if the cash in Fund 5H30 is insufficient to provide the needed assistance. The transferred cash is appropriated to appropriation item 200670, School District Solvency Assistance – Lottery. The executive budget also continues to permit the transfer of cash from the GRF or any other fund used by ODE to Fund 5H30, if necessary.

C6:7: Commodity Foods (ALI 200608)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4550 ALI 200608, Commodity Foods	\$1,025,000	\$1,000,000	\$1,000,000
% change	--	-2.4%	0.0%

This funding is currently 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.

C6:8: Child Nutrition Refunds (ALI 200677)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
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.

C6:9: School Lunch Program (ALIs 200505 and 200617)

School Lunch Program Appropriations			
Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200505, School Lunch Match	\$8,963,500	\$8,963,500	\$8,963,500
Fund 3L60 ALI 200617, Federal School Lunch	\$406,450,000	\$418,643,500	\$430,837,000
School Lunch Program total	\$415,413,500	\$427,607,000	\$439,800,500
% change	--	2.9%	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.

C6:10: Federal School Breakfast (ALI 200618)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3L70 ALI 200618, Federal School Breakfast	\$154,103,850	\$158,726,966	\$163,350,081
% change	--	3.0%	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.

C6:11: Child/Adult Food Programs (ALI 200619)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3L80 ALI 200619, Child/Adult Food Programs	\$106,913,755	\$110,121,168	\$113,328,580
% change	--	3.0%	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.

C6:12: Summer Food Service Program (ALI 200674)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3GE0 ALI 200674, Summer Food Service Program	\$14,856,635	\$15,599,467	\$16,342,299
% change	--	5.0%	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.

C6:13: School Food Services (ALI 200607)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3670 ALI 200607, School Food Services	\$11,884,132	\$11,469,730	\$11,897,473
% change	--	-3.5%	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.

C6:14: Fresh Fruit and Vegetable Program (ALI 200676)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3GG0 ALI 200676, Fresh Fruit and Vegetable Program	\$4,677,340	\$4,911,207	\$5,145,074
% change	--	5.0%	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. In FY 2018, the program provided reimbursement to 23 districts totaling 196 sites, as well as 42 community schools and six chartered nonpublic schools.

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 Estimate	FY 2020 Introduced	FY 2021 Introduced
State system of support assistance	\$339,783	\$339,783	\$339,783
Educator Standards Board	\$67,957	\$67,957	\$67,957
Teach for America	\$450,000	\$2,000,000	\$2,000,000
Bright New Leaders for Ohio Schools	\$0	\$2,500,000	\$2,500,000
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
Remainder – teacher and principal evaluation systems	\$652,644	\$1,652,644	\$1,652,644
The Childhood League Center	\$100,000	\$0	\$0
GRF ALI 200448 total	\$1,710,384	\$12,260,384	\$7,760,384
% change	--	616.8%	-36.7%

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 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 and teacher training and development in an effort to expand the number of corps members to at least 350 teaching corps members per year and the number of school districts served in Ohio by at least five additional school districts by FY 2021.

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 current biennium, \$1.5 million in each fiscal year is earmarked for the program from GRF line item 200550, Foundation Funding.

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 executive proposal 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 currently credentialed to teach computer science. Teachers must use the awards within two years of receiving the funds.

Credentialing grants to teach CCP 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 currently credentialed to teach CCP courses. Teachers must use the awards within two years of receiving the funds.

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 132nd 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)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4L20 ALI 200681, Teacher Certification and Licensure	\$12,853,104	\$13,795,827	\$14,000,000
% change	--	7.3%	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.

Properly certified requirement for community school teachers

The executive 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 executive 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 132nd General Assembly.

C7:3: Improving Teacher Quality (ALI 200635)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3Y60 ALI 200635, Improving Teacher Quality	\$85,000,000	\$85,000,000	\$85,000,000
% change	--	0.0%	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)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200572, Adult Education Programs	\$8,707,674	\$8,707,674	\$8,707,674
% change	--	0.0%	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. These programs include: (1) 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, (2) the Adult 22+ High School Diploma Program, which awards locally issued high school diplomas, and (3) a program that provides vouchers to lower the cost of high school equivalency exams for first-time test takers. In the upcoming biennium, about \$7.8 million (89%) of this line item each year is allocated for subsidy payments for these programs. The remaining \$950,000 (11%) or so is allocated for operating expenses associated

with program administration and evaluation, technical assistance, and research. In FY 2018, over 1,100 individuals graduated high school through the two diploma program options while 5,200 individuals obtained a voucher for a high school equivalency test.

C8:2: Literacy Improvement (ALI 200566)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200566, Literacy Improvement	\$1,253,744	\$1,352,876	\$1,352,172
% change	--	7.9%	-0.1%

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.

C8:3: School Climate Grants (ALI 200602)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 7017 ALI 200602, School Climate Grants	\$2,000,000	\$2,000,000	\$2,000,000
% change	--	0.0%	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: Educational Improvement Grants (ALI 200615)

Earmarks	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Lake and Geauga County Manufacturing K-12 Partnership	\$100,000	\$0	\$0
Remainder – Educational Improvement Grants	\$1,499,999	\$594,443	\$600,000
Fund 6200 ALI 200615 total	\$1,599,999	\$594,443	\$600,000
% change	--	-62.8%	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. FY 2019 estimated expenditures are notably higher than the executive recommendations for the upcoming biennium. In FY 2019, the Controlling Board approved an appropriation increase of \$1.0 million, mainly for the New Skills for Youth grant from JP Morgan Chase Bank. The funding in this phase of the grant supports the SuccessBound Ohio initiative that is designed to deepen connections between education and the workforce by increasing engagement with business and industry, enhancing career-technical education pathways and opportunities leading to industry-recognized credentials, improving career-technical education accountability systems, among other goals.

C8:5: 21st Century Community Learning Centers (ALI 200688)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3Y20 ALI 200688, 21 st Century Community Learning Centers	\$47,500,000	\$47,500,000	\$47,500,000
% change	--	0.0%	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.

C8:6: School Improvement Grants (ALI 200671)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3AN0 ALI 200671, School Improvement Grants	\$17,000,000	\$17,000,000	\$17,000,000
% change	--	0.0%	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.

C8:7: Striving Readers (ALI 200669)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3FE0 ALI 200669, Striving Readers	\$9,978,263	\$12,507,905	\$12,511,000
% change	--	25.4%	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 language learners.

C8:8: English Language Acquisition (ALI 200689)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3Y70 ALI 200689, English Language Acquisition	\$10,101,411	\$10,500,000	\$10,500,000
% change	--	3.9%	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 in assisting 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 are approximately 56,000 students identified as English learners across the state.

C8:9: Federal Education Grants (ALI 200649)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3HF0 ALI 200649, Federal Education Grants	\$11,364,327	\$7,049,677	\$7,056,327
% change	--	-38.0%	0.1%

This line item consolidates funding for the activities of several federal grants that were formerly funded through separate line items. The decrease in recommended funding of over \$4.3 million in FY 2020 is due to the expiration of one-time federal funding received in FY 2019 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. Grants supported by this line item are briefly described below.

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, Ohio's 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.

C8:10: Public Charter Schools (ALI 200613)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3T40 ALI 200613, Public Charter Schools	\$2,031,000	\$7,000,000	\$7,000,000
% change	--	244.7%	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)**

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200321, Operating Expenses	\$14,882,566	\$15,078,032	\$16,490,951
% change	--	1.3%	9.4%

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. According to ODE, the executive recommendations cover projected salary, benefits, and other related expenses for existing positions.

The table below summarizes this item's funding allocation by program.

Program	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Administrative support	\$13,051,038	\$13,103,925	\$14,516,844
Career-technical education state match	\$1,600,000	\$1,745,930	\$1,745,930
State administrative expenses for child nutrition MOE	\$231,528	\$228,177	\$228,177
GRF ALI 200321 total	\$14,882,566	\$15,078,032	\$16,490,951

Administrative support

This portion of the line item funds expenses associated with administrative functions not directly related to one program, such as the Superintendent's office, communications, legal counsel, legislative services and budgetary planning, board relations, policy analysis and research, and internal audit. Administrative expenses related to specific programs generally are funded in the line items that fund those programs.

Career-technical education state match

The line item also provides for the administration of career-technical programs, the spending for which constitutes the state match for the administrative portion of federal career-technical education funds expended through line item 200621, Career-Technical Education Basic Grant.

State administrative expenses for child nutrition MOE

This portion of the line item funds the administrative expenses needed to comply with federal MOE requirements associated with the State Administrative Expenses for Child Nutrition grant. The federal funds from this grant are expended through line item 200607, School Food Services.

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

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200420, Information Technology Development and Support	\$3,807,492	\$4,004,299	\$4,026,960
Fund 1380 ALI 200606, Information Technology Development and Support	\$7,047,645	\$7,939,104	\$8,047,645
Information Technology Development and Support total	\$10,855,137	\$11,943,403	\$12,074,605
% change	--	10.0%	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. The proposed increase in this line item from FY 2019 to FY 2020 is for natural increases in personnel and related expenses.

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. IT costs are expected to increase from FY 2019 to FY 2020. In addition, more IT project costs will be paid from this line item rather than directly from program line items. 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)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4R70 ALI 200695, Indirect Operational Support	\$6,256,766	\$7,856,766	\$7,856,766
% change	--	25.6%	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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 4520 ALI 200638, Charges and Reimbursements	\$1,000,000	\$1,000,000	\$1,000,000
% change	--	0.0%	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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 3Z30 ALI 200645, Consolidated Federal Grant Administration	\$10,168,964	\$10,701,635	\$10,900,000
% change	--	5.2%	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. The RDF section of the budget bill 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
GRF ALI 200903, Property Tax Reimbursement – Education	\$1,171,015,000	\$1,199,315,000	\$1,211,308,150
% change	--	2.4%	1.0%

The state pays 10% of locally levied property taxes for residential and agricultural real property owners and an additional 2.5% for homeowners, thus decreasing property taxes paid by individual property taxpayers in Ohio. These provisions are often referred to as property tax “rollbacks.” This line item funds the rollback reimbursements for school districts and JVSDs. H.B. 59 of the 130th 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 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 7047 ALI 200902, Property Tax Replacement Phase Out – Education	\$163,040,000	\$135,105,080	\$111,196,773
% change	--	-17.1%	-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 currently supported by 13% of receipts

from the commercial activities tax, deposited into the School District Tangible Property Tax Replacement Fund (Fund 7047).

The executive budget largely maintains the current 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 executive 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 be under current law.

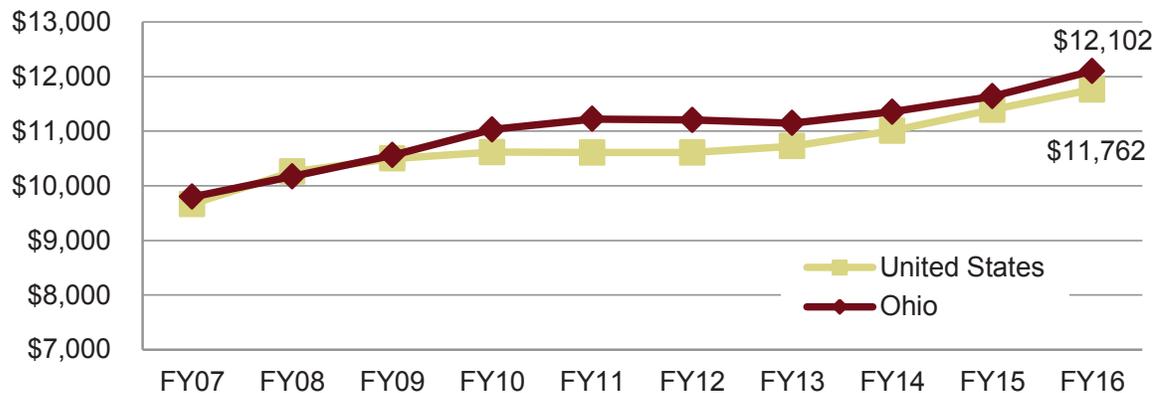
Cash transfers and fund abolishments

The bill 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 bill abolishes the fund from which the cash balance was transferred. The table below lists each fund used by ODE to be abolished, its current cash balance, and the receiving fund. Fund 5UC0 is active, but is likely to have minimal or no cash balance remaining by the end of FY 2019.

Cash Transfer and Fund Abolishment Summary				
Fund to be Abolished			Receiving Fund	
Fund	Fund Name	Cash Balance	Fund	Fund Name
5UC0	Accountability/Report Cards	\$1,968,789	4L20	Teacher Certification
5T30	Gates Foundation Grants	\$426,759	6200	Educational Grants
5RB0	Straight A Fund	\$319,423	6200	Educational Grants
5W20	Head Start Plus/Head Start	\$67,154	GRF	General Revenue Fund
5X90	NGA Stem	\$62,345	6200	Educational Grants
4D10	Ohio Prevention/Education Resource Center	\$55,200	6200	Educational Grants
5KY0	Community Schools Temporary Sponsorship	\$40,228	5KX0	Ohio School Sponsorship Program
6210	Pre-School Foreign Language	\$6,810	6200	Educational Grants
5B10	Child Nutrition Services	\$3,837	GRF	General Revenue Fund
3DL0	IDEA Preschool – Federal Stimulus	< \$1	GRF	General Revenue Fund

Ohio's Public School Per-Pupil Operating Expenditures Continue to Exceed National Average

Per-Pupil Operating Expenditures for Ohio and U.S.



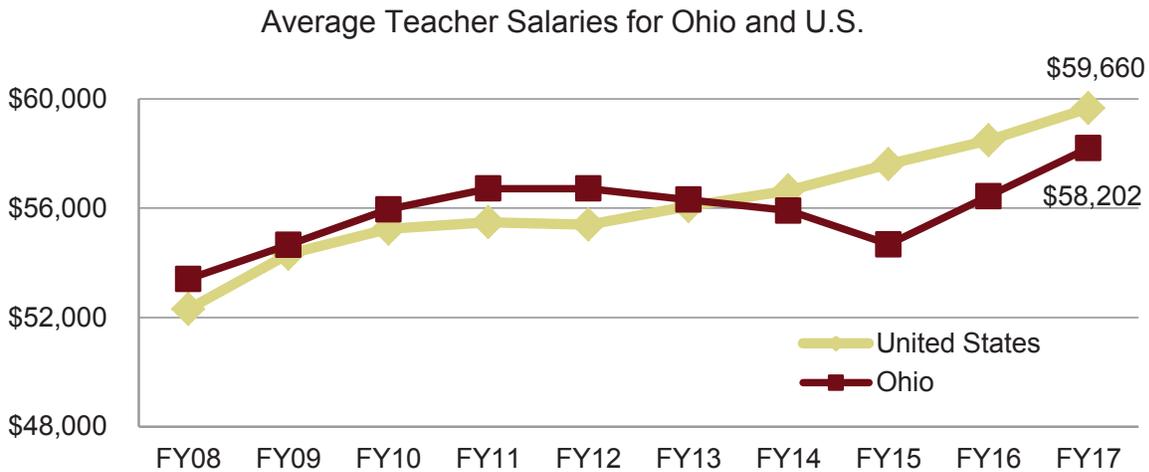
Source: U.S. Census Bureau

- In FY 2016, Ohio's public school per-pupil operating expenditures were \$12,102; this was \$340 (2.9%) above the national average of \$11,762.
- Except for FY 2008, Ohio's per-pupil operating expenditures have exceeded the national average every year since FY 2007. In FY 2008, Ohio's expenditures were less than 1% below the national average.
- During the ten-year period from FY 2007 to FY 2016, Ohio's per-pupil operating expenditures increased by \$2,303 (23.5%) and the national average increased by \$2,096 (21.7%). During the same period, inflation, as measured by the consumer price index (CPI), was 16.7%.
- In FY 2016, Ohio's per-pupil operating expenditures ranked 20th highest in the nation. As shown in the table below, compared to its neighboring states, Ohio's per-pupil operating expenditures were higher than West Virginia, Michigan, Indiana, and Kentucky but lower than Pennsylvania.

Per-Pupil Operating Expenditures for Ohio and Neighboring States, FY 2016

State	National Rank	Per-Pupil Expenditures
Pennsylvania	10	\$15,418
Ohio	20	\$12,102
Michigan	21	\$11,668
West Virginia	27	\$11,291
Kentucky	34	\$9,863
Indiana	35	\$9,856

Ohio's Average Teacher Salary Remains Below U.S. Average



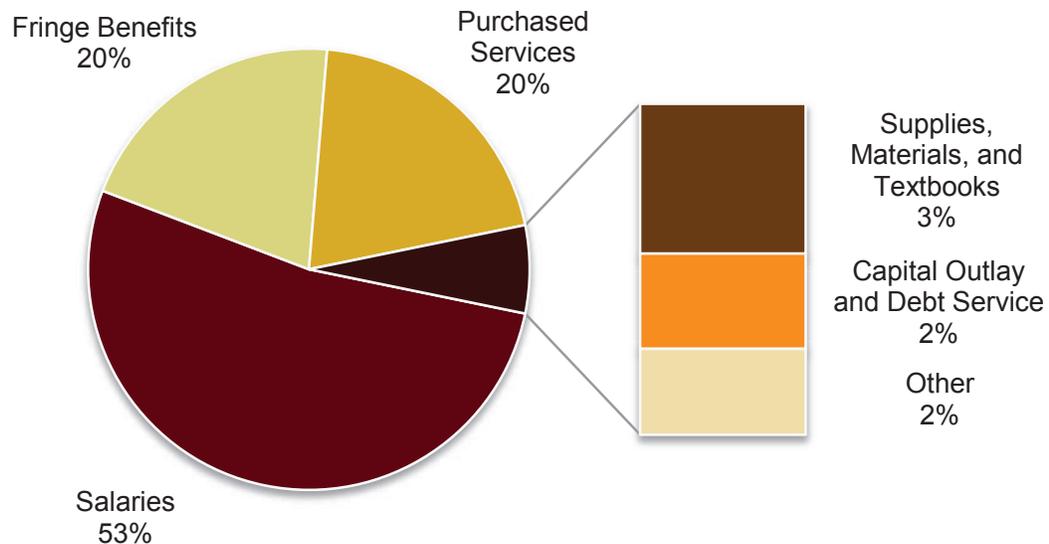
Sources: National Education Association; Ohio Department of Education

- After exceeding it from FY 2008 to FY 2013, Ohio's average teacher salary has been below the national average since FY 2014. In FY 2017, Ohio's average teacher salary was \$1,458 (2.5%) lower than the national average.
- Ohio's average teacher salary reached a peak of \$56,715 in FY 2011 then fell to a low of \$54,672 in FY 2015 before increasing to a new high of \$58,202 in FY 2017. The U.S. average has increased steadily since FY 2012.
- From FY 2008 to FY 2017, Ohio's average teacher salary increased by 9.0% while the national average increased by 14.1%. During the same period, the national rate of inflation was 14.6%, as measured by the consumer price index (CPI).
- In FY 2017, Ohio's average teacher salary ranked 15th in the nation (see table below). Compared to its neighboring states, Ohio's average teacher salary was higher than Indiana, Kentucky, and West Virginia, but lower than Pennsylvania and Michigan.

Average Teacher Salaries for Ohio and Neighboring States, FY 2017		
State	National Rank	Average Salary
Pennsylvania	10	\$66,265
Michigan	12	\$62,287
Ohio	15	\$58,202
Indiana	26	\$54,308
Kentucky	29	\$52,338
West Virginia	49	\$45,555

School Districts Spend an Average of 73% of Their General Funds on Salaries and Fringe Benefits

Average Ohio School District Budget Composition, FY 2017



Source: Ohio Department of Education

- Salaries and fringe benefits accounted for approximately 73% of school district general fund budgets statewide in FY 2017. This percentage has decreased steadily over the past six years, from 78% in FY 2011.
- Of the five percentage point decrease, the share spent on salaries decreased by four percentage points and the share spent on fringe benefits decreased by one percentage point.
- The cost of fringe benefits as a percentage of the cost of salaries increased to 39% in FY 2017, from 38% in FY 2011.
- Public schools in Ohio employed about 325,000 full-time equivalent (FTE) workers in FY 2017, including about 113,300 FTE teachers.
- As the share of district budgets spent on salaries has declined, the portion spent on purchased services such as pupil transportation, utilities, maintenance and repairs, and other services not provided by district personnel has increased, from 16% in FY 2011 to 20% in FY 2017.
- State law requires each school district to set aside a uniform per pupil amount for capital and maintenance needs. In FY 2017, the required set-aside amount was approximately \$172 per pupil.

Per-Pupil Operating Spending Varies Across Different Types of Ohio School Districts

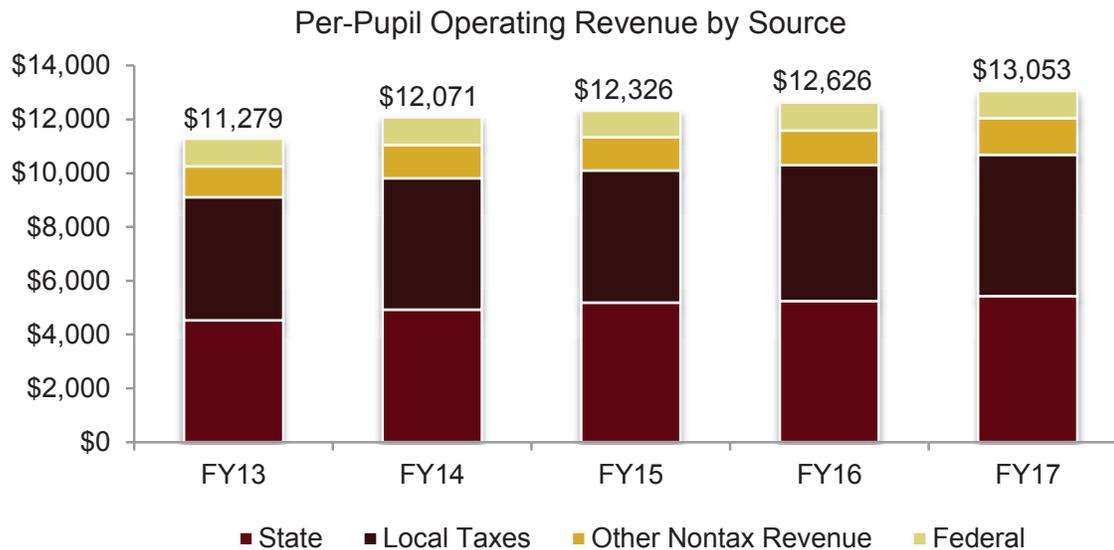
Spending Per Pupil by District Comparison Group, FY 2017				
Comparison Group – Description		Number of Districts	Enrollment %	Spending Per Pupil
Rural	High poverty, small population	123	9.8%	\$10,881
Rural	Average poverty, very small population	106	6.4%	\$10,705
Small Town	Low poverty, small population	111	11.0%	\$10,047
Small Town	High poverty, average population	89	11.8%	\$10,474
Suburban	Low poverty, average population	77	19.8%	\$11,105
Suburban	Very low poverty, large population	46	15.6%	\$12,127
Urban	High poverty, average population	47	13.1%	\$11,861
Urban	Very high poverty, very large population	8	12.5%	\$14,931
State Total*		607	100.0%	\$11,603

*Three small outlier districts are not included.

Source: Ohio Department of Education

- In FY 2017, the average per-pupil spending within socioeconomic and geographic district comparison groups varied from a low of \$10,047 for low-poverty small town districts to a high of \$14,931 for very large urban districts with very high poverty. The state average was \$11,603.
- Very large urban districts with very high poverty spent 28.7% (\$3,328) above the state average. Large suburban districts with very low poverty had the second highest spending per pupil at \$12,127, which was 4.5% (\$523) above the state average. Smaller urban districts' spending of \$11,861 was also above the state average – by 2.2% (\$258).
- Small town districts tend to have the lowest spending per pupil, averaging \$10,268 for the two comparison groups, which is 11.5% (\$1,335) below the state average. Rural districts have the next lowest spending, averaging \$10,811 per pupil, which is 6.8% (\$792) below the state average. Finally, smaller suburban districts' spending of \$11,105 was also below the state average – by 4.3% (\$498).
- On average, school districts spent 67.7% of total operating spending on classroom instruction and the remaining 32.3% on nonclassroom activities.

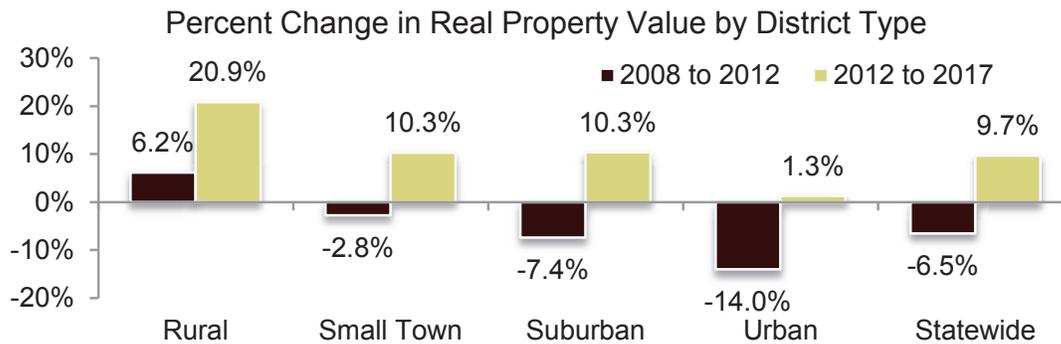
Per-Pupil Operating Revenue for Schools Increased 16% Since FY 2013



Sources: Ohio Department of Education; Ohio Legislative Service Commission

- Ohio schools' average per-pupil operating revenue from all sources was \$13,053 in FY 2017, an increase of 15.7% (\$1,773) over the past five years.
- During this time, state revenue per pupil increased 19.8% (\$896), local tax revenue per pupil increased 15.1% (\$691), other nontax revenue per pupil increased 17.8% (\$205), and federal revenue per pupil decreased 1.9% (\$19).
- State funds provided 41.6% (\$5,426 per pupil) of school revenue in FY 2017, the largest share. State funding is largely supported by the GRF, which receives revenue mainly from state taxes. Most state education funds are distributed through the school funding formula, followed by tax reimbursements and competitive and noncompetitive grants.
- The second largest source of school revenue was local taxes, at 40.3% (\$5,261 per pupil). Locally levied property taxes account for about 96% of total local tax revenue for schools, while school district income taxes account for the remaining 4%.
- Other nontax revenue represented 10.4% (\$1,362 per pupil) of school revenue in FY 2017. These revenues include tuition payments, charges for school breakfast and lunch, various fees, admissions and sales related to extracurricular activities, and state solvency assistance advances.
- Federal dollars amounted to 7.7% (\$1,004 per pupil) of school revenue in FY 2017. These funds focus on special education and disadvantaged students.

Aggregate Real Property Values Have Surpassed Pre-Recession Levels in All but Urban School Districts



Sources: Ohio Department of Education; Ohio Department of Taxation

- School district real property valuation as a whole reached a new peak in 2017, having fully rebounded from the 6.5% decline in statewide real property valuation that occurred from 2008 to 2012. Since then, statewide real property valuation has increased 9.7%. While all school district types gained aggregate real property valuation during this time, growth rates among these comparison groups vary.
- Rural districts experienced the largest increases in real property valuation over the past ten years. Their valuation increased by 6.2% from 2008 to 2012 and by 20.9% from 2012 to 2017 due to steady increases in statewide agricultural real property value – 27.6% from 2008 to 2012 and 38.5% from 2012 to 2017. Agricultural real property valuation comprises a much larger share of total real property valuation for rural districts (31.5% in 2017) than for all districts as a whole (7.4%).
- From 2012 to 2017, real property valuation increased 10.3% for both small town and suburban school districts. From 2008 to 2012, these districts lost 2.8% and 7.4% of their valuation, respectively. Unlike other district types, urban district values have not fully recovered, growing 1.3% from 2012 to 2017, after losing 14.0% from 2008 to 2012.
- Residential real property accounts for 71.0% of total statewide real property valuation in 2017. From 2012 to 2017, this valuation increased 8.4% statewide. However, the gains varied from 11.4% in suburban districts to 1.0% in urban districts. From 2008 to 2012, residential real property decreased 8.8% statewide.
- The remaining 21.7% of real property valuation in 2017 is made up of commercial, industrial, mineral, and railroad real property. From 2012 to 2017, this property valuation increased 6.2% statewide following a decrease of 5.6% from 2008 to 2012.
- In 2017, real property valuation was \$247.3 billion, representing 93.8% of the total property valuation statewide.

School District Property Values Vary Widely Across Ohio

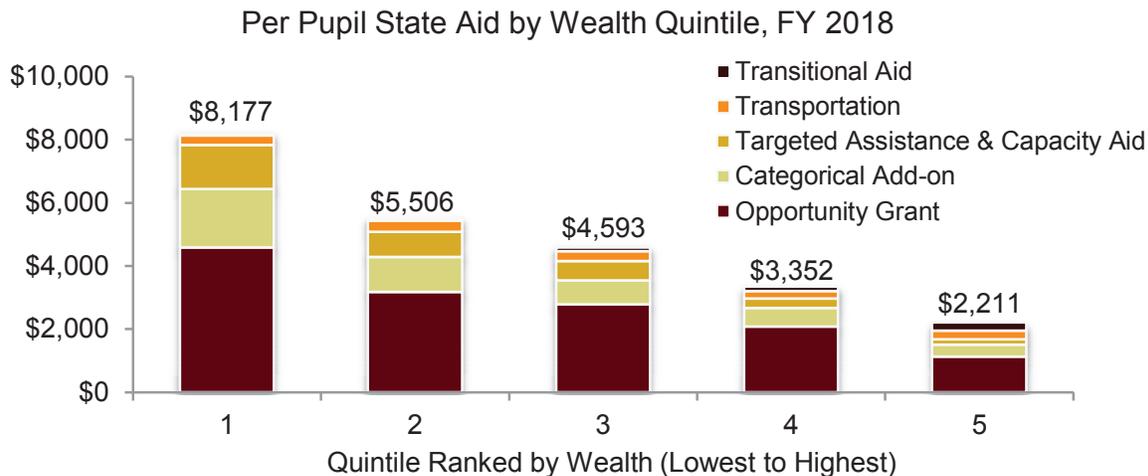
Average Per Pupil Valuation by Wealth Quintile, FY 2018



Sources: Ohio Department of Taxation; Ohio Department of Education

- To create the quintiles used on this and the following three pages, school districts are first ranked from lowest to highest in property valuation per pupil. They are then divided into five groups, each of which includes approximately 20% of total students statewide. As can be seen in the chart above, districts in quintile 1 have the lowest property wealth and districts in quintile 5 have the highest property wealth.
- In FY 2018, approximately 20% of Ohio's students resided in school districts with per pupil property valuations that averaged about \$75,000 while another 20% resided in school districts with per pupil property valuations that averaged about \$235,000. The statewide average valuation was \$145,000 per pupil.
- A 20-mill (2%) property tax levy generates \$1,500 per pupil for a district with a valuation per pupil of \$75,000 and \$4,700 per pupil for a district with a valuation per pupil of \$235,000.
- Since locally voted property tax levies represent about 96% of school district local revenues, per pupil valuation (also called district property wealth) indicates each district's capacity to raise local revenue.
- Since FY 1991, a major goal of the state's school funding formula is to neutralize the effect of local property wealth disparities on students' access to basic educational opportunities.
- To achieve this goal, Ohio's current school funding formula uses an index, based on a district's three-year average property valuation and in some circumstances median and average income, to direct more state funds to districts with lower wealth.

Low Wealth Districts Receive More State Foundation Aid Per Pupil Than High Wealth Districts

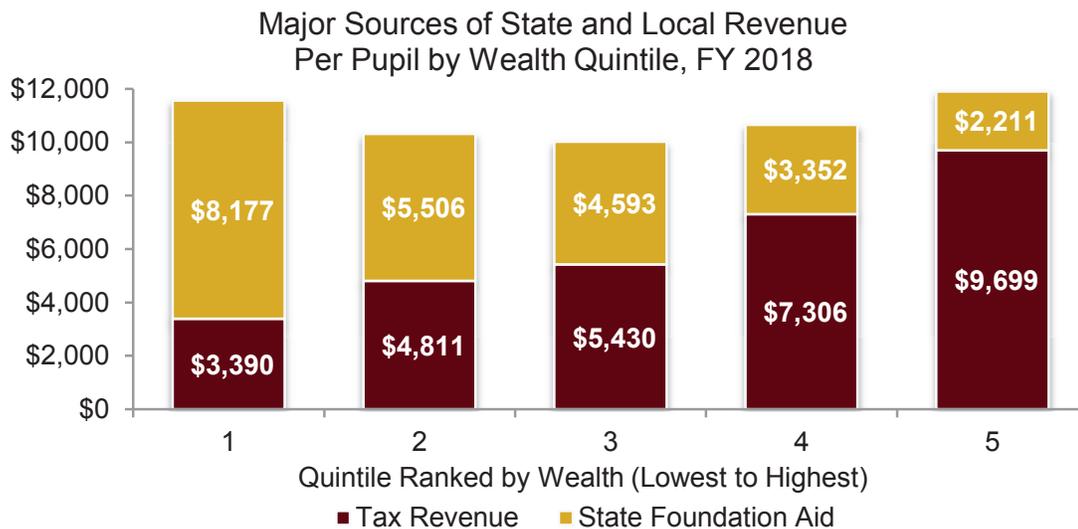


Source: Ohio Department of Education

- Low wealth districts receive more state foundation aid per pupil than high wealth districts. In FY 2018, the average per pupil state foundation aid for wealth quintiles 1 through 5 was \$8,177, \$5,506, \$4,593, \$3,352, and \$2,211, respectively.¹
- The opportunity grant (57.7% of total state foundation aid) consists of the state share of the per pupil formula amount (\$6,010 for FY 2018). In FY 2018, the average per pupil opportunity grant for wealth quintiles 1 through 5 was \$4,582, \$3,174, \$2,784, \$2,084, and \$1,125, respectively.
- Targeted assistance and capacity aid (13.7% of total) provide additional funding to low wealth districts and small districts with relatively low total property value. In FY 2018, the average per pupil assistance for wealth quintiles 1 through 5 was \$1,390, \$792, \$609, \$298, and \$169, respectively.
- Categorical add-ons include funding for special education (10.7% of total), economically disadvantaged (5.1%), K-3 literacy (1.3%), gifted (0.9%), career-technical education (0.9%), performance bonuses (0.4%), and limited-English proficiency (0.4%). In FY 2018, the average per pupil add-ons for wealth quintiles 1 through 5 was \$1,863, \$1,115, \$762, \$587, and \$387, respectively.
- Transportation funding (6.1% of total) is distributed to districts based on the number of miles or the number of pupils transported. In FY 2018, the average per pupil transportation funding for wealth quintiles 1 through 5 was \$297, \$349, \$312, \$233, and \$266, respectively.
- Transitional aid (2.8% of total) guarantees a district's state aid allocation for all of its resident students does not fall below 95% to 100% of its FY 2017 level, depending on its enrollment change from FY 2014 to FY 2016.

¹ See page 53 for an introduction to this analysis and a description of the quintiles.

State Foundation Aid Helps to Equalize Property Tax Revenues



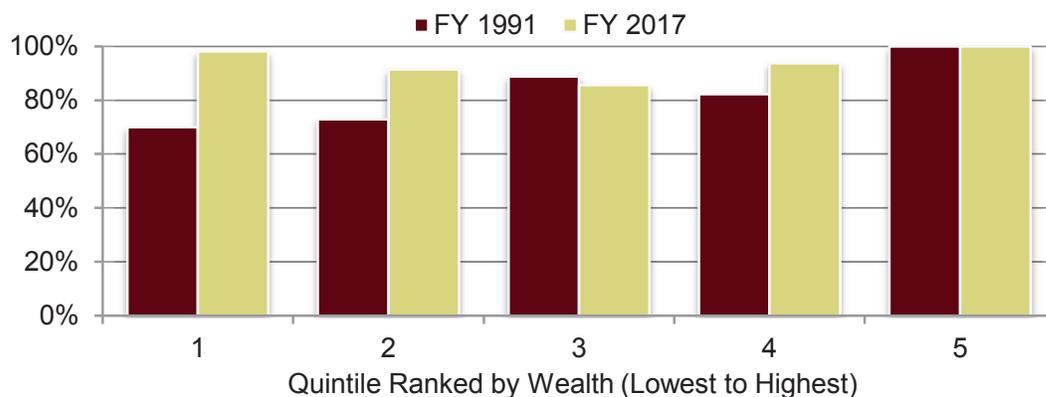
Source: Ohio Department of Education

- State foundation aid helps equalize school district property tax revenue, although the wealthiest districts still have more resources. In FY 2018, tax revenue plus state foundation aid per pupil for wealth quintiles 1 through 5 were \$11,567, \$10,317, \$10,023, \$10,658, and \$11,910, respectively.¹
- The percentage of revenue attributable to state foundation aid is much higher for lower wealth districts. This percentage was 70.7%, 53.4%, 45.8%, 31.4%, and 18.6%, respectively, for wealth quintiles 1 through 5 in FY 2018.
- In the chart, tax revenue includes locally paid school district property and income taxes, and state-paid property tax rollbacks, homestead exemption reimbursements, and tangible personal property (TPP) tax reimbursements.
- Wealthier districts are able to collect significantly more tax revenue per pupil. Per-pupil tax revenues for wealth quintiles 1 through 5 were \$3,390, \$4,811, \$5,430, \$7,306, and \$9,699, respectively, in FY 2018.
- In FY 2018, tax revenues in quintiles 1 through 4 were 35.0%, 49.6%, 56.0%, and 75.3%, respectively, of tax revenues in quintile 5. Adding state foundation aid, however, increases those percentages to 97.1%, 86.6%, 84.2%, and 89.5%, respectively.
- Tax revenues are determined by a combination of the wealth of the district as well as the ability and willingness of the district's taxpayers to approve tax levies. In Ohio, there is no limit on the amount of taxes local voters may approve for their schools. In FY 2018, seven wealthy districts raised more than \$15,000 per pupil and one raised more than \$20,000 per pupil.

¹ See page 53 for an introduction to this analysis and a description of the quintiles.

Interdistrict Equity Improved Since FY 1991

Average Quintile Revenue Per Pupil as a Percentage of Quintile 5



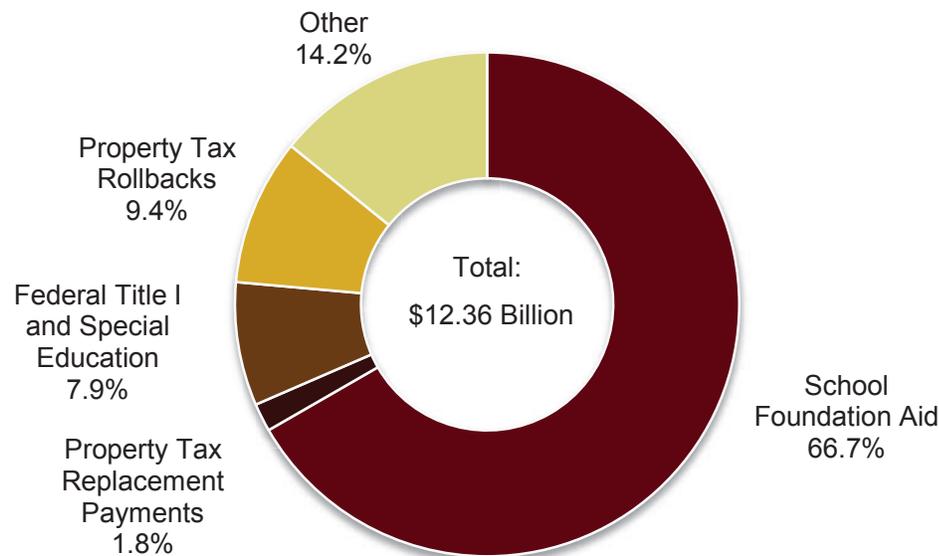
Source: Ohio Department of Education

- From FY 1991 to FY 2017, the average revenue per pupil of the districts in the lower wealth quintiles, except for those in quintile 3, moved much closer to that of the districts in the highest wealth quintile.¹
- The biggest changes came in the two lowest wealth quintiles. In FY 1991, the districts in quintile 1 had, on average, 70.0% of the revenue received by the districts in quintile 5. This percentage increased to 98.1% in FY 2017. At the same time, the percentage for quintile 2 rose from 72.9% to 91.4%.
- The percentage for quintile 4 also rose from 82.3% in FY 1991 to 93.7% in FY 2017. During this period, only quintile 3 lost ground, dropping from 88.8% in FY 1991 to 85.7% in FY 2017.
- Revenue on this page includes traditional school district operating revenue from all sources as reported by districts. From FY 1991 to FY 2017, per pupil operating revenue increased by 268.3% (\$9,969) in quintile 1, 229.1% (\$8,874) in quintile 2, 153.2% (\$7,227) in quintile 3, 199.0% (\$8,699) in quintile 4, and 162.5% (\$8,632) in quintile 5. The overall increase was 197.2% (\$8,678).
- In FY 1991, about 76% of the variation in per pupil revenue across districts could be explained by the variation in per pupil property value. In FY 2017, this percentage dropped to 14%. This indicates that, in FY 2017, the amount of financial resources available for the education of a student depends less on the wealth of the district in which the student attends school than it did in FY 1991. Some of the variation in per pupil revenue is also explained by the percentage of students in poverty (the state and federal governments both provide additional funds for these students) and local tax effort.

¹ See page 53 for an introduction to this analysis and a description of the quintiles.

School Foundation Aid Comprised Nearly Two-Thirds of Department of Education's Total Spending in FY 2018

Department of Education's Spending by Component, FY 2018

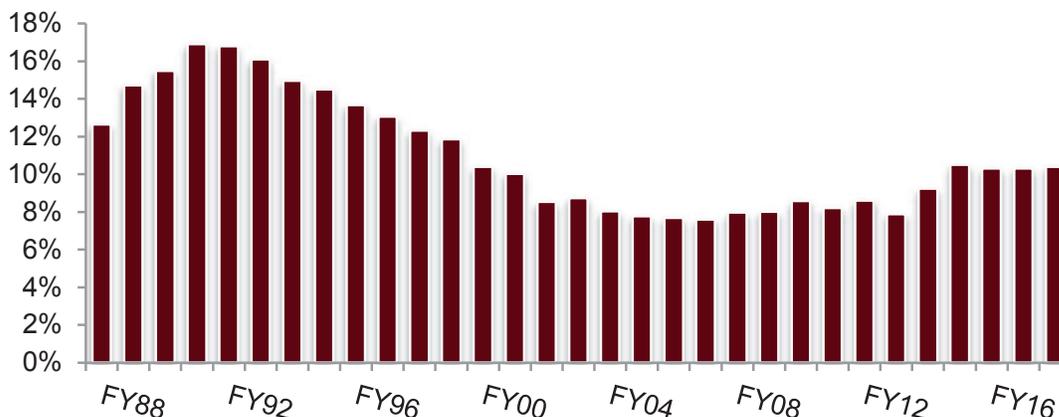


Source: Ohio Administrative Knowledge System

- In FY 2018, the Ohio Department of Education's (ODE) spending totaled \$12.36 billion across all funds. Of this total, \$8.24 billion (66.7%) was distributed as school foundation aid, the largest source of state funding for school operations. School foundation aid was funded by the state GRF (\$7.16 billion) and lottery profits (\$1.09 billion).
- The second largest spending component was property tax rollback payments at \$1.16 billion (9.4%). These payments reimburse school districts for revenue lost due to the 10% and 2.5% property tax rollback programs and the homestead exemption program.
- Federal Title I and special education programs that focus on disadvantaged students and students with disabilities made up \$979.5 million (7.9%).
- State direct payments for the phase-out of tangible personal property taxes accounted for another \$223.5 million (1.8%) of the total.
- ODE's spending for FY 2018 was mainly supported by the GRF (\$9.16 billion or 74.1%), followed by federal funds (\$1.83 billion or 14.8%), and the lottery (\$1.11 billion or 9.0%).
- In FY 2018, 98.3% (\$12.15 billion) of ODE's total spending was distributed as subsidies to schools and various other educational entities.
- ODE's payroll expenses of \$59.5 million accounted for 0.5% of the total. Excluding purchased service spending for student assessments and supply and maintenance spending for school food programs, ODE's operating expenses totaled \$115.9 million or 0.9% of its total spending in FY 2018.

Lottery Profits Comprise a Small Share of State Spending on Primary and Secondary Education

Lottery Profits as Share of Spending for K-12 Education

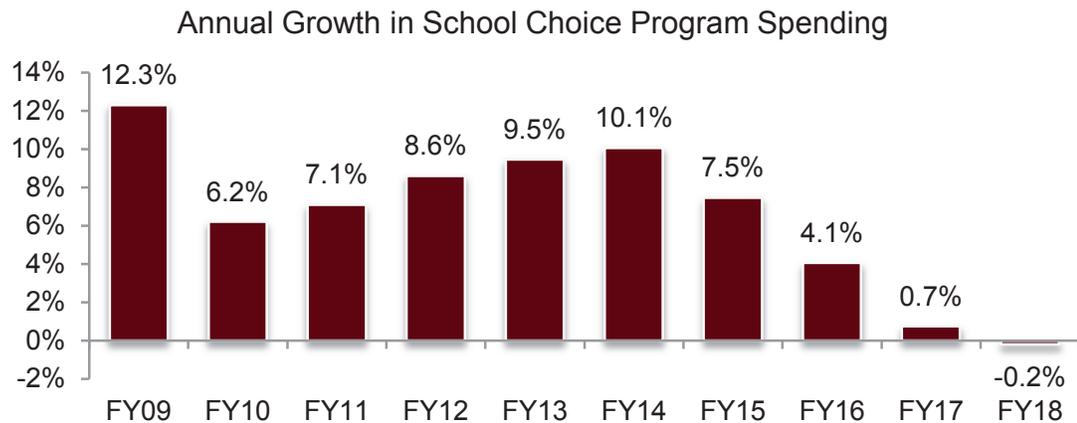


Sources: Ohio Lottery Commission; Ohio Legislative Service Commission

- Lottery profits in Ohio have always been a relatively small percentage of total GRF¹ and lottery spending on primary and secondary education. After reaching a peak of 16.9% in FY 1991, this percentage fell to a low of 7.6% in FY 2007 and has since increased to 10.4% in FY 2018.
- In 1973, voters amended the Ohio Constitution to allow the creation of the Ohio Lottery. In 1987, voters approved an additional constitutional amendment that permanently earmarked lottery profits for education.
- Generally, lottery profits are combined with the GRF to support primary and secondary education in Ohio.
- Lottery profits spending on education reached a record high of \$1.11 billion in FY 2018, a 63.0% increase compared to the recent low of \$682.0 million in FY 2013. This increase was mostly due to revenues from video lottery terminals (VLTs) at Ohio's seven horse racetracks (racinos), the first of which opened in June 2012. In FY 2018, VLT operations contributed about \$330 million to lottery profits.
- From FY 1988 to FY 2018, total GRF and lottery spending on primary and secondary education increased by \$7.2 billion (210.0%). Of this growth, \$675.9 million (9.3%) was provided by the lottery.
- FY 2018 produced record lottery sales and VLT net revenues of \$4.1 billion, an increase of 5.6% (\$218.9 million) from FY 2017. Traditional ticket sales and VLT net revenues both showed strong growth in FY 2018, increasing 5.3% and 6.5%, respectively, from the prior year.

¹ In FY 2010 and FY 2011, GRF spending includes federal stimulus of \$417.6 million and \$515.5 million, respectively. There is no federal stimulus in prior or later years.

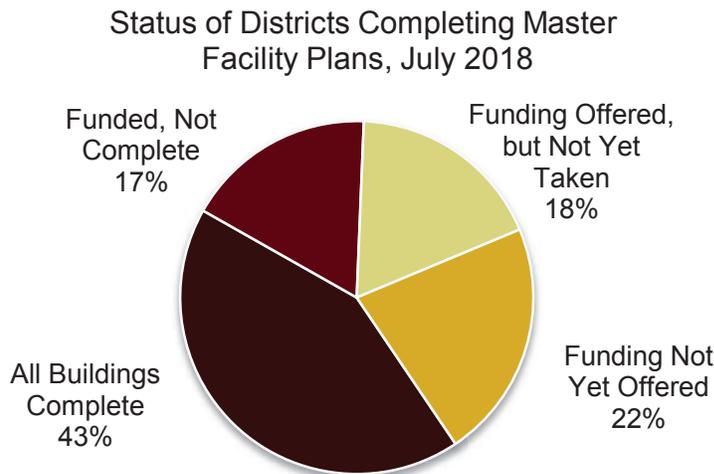
School Choice Program Spending Declined Slightly in FY 2018



Sources: Ohio Department of Education; Ohio Administrative Knowledge System

- Total spending on Ohio school choice programs decreased 0.2% (\$2.4 million) to \$1.21 billion in FY 2018, the first year such spending has declined. The decrease in FY 2018 follows three years of slowing growth rates. School choice programs include community and STEM schools, the Educational Choice (EdChoice) Scholarship Program, the Autism Scholarship Program, the Cleveland Scholarship and Tutoring Program (CSTP), and the Jon Peterson Special Needs (JPSN) Scholarship Program.
- Community and STEM schools, the largest component of school choice in Ohio, are funded primarily through state education aid transfers. Such transfers decreased for the third consecutive year in FY 2018, falling 2.8% (\$25.7 million) to \$887.4 million. These transfers represent 73.3% of school choice spending. Approximately 108,500 students were enrolled in community and STEM schools in FY 2018.
- The state also provides various scholarships for students to obtain education services from private providers. Scholarship payments increased 7.7% (\$23.2 million) in FY 2018 to \$323.9 million.
- Within the EdChoice Scholarship Program, 22,201 students received scholarships under the traditional "low-performing school" criteria and 10,000 students received scholarships under income-based criteria in FY 2018. Scholarship payments for each group of students totaled \$109.1 million and \$38.2 million in FY 2018, respectively, for a total of \$147.4 million, or 12.2% of total school choice spending.
- A combined 16,945 students received a total of \$176.5 million in scholarships under the remaining three programs in FY 2018: the Autism Scholarship Program (3,429 students, \$83.8 million), the JPSN Scholarship Program (5,154, \$55.3 million), and CSTP (8,362, \$37.4 million). Spending for these three programs comprised 14.6% of total school choice spending in FY 2018.

Full-Facility Fixes Have Been Completed in 43% of Ohio School Districts and JVSDs



Source: Ohio Facilities Construction Commission

- At the end of FY 2018, 43% of school districts and joint vocational school districts (JVSDs) had completed projects that fully addressed their facility needs as assessed by the Ohio Facilities Construction Commission (OFCC). These include 266 (44%) of the 610 regular school districts and 15 (31%) of the 49 JVSDs.
- Another 17% of districts have been funded, but their projects are not complete. These include 114 (19%) regular districts and one (2%) JVSD. These districts have buildings in the design or construction phase.
- An additional 18% of districts have been offered funding, but have either deferred the offer or allowed it to lapse because they were unable to secure the required local share. These include 108 (18%) regular districts (77 deferred and 31 lapsed) and 11 (22%) JVSDs (nine deferred and two lapsed). Deferred and lapsed districts will be eligible for funding in the future.
- The final 22% of districts have not yet been offered funding. These include 122 (20%) regular districts and 22 (45%) JVSDs. Of these, 11 regular districts and three JVSDs are participating in the Expedited Local Partnership Program (ELPP), whereby local funds spent on master facility plans now will be credited to the districts' local shares when they become eligible for state funding. Overall, more than 100 districts have participated in ELPP.
- The total estimated cost of all projects funded by the end of FY 2018 was \$21.6 billion. Of that total, the state share was \$12.9 billion (60%) and the local share was \$8.8 billion (40%).
- Through the end of FY 2018, the General Assembly has appropriated \$13.5 billion and OFCC has disbursed a total of \$12.0 billion for school facilities projects.

Districts Fare Best on Graduation Rate Component and Worst on Prepared for Success

School District Report Card Results, 2016-2017 School Year					
Component	A	B	C	D	F
Graduation Rate	56%	27%	10%	4%	3%
Prepared for Success	2%	5%	25%	53%	15%
Gap Closing	1%	18%	18%	15%	48%
Achievement	2%	9%	35%	51%	3%
Progress	21%	34%	9%	25%	11%
K-3 Literacy	4%	24%	59%	12%	2%

Source: Ohio Department of Education

- For school year 2016-2017, school districts fared the best on the report card's graduation rate component and struggled most with the prepared for success component, which measures how well prepared Ohio's students are for work or college. While 83% of districts received A's or B's on the graduation rate component of the report card, 68% of districts received D's or F's on the prepared for success component.
- Districts also fared less well on the gap closing component, which is designed to measure achievement gaps between certain designated groups and all students. The total percentage of districts receiving A's or B's on this component was 19%, whereas the total percentage of D's and F's was 63%.
- Districts struggled on the achievement component, which measures performance and proficiency on state tests. Over half (54%) of districts received D's or F's while a total of 11% of districts received A's or B's. Due in part to more rigorous state tests in recent years, grades have fallen on the two measures that comprise this component – the performance index and performance indicators. The total percentage of districts receiving A's or B's on the former decreased from 77% in school year 2013-2014 to 20% in school year 2016-2017 while the percentage of districts receiving A's or B's on the latter decreased from 50% to 6% in the same time period.
- Districts fared better on the progress and K-3 literacy components. The progress component measures academic growth while K-3 literacy measures district success helping off-track readers read at grade level. The total percentage of A's or B's was 55% on the progress component and 28% on the K-3 literacy component whereas the total percentages of D's or F's on these measures were 36% and 14%, respectively.
- Due to recent changes to state tests, the General Assembly suspended many sanctions related to state test results for school years 2014-2015, 2015-2016, and 2016-2017.

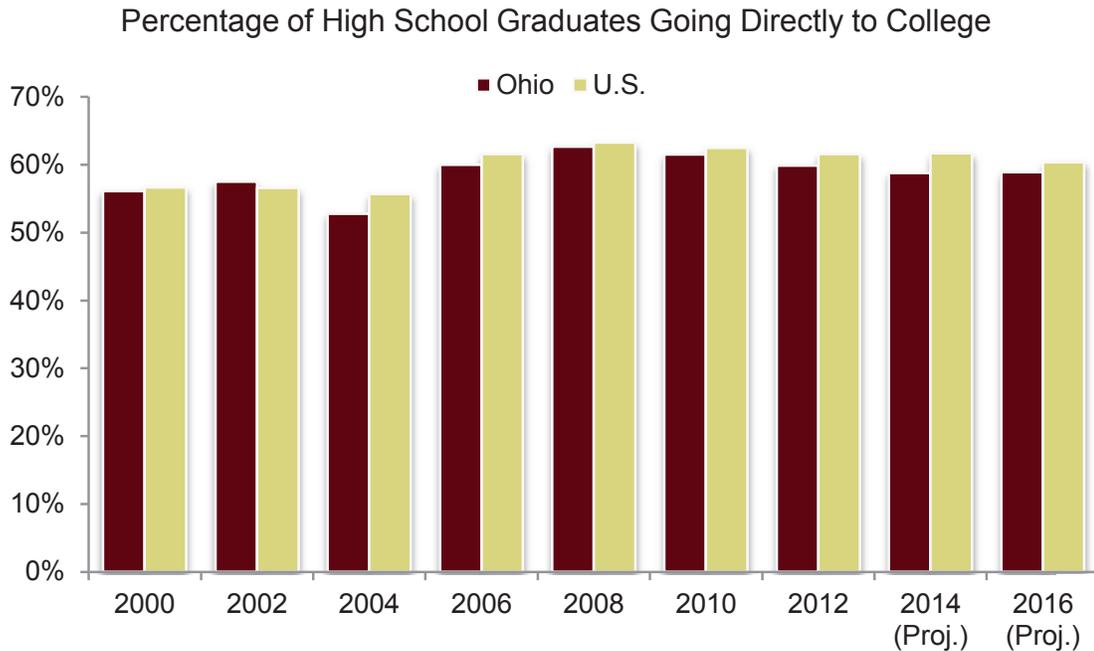
School Enrollment Continues to Decline

Ohio School Enrollment, FY 2007-FY 2017						
Fiscal Year	Public		Nonpublic		Total	
	Enrollment	Annual Change	Enrollment	Annual Change	Enrollment	Annual Change
2007	1,803,226	-8,482	204,402	-2,652	2,007,628	-11,134
2008	1,794,134	-9,092	200,598	-3,804	1,994,732	-12,896
2009	1,790,809	-3,325	195,343	-5,255	1,986,152	-8,580
2010	1,782,713	-8,096	187,994	-7,349	1,970,707	-15,445
2011	1,774,538	-8,175	181,420	-6,574	1,955,958	-14,749
2012	1,760,902	-13,636	178,702	-2,718	1,939,604	-16,354
2013	1,753,068	-7,834	176,166	-2,536	1,929,234	-10,370
2014	1,747,528	-5,540	173,966	-2,200	1,921,494	-7,740
2015	1,742,777	-4,751	173,030	-936	1,915,807	-5,687
2016	1,735,506	-7,271	172,990	-40	1,908,496	-7,311
2017	1,724,858	-10,648	171,426	-1,564	1,896,284	-12,212
Total Change		-78,368	--	-32,976	--	-111,344

Source: Ohio Department of Education

- Total school enrollment in Ohio has declined every year during the past decade. Overall, it decreased by 111,344 students from 2.01 million in FY 2007 to 1.90 million in FY 2017.
- After annual declines averaging 12,790 students from FY 2007 through FY 2013, declines slowed to an annual average of 6,913 students from FY 2014 to FY 2016. In FY 2017, however, the annual decrease rose to 12,212.
- Of the total enrollment decrease since FY 2007, 29.6% (32,976) occurred in nonpublic schools and 70.4% (78,368) occurred in public schools. This represents a 16.1% decline in nonpublic school enrollment during this period, compared to a 4.3% decline in public school enrollment.
- In FY 2017, nonpublic school enrollment represented 9.0% of total enrollment in Ohio, compared to 10.2% in FY 2007.
- Both public and nonpublic school enrollments have decreased every year over the past decade. During this period, the largest annual decrease in public school enrollment was 13,636 students in FY 2012 while the smallest annual decrease was 3,325 students in FY 2009. The comparable figures for nonpublic school enrollment were 7,349 students in FY 2010 and 40 students in FY 2016.

Percentage of Ohio High School Graduates Going Directly to College Is Essentially Flat in 2016



Sources: ACT; College Board; NCES; Pell Institute; Ohio Department of Higher Education

- The percentage of Ohio high school graduates going directly to college remained essentially unchanged in recent years, according to projections made by the Pell Institute. Ohio's percentage increased 0.1 percentage points from 58.8% in 2014 to 58.9% in 2016. Conversely, the national average decreased by 1.3 percentage points in the same period, from 61.7% to 60.4%.
- The percentage of Ohio high school graduates going directly to college has been below the national average in every year since 2000 except for 2002. In 2016, Ohio's percentage was 1.5 percentage points below the national average.
- In fall 2016, 39% of graduates from Ohio public high schools enrolled directly in an Ohio college or university – approximately 29% in a four-year institution and 10% in a two-year institution.
- In fall 2016, 30% of Ohio public high school graduates enrolled directly in Ohio colleges and universities were taking remedial mathematics or English courses, down from 31% in fall 2015 and 32% in fall 2014.
- ACT and SAT scores are indicators that help predict how well students will perform in college. Since 1996, ACT and SAT scores for Ohio high school seniors have been consistently higher than the national average.
- The average Ohio ACT score was 22.0 in 2017, in comparison with the national average of 21.0. Ohio's mean score on the new SAT that debuted in 2016 was 1149 in 2017, in comparison with the national mean score of 1060.

School Funding Complete Resource

Legislative Budget Office
Ohio Legislative Service Commission



February 2019



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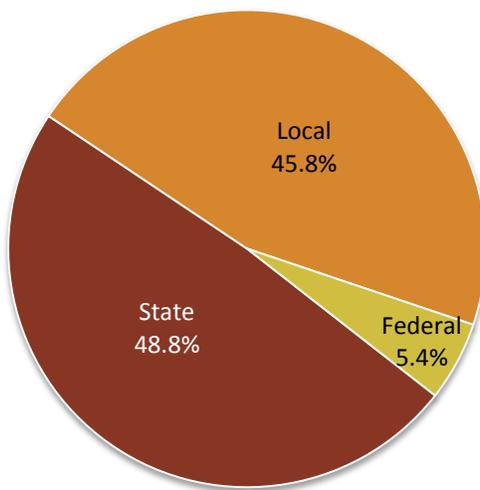
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Introduction

Primary and secondary education make up one of the core components of Ohio's budget, traditionally comprising the largest share of state-source General Revenue Fund (GRF) and lottery spending. In FY 2018, \$10.67 billion (45.7%) of the \$23.36 billion in total state-source GRF and lottery spending went to this program area, most of which was distributed to public schools. The operating costs of public schools in Ohio are funded primarily with these state revenues and local revenues raised at the school district level, while the federal government provides a relatively small share. The state distributes the bulk of its contribution through the foundation aid formula. The main structures of the current formula were first enacted in H.B. 59 of the 130th General Assembly and implemented in FY 2014. The budget acts since then, H.B. 64 of the 131st General Assembly and H.B. 49 of the 132nd General Assembly, largely retained that formula but made various changes for each biennium. This document analyzes the foundation aid formula enacted in H.B. 49 and is primarily meant to assist legislators and legislative staff in understanding the current formula's operation and funding distribution. In addition, this document analyzes other major sources of operating revenue from state, local, and federal sources.

Chart I.1 illustrates, for FY 2018, the composition of public school operating revenues by source. The revenue included in this chart is broken down in Table I.1.¹ As the chart shows, state sources comprise 48.8% of public school operating revenue, followed by local tax sources (45.8%), and federal sources (5.4%). As can be seen from the table, the foundation aid formula comprises 82.7% of state source revenues. Property tax rollbacks and the tangible personal property (TPP) direct reimbursements together comprise 13.5%, while various other sources

Chart I.1: Public School Operating Revenues by Source, FY 2018



¹ This revenue does not include competitive grants. It also does not include fees and donations collected at the local level or federal reimbursements for free and reduced-price meals. This measure of operating revenue differs from that available on the Department of Education's website and should not be compared with it.

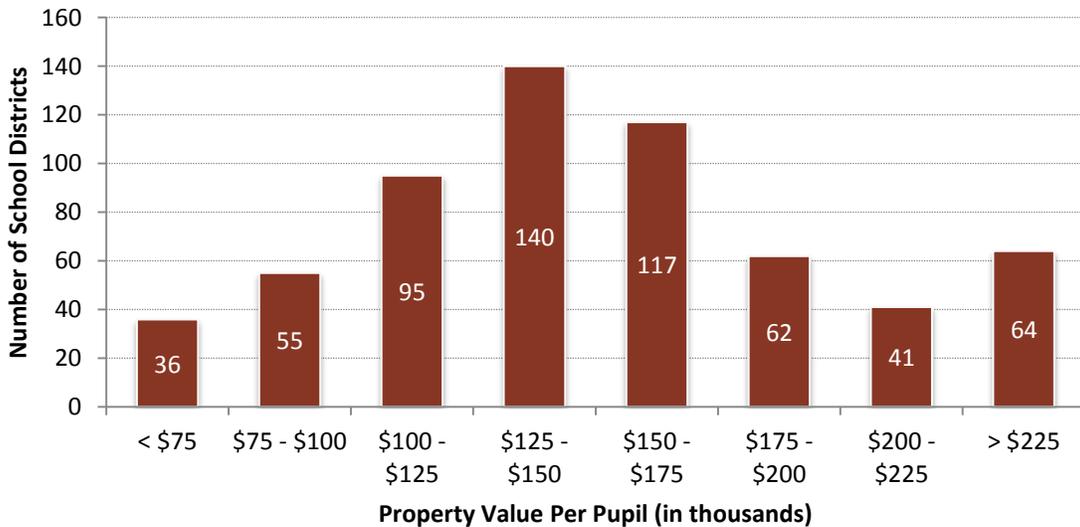
comprise the remaining 3.9% of state source revenues. Local revenues are comprised of property taxes (95.3%) and school district income taxes (4.7%). Federal revenues come mainly through the Elementary and Secondary Education Act's (ESEA) Title I (48.7%) and the Individuals with Disabilities Education Act (IDEA, 38.5%), with various other federal sources comprising the remaining 12.8%.

Table I.1: Public School Operating Revenues by Source, FY 2018		
Source Components	Revenue (in millions)	Percentage of Source
State Sources		
Foundation aid formula	\$8,248.9	82.7%
Property tax rollbacks	\$1,163.2	11.7%
TPP direct reimbursements	\$181.8	1.8%
Preschool special education	\$115.5	1.2%
Casino tax	\$92.0	1.0%
Directly funded scholarships	\$61.2	0.6%
Special education transportation	\$56.3	0.6%
Payments for funding Educational Service Center support services	\$43.8	0.4%
Community school facilities	\$16.6	0.2%
Total state sources	\$9,979.2	100%
Local Sources		
Property taxes	\$8,934.6	95.3%
Income taxes	\$444.1	4.7%
Total local sources	\$9,378.7	100%
Federal Sources		
ESEA Title 1	\$537.5	48.7%
Special education (IDEA)	\$424.5	38.5%
Improving teacher quality	\$71.8	6.5%

Table I.1: Public School Operating Revenues by Source, FY 2018		
Source Components	Revenue (in millions)	Percentage of Source
Career-technical education	\$35.9	3.3%
Preschool special education	\$10.6	1.0%
English language acquisition	\$10.1	0.9%
Student support and academic enrichment	\$7.2	0.7%
Rural education	\$3.3	0.3%
Homeless children education	\$2.1	0.2%
Total federal sources	\$1,102.9	100%
Total all sources	\$20,460.8	

The main driver behind the distribution of state revenue through the foundation aid formula is each public school district's capacity to raise revenues at the local level for the students residing in the district. This capacity varies among the 610 school districts in Ohio as it is largely dependent on the taxable property value per pupil of the district. Chart I.2 shows the distribution of property value per pupil for FY 2018. Taxable value per pupil ranges from less than \$75,000 in 36 districts to more than \$225,000 in 64 districts. The statewide weighted average and median are both around \$145,000 per pupil.

Chart I.2: Distribution of Taxable Property Value Per Pupil, FY 2018

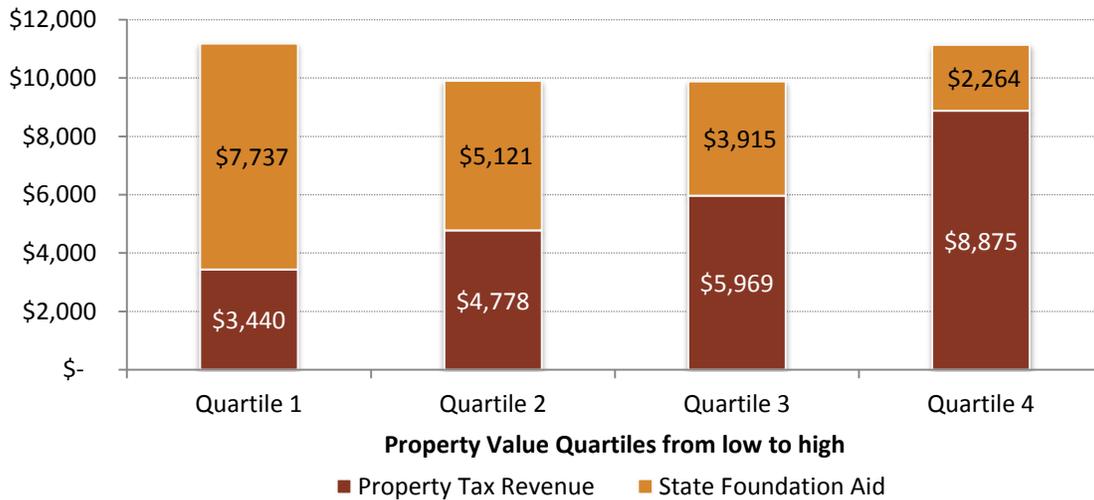


The variation in per-pupil property values affects each individual district's ability to raise local revenue. The same one-mill property tax levy generates \$75 per pupil for a district with a

property value per pupil of \$75,000 and \$225 per pupil for a district with a property value per pupil of \$225,000. As a result, local per pupil operating revenues vary significantly across Ohio school districts.² In Chart I.3, school districts are ranked from lowest to highest property value per pupil and separated into four quartiles with roughly the same number of pupils. Districts in quartile 1 have the lowest taxable property value per pupil, whereas districts in quartile 4 have the highest. The bottom portions of the bars in the chart show average property tax revenue per pupil. As expected, property tax revenue per pupil is lower for districts with lower property value per pupil. It ranges from an average of \$3,440 for districts with the lowest property value per pupil to an average of \$8,875 for districts with the highest.

The foundation aid formula partially offsets the results of these variations by directing more aid to districts with lower property value per pupil. The average state foundation aid for each quartile is represented in the top portions of the bars in the chart, and ranges from an average of \$7,737 for districts with the lowest property value per pupil to an average of \$2,264 for districts with the highest.

Chart I.3 Per Pupil Property Tax and Foundation Aid by Property Value Quartile, FY 2018



The analysis that follows this brief introduction looks at the state, local, and federal sources of public school revenues in more detail, concentrating on the state foundation aid formula.

² The other variable that affects local property tax revenue is the millage rate levied in each district, which is primarily determined by the voters residing in the district.

State Operating Revenue

The following discussion describes the major sources of state revenue for educating public school students at traditional school districts, community schools, educational service centers, and joint vocational school districts as well as students attending chartered nonpublic schools with state scholarships.

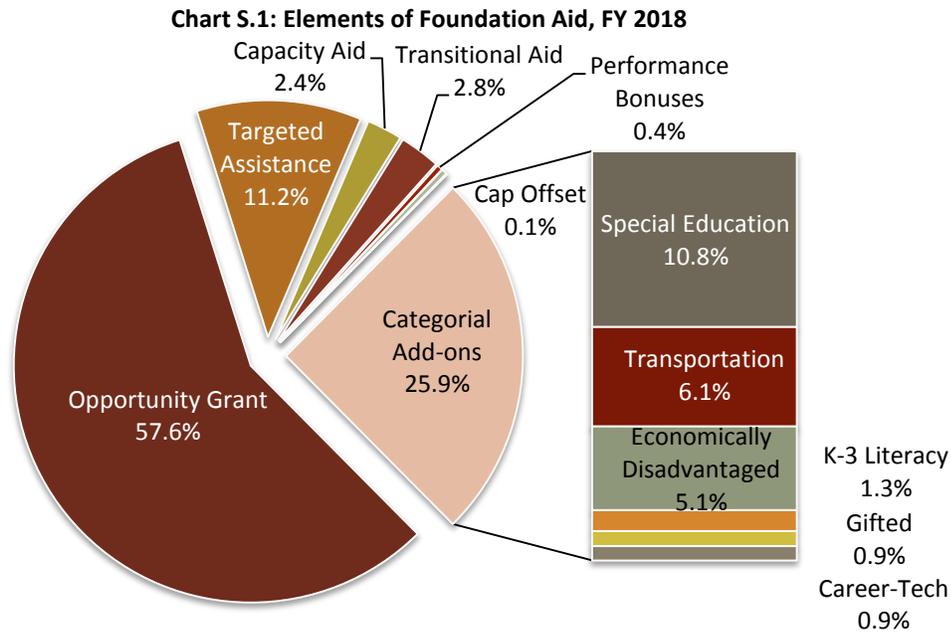
Traditional school district funding

As stated in the introduction, of the major sources of state revenue distributed to public schools in Ohio, the majority (82.5% in FY 2018) comes through the state foundation aid formula. The current foundation aid formulas for traditional and joint vocational school districts (JVSDs) were first established for FY 2014. (The formulas are similar and more is said about the JVSD formula later in the analysis.) This section discusses the formula for traditional districts. The foundation aid formula for traditional districts funds students based on the district in which they reside. Generally, if a student is not educated by the student's resident district, funding for that student is deducted from the resident district's allocation and transferred to the educating school. The foundation aid formula for traditional districts can be broken into five main components:

- **Opportunity grant:** This component is based on a uniform per-pupil formula amount. It makes up the largest portion of state foundation aid.
- **Targeted assistance and capacity aid:** These components provide additional funding to districts with lower capacities to raise local revenues and small districts with relatively low total property value, respectively.
- **Categorical add-ons:** These variable funding components address the needs of "nontypical" students: those receiving special, gifted, or career-technical education services, those who are economically disadvantaged, and those who are limited English proficient. This area also includes K-3 literacy and pupil transportation. Pupil transportation varies greatly among districts partly due to the size and road conditions of each district.
- **Performance bonuses:** The formula incentivizes academic performance through two components based on districts' four-year graduation rates and third grade reading proficiency rates.
- **Additional funding adjustments:** In contrast to the above categories, most of which are funded based on each student's individual characteristics, the formula includes three district-based funding elements that smooth out large fluctuations in state aid: temporary transitional aid, a gain cap, and a cap offset payment.

State foundation aid, after the application of temporary transitional aid and the gain cap, averages \$4,770 per pupil statewide in FY 2018. Of this amount, \$2,746 (57.6%) is for the opportunity grant, which is based on a uniform per-pupil formula amount of \$6,010 in FY 2018.

On average, categorical add-ons totaled \$1,217 per student statewide and comprised 25.5% of state foundation aid. Average targeted assistance and capacity aid amounted to a total of \$652 per pupil statewide, or 13.7% of the statewide total. The performance bonuses totaled to \$19 per pupil, or 0.4% of the total. The remaining components, temporary transitional aid and the cap offset payment, account for \$133 per pupil (2.8%) and \$3 per pupil (0.1%), respectively. The total average state foundation aid per pupil for FY 2018 is separated into its components in Chart S.1.



State foundation aid is based largely on the number of students residing in each district and the capacity of each district to raise revenues locally. These two variables are measured by annualized full-time equivalent (FTE) enrollment and the state share index, respectively, in the formula.

Annualized FTE enrollment

Annualized FTE enrollment is the measure the state uses to determine the number of students residing in each district. Since FY 2015, students are counted based on the portion of the year they are enrolled in public education and residing in the district. For example, a full-time student who moves from one district to another one-quarter of the way through the school year will be counted as 0.25 FTE in the first district and 0.75 FTE in the second district. School districts may provide the Ohio Department of Education (ODE) with updated data as changes occur, but must report data by the last day of October, March, and June. In FY 2014 and prior years, districts counted their students over one week in October then calculated the daily average. Despite the change in methodology, the funding formula still uses the term "average daily membership" or "ADM" to refer to the student count.

Two slightly different student count calculations are used in the funding formula – total ADM and formula ADM. Total ADM is the number of all students who reside in the district even if they attend a nonpublic school under the traditional Educational Choice Scholarship

Program³, the Jon Peterson Special Needs Scholarship Program, or the Autism Scholarship Program; or a public school that is not part of the district, such as a school in a different district under open enrollment, a community school, or a JVSD. Since funding for JVSDs is provided by a separate formula, not a transfer, the second ADM calculation — formula ADM — is calculated by subtracting 80% of the JVSD student count from total ADM. The largest component of state foundation aid, the opportunity grant is distributed using formula ADM. Traditional school districts include 20% of their JVSD student count in their formula ADM in order to cover expenses the resident district may incur for these students. The formula also adds 20% of the number of students residing in each district that are enrolled in another school district under a career-technical education compact. These students are not counted in their resident district's total ADM. Instead, they are counted in their educating districts' total ADM.

The calculation of formula ADM for each district is summarized and illustrated below. Statewide, school district formula ADM totaled 1.67 million students in FY 2018.

Formula ADM	
$\text{Formula ADM} = \text{Total ADM} - (\text{JVS ADM} \times 80\%) + (\text{CTE compact ADM} \times 20\%)$	

Example – Formula ADM. The following is an example of the FY 2018 formula ADM calculation for a hypothetical district, District A.

Formula ADM for Hypothetical District A, FY 2018	
Factor	Count
A. Total ADM	1,000
B. JVS ADM	32
C. CTE compact ADM	8
D. Formula ADM = A – (B x 0.8) + (C x 0.2)	976

State share index

As seen in the introduction, the amount of local revenue a district raises is dependent, largely, on the property value of the district. The formula uses the state share index to account for a district's capacity to raise local revenue when distributing state funds. A district's three-year average property value forms the basis of the state share index.

³ The traditional Educational Choice Scholarship Program differs from the income-based program in that scholarships awarded under the latter are paid directly by the state instead of the deduction and transfer method used for the former. Thus, students awarded a scholarship under the income-based criteria are not counted in their resident district's ADM.

Base average value

Real property values are reappraised every six years in Ohio and updated in the third year following each sexennial reappraisal. As a result, in the reappraisal and update years, school districts generally experience significant changes in real property value. In general, a three-year average is used to smooth these large changes in value. To make the formula even more stable, the state share index generally is calculated once for both years of the biennium. That is, for most districts, the index for FY 2018 and FY 2019 is based on the average property value for TY 2014, TY 2015, and TY 2016 (FY 2016, FY 2017, and FY 2018).⁴

The state share index takes into account a district's property value per pupil and, in some circumstances, income to measure a district's capacity to raise local revenue

Value for certain districts affected by power plant devaluation. However, the base average value used in the calculation of the state share index may take into account only the value for the most recent tax year available for a small number of school districts whose local property tax base has deteriorated from a significant reduction in the public utility tangible personal property (PUTPP) value of local power plants. In FY 2018 and FY 2019, the base average value for districts whose PUTPP values comprised more than 10% of total taxable value in the tax year preceding the most recent year that data is available and whose PUTPP and power plant total taxable values fell by 10% or more from the preceding tax year to the most recent tax year is the lesser of the district's total taxable value for the most recent tax year or the district's three-year average value. For example, an eligible district qualifies for its TY 2016 value to be used in place of its three-year average value for TYs 2014, 2015, and 2016 to compute its state share index for FY 2018. Likewise, an eligible district in FY 2019 would qualify for its TY 2017 value to be used in place of the three-year average value for TYs 2014, 2015, and 2016, meaning that an eligible district's state share index may be recomputed in the second year of the biennium. For districts such as these whose values are declining, using only the most recent year's value makes the district look less wealthy because the three-year average value includes data from higher value years.

The determination of eligible districts is made for each fiscal year. However, if a district is eligible for the value adjustment in FY 2018 but not in FY 2019, the formula specifies that the district's state share index for FY 2019 must be the same as the district's state share index for FY 2018. In FY2018, six districts are eligible for their TY 2016 value to replace their three-year average value. These districts' TY 2016 values are a total of \$86.6 million lower than their three-year average values.

⁴ Tax years are generally from January 1 to December 31, whereas state and school fiscal years are from July 1 to June 30. Most property taxes for a given tax year are paid in the following tax year. Taxes paid for TY 2016, therefore, are mostly received in FY 2018. For purposes of the school funding formula, property values in a given tax year correspond to the fiscal year two years later.

Base Average Value

Three-year average value = Average of taxable property value for TYs 2014, 2015, and 2016

Base average value = three-year average value, unless:

- (a) (PUTPP value / total taxable value for tax year preceding most recent tax year) \geq 0.1,
- (b) [(PUTPP value for most recent tax year / PUTPP value for preceding tax year) - 1] \leq -0.1,
- (c) [(Power plant total taxable value for most recent tax year / power plant total taxable value for preceding tax year) - 1] \leq -0.1, and
- (d) Total taxable value for most recent tax year < three-year average value, then

Base average value = total taxable value for the most recent tax year

Adjusted base average value

The formula adjusts base average value for districts that have a relatively large amount of state property exempt from property taxation. If a district's tax-exempt property value (not counting property owned by the federal government) is at least 30% of its potential property value, its value is reduced for the purposes of the formula. The calculation of this adjustment is summarized below. Since adjusted value is lower for these districts, their state share index values and thus the state's share of the formula cost ultimately increase. In FY 2018, 15 districts received this adjustment. These districts' values were reduced by a total of \$2.48 billion. While this adjustment increases the initial calculation of FY 2018 state funding by about \$84.8 million statewide, the subsequent application of the formula's guarantee and gain cap provisions limit the net increase to about \$15.2 million.

Adjusted Base Average Value

Potential value = Base average value + Tax-exempt value

Adjustment = Greater of \$0 or (Tax-exempt value - 0.30 x Potential value)

Adjusted base average value = Base average value - Adjustment

Property value index

Using adjusted values, the formula computes a property value index for each district by dividing a district's adjusted base average value per pupil (using total ADM for FY 2017⁵) by the statewide unadjusted average per pupil, as shown in the table below. Thus, a district with an adjusted three-year average value per pupil the same as the state average will have a property value index of 1.0, property wealthier districts will have an index greater than 1.0, and less

⁵ Using total ADM for the fiscal year preceding a new biennium provides additional stability to a district's funding by preventing its state share index from changing continually throughout the first fiscal year of the biennium as changes occur to district total ADM.

wealthy districts will have an index value less than 1.0. For FY 2018 and FY 2019, the statewide three-year average value per pupil is \$145,559. The property value index ranges from about 0.33 to 5.82, excluding a few outlier districts.

Property Value Index

District value per pupil = Adjusted base average value / Total ADM for FY 2017

State value per pupil =
Sum of all districts' three-year average unadjusted values / Sum of all districts' total ADM

Property value index = District value per pupil / State value per pupil

Income index

The formula also takes into account the ability of a district's residents to pay property taxes by including two measures of income in the determination of the state share index for certain districts: median income and federal adjusted gross income (FAGI). To do so, the formula calculates the median income index for each district by dividing a district's median Ohio adjusted gross income by the statewide median. The statewide median was \$33,782. Next, the formula requires a similar calculation for FAGI, by dividing a district's three-year average FAGI per pupil by the statewide three-year average FAGI per pupil. The statewide three-year average FAGI per pupil was \$184,657. The formula calculates a district's income index by averaging its median income index and the similar FAGI calculation. Income index values range from 0.43 to 4.02, excluding an outlier district.

Income Index

Median income index = District median Ohio adjusted gross income for TY 2015 /
State median Ohio adjusted gross income for TY 2015

District FAGI per pupil = District three-year average FAGI / Formula ADM for FY 2017

District three-year average FAGI = average of FAGI for TYs 2013, 2014, and 2015

State FAGI per pupil = Sum of all districts' three-year average FAGI / Sum of all districts' formula ADM

Income index = (Median income index x 0.5) + [(District FAGI per pupil / State FAGI per pupil) x 0.5]

Wealth index

The formula then compares a district's income index with its property value index in order to determine the district's wealth index. For a district with relatively low income (in general, an income index less than its property value index), the income index is taken into account to make an applicable district look less wealthy to the formula and thus, increases its

state share. However, the formula limits the effect of the income index to districts with median incomes at or below 150% of the statewide median. For qualifying districts, the wealth index is based on 60% of the district's property value index and 40% of the district's income index. For a district not meeting the criteria for the income factor, the wealth index is equal to the property value index. As a result, the use of the income index can never result in a wealth index that is higher than the property value index. In FY 2018 and FY 2019, the income adjustment applies to 301 school districts (49.3%). While this adjustment increases the initial calculation of FY 2018 state funding by about \$134.7 million statewide, the subsequent application of the formula's guarantee and gain cap provisions limit the net increase to about \$6.6 million.

Wealth Index

If (a) Income index < Property value index and (b) Median income index < 1.5, then:
 Wealth index = (Property value index x 0.6) + (Income index x 0.4), else
 Wealth index = Property value index

Final calculation

Using a district's computed wealth index, the formula then determines a district's state share index according to the calculations shown below. As the table indicates, no district has a state share index greater than 90% or less than 5%.

State Share Index

If Wealth index \leq 0.35:
 State share index = 0.90;

If Wealth index > 0.35 but \leq 0.90:
 State share index = $\{0.40 \times [(0.90 - \text{Wealth index}) / 0.55]\} + 0.50$;

If Wealth index > 0.90 but < 1.8:
 State share index = $\{0.45 \times [(1.8 - \text{Wealth index}) / 0.9]\} + 0.05$;

If Wealth index \geq 1.8:
 State share index = 0.05

This formula may appear complicated, but it merely results in two lines meeting at a wealth index of 0.9 and a state share index of 50%, as illustrated in Chart S.2. The state share index directs more state funds to districts with lower wealth indexes. It is used in the calculation of the opportunity grant and seven other components of the foundation aid formula.

Chart S.2: State Share Index, FY 2018

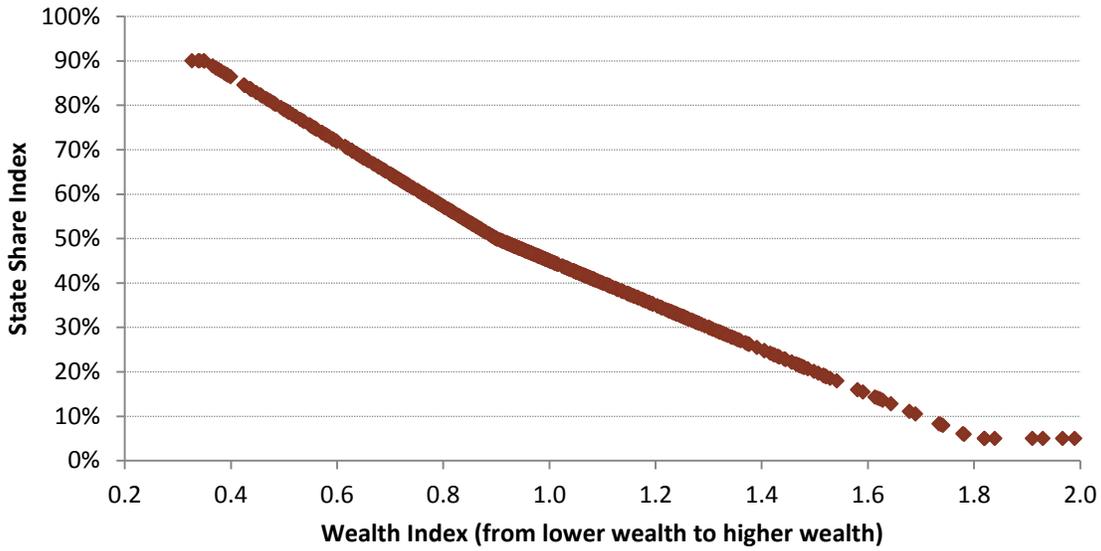
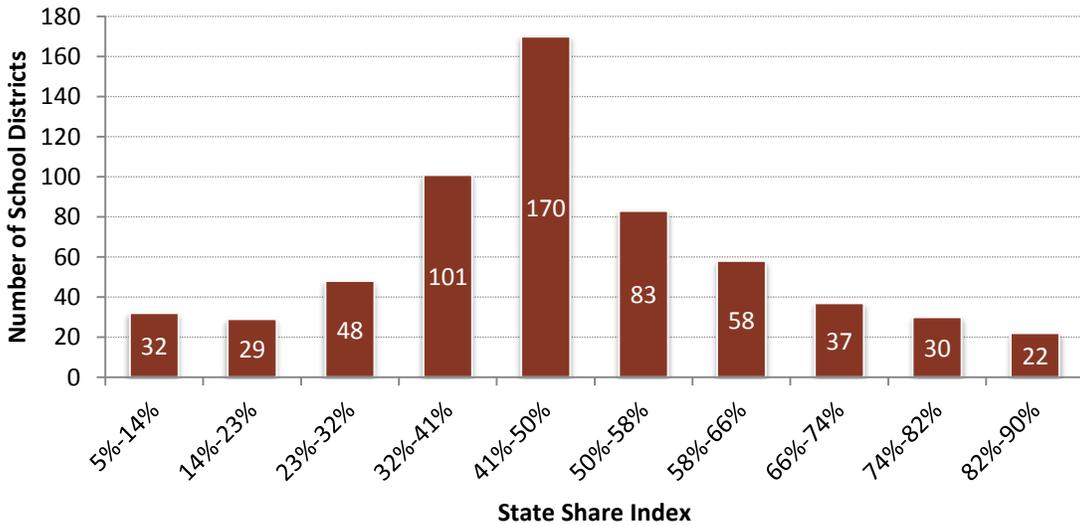


Chart S.3 shows the distribution of the state share index over the 610 school districts. As can be seen from the chart, there is a spike in the middle of the distribution. The state share index lies between 32% and 66% for 412 districts (67.5%). In FY 2018 and FY 2019, 22 high-wealth districts have state share index values of 5%, the index's floor level, while four low-wealth districts are at the ceiling level of 90%.

Chart S.3: Distribution of State Share Index, FY 2018



Example – State Share Index. The following table computes the state share index for the hypothetical District A as well as two other hypothetical districts that have identical total ADM but differing values per pupil, which are indicated in line U below. District A is less wealthy than the statewide average while districts B and C are the least and most wealthy of the three, respectively. District B has a large amount of state tax-exempt property and thus, qualifies for

the value adjustment that makes the district look less wealthy. Also notice that District C lost a large amount of PUTPP value from TY 2015 to TY 2016 and has relative income less than its relative value per pupil. The formula compensates for both situations by replacing the three-year average value with the district's value for TY 2016 and through the inclusion of the income factor in the calculation of the district's wealth index to make the district look less wealthy and thus to provide a greater share of state funding. Had these individual provisions not been in place, District C's state share index would have about 17.2 and 18.5%, respectively.

State Share Index Values for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
A. Total taxable value, TY 2014	\$120,000,000	\$100,000,000	\$275,000,000
B. Total taxable value, TY 2015	\$130,000,000	\$103,000,000	\$280,000,000
C. Total taxable value, TY 2016	\$131,000,000	\$106,000,000	\$225,000,000
D. 3-year average value = (A + B + C) / 3	\$127,000,000	\$103,000,000	\$260,000,000
E. PUTPP value, TY 2015	\$7,000,000	\$2,000,000	\$128,000,000
F. PUTPP value, TY 2016	\$7,250,000	\$1,900,000	\$75,000,000
G. PUTPP value percentage, TY 2015 = (E / B)	5.4%	1.9%	45.7%
H. PUTPP value % change = (F / E) - 1	3.6%	-5.0%	-41.4%
I. Power plant total taxable value, TY 2015	\$8,000,000	\$2,500,000	\$140,000,000
J. Power plant total taxable value, TY 2016	\$8,250,000	\$2,400,000	\$87,000,000
K. Power plant total taxable value % change = (J / I) - 1	3.1%	-4.0%	-37.9%
L. Eligible district for power plant devaluation provisions = if (G ≥ 10%, H ≤ -10%, and K ≤ -10%), "Yes," else "No"	No	No	Yes
M. Base average value = if (L = "Yes"), lesser of C or D, else D	\$127,000,000	\$103,000,000	\$225,000,000
N. Tax exempt property value	\$13,000,000	\$80,000,000	\$30,000,000
O. U.S. government-owned property value	\$300,000	\$0	\$6,000,000
P. Potential value = M + N - O	139,700,000	\$183,000,000	\$249,000,000

State Share Index Values for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
Q. 30% of Potential value = $P \times 0.3$	\$41,910,000	\$54,900,000	\$74,700,000
R. Adjustment = Greater of $(N - O - Q)$ or \$0	\$0	\$25,100,000	\$0
S. Adjusted base average Value = $M - R$	\$127,000,000	\$77,900,000	\$225,000,000
T. Total ADM, FY 2017	1,010	1,010	1,010
U. District Value Per Pupil = S / T	\$125,743	\$77,129	\$222,772
V. Statewide Value Per Pupil	\$145,559	\$145,559	\$145,559
W. Value Index = U / V	0.8639	0.5299	1.5305
X. Median Income, TY 2015	\$32,000	\$30,000	\$35,000
Y. Statewide Median, TY 2015	\$33,782	\$33,782	\$33,782
Z. Median Income Index = X / Y	0.9473	0.8880	1.0361
AA. FAGI, TY 2013	\$140,000,000	\$93,000,000	\$250,000,000
AB. FAGI, TY 2014	\$145,000,000	\$98,000,000	\$263,000,000
AC. FAGI, TY 2015	\$153,000,000	\$106,000,000	\$270,000,000
AD. 3-year average FAGI = $(AA + AB + AC) / 3$	\$146,000,000	\$99,000,000	\$261,000,000
AE. Formula ADM, FY 2017	986	986	986
AF. District FAGI Per Pupil = AD / AE	\$148,073	\$100,406	\$264,706
AG. Statewide FAGI Per Pupil	\$184,657	\$184,657	\$184,657
AH. Income Index = $(Z \times 0.5) + ((AF / AG) \times 0.5)$	0.8746	0.7159	1.2348
AI. Wealth Index = if $(AH < W$ and $Z \leq 1.5$), $(W \times 0.6) + (AH \times 0.4)$, else W	0.8639	0.5299	1.4122
AJ. State Share Index	0.5263	0.90	0.2439

The equalization effect of the state share index is evident from this example as the highest wealth district, District C, has the lowest share provided by the state (24.4%) whereas

the lowest wealth district, District B, has the highest share provided by the state (90%). District A is in the middle of the two, at 52.6%

Opportunity grant

As indicated above, the opportunity grant makes up the largest portion of state foundation aid. It is based on a per-pupil formula amount of \$6,010 in FY 2018 and \$6,020 in FY 2019. The formula amount is adjusted by a district's state share index to distribute a higher per-pupil amount to lower wealth districts. Preschool autism scholarship students are included in the formula for calculating a district's opportunity grant in order to credit the district with funding for such students prior to the deduction for their scholarships. The opportunity grant totaled approximately \$5,018.5 million in FY 2018. Note that this and other formula funding data for the components that follow represent the funding calculated by the formula before the application of the gain cap.

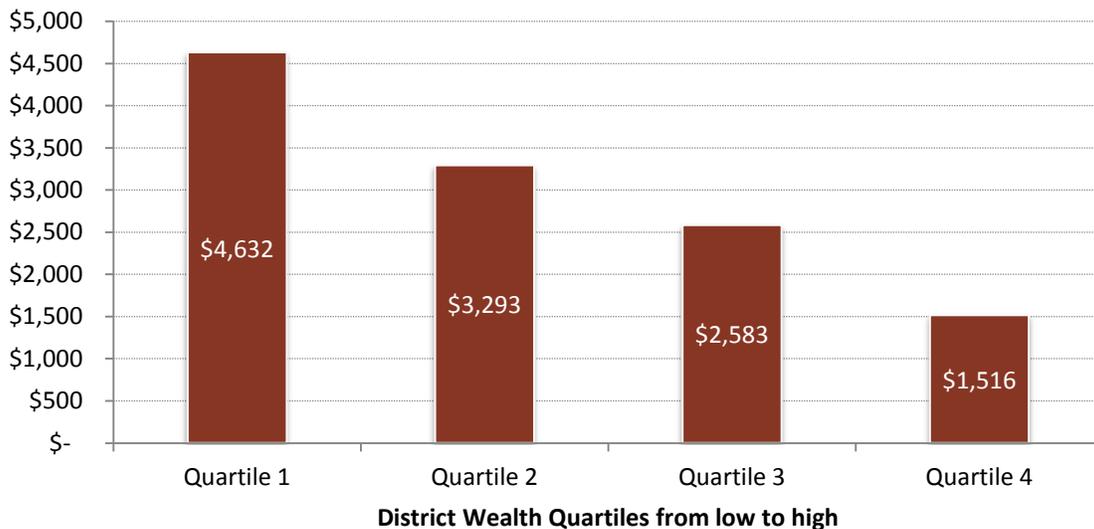
Opportunity Grant

Opportunity grant =
 Formula amount x (Formula ADM + Preschool autism scholarship ADM) x State share index

Formula amount = \$6,010 in FY 2018 and \$6,010 in FY 2019

Chart S.4 shows the average per-pupil funding in FY 2018 calculated under the opportunity grant for districts in each wealth quartile. As the chart shows, the opportunity grant for the lowest wealth districts (quartile 1) calculated to an average of \$4,632 per pupil. The average per-pupil amount for districts in wealthier quartiles is progressively smaller. The statewide average in FY 2018 was \$3,012 per pupil.

Chart S.4: Average Opportunity Grant Per Pupil by Wealth Quartile, FY 2018



Example – Opportunity grant. The following calculates the opportunity grant for the hypothetical Districts A, B, and C, which are assumed to have identical ADM figures. Due to the state share index, the lowest wealth district, District B, receives the largest opportunity grant amount while the highest wealth district, District C, receives the lowest amount

Opportunity Grant for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
A. Formula ADM	976	976	976
B. Preschool autism scholarship ADM	2	2	2
C. State share index	0.5263	0.90	0.2439
D. Opportunity Grant = \$6,010 x (A + B) x C	\$3,093,380	\$5,290,002	\$1,433,628

Targeted assistance

The targeted assistance component of the formula directs additional funding to districts with lower capacities to raise local revenues. Most of the funding in this component is distributed through a base tier that equalizes a varying amount of millage for districts outside of the top 20% on a measure of per-pupil wealth. In addition, this component contains a supplemental tier for districts with high percentages of agricultural real property. Combined, both tiers of targeted assistance for school districts totaled approximately \$946.9 million in FY 2018.

Base tier

Unlike the opportunity grant, the base tier of targeted assistance does not use the state share index to measure a district's revenue-generating capacity. Rather, the base tier depends on a combination of a district's property value per pupil and income per pupil. Property value is computed as the average of the preceding three years. While this is similar to the measure used for the state share index, there is no adjustment for districts affected by power plant devaluation or tax-exempt property, the measure is recomputed each year,⁶ and current year formula ADM is used as the student count. Income is computed as the three year average of federally adjusted gross income (FAGI). The formula defines a district's wealth per pupil as the average of its property value per pupil and its income per pupil. Similarly, the formula also computes the statewide wealth per pupil using statewide sums of property value, FAGI, and formula ADM. These calculations are summarized below.

⁶ That is, for FY 2018, value per pupil is the average of TYs 2014, 2015, and 2016 and, for FY 2019, it is the average of TYs 2015, 2016, and 2017

Wealth Per Pupil

$$\text{District wealth per pupil} = 0.5 \times (\text{Average of last three years' taxable property value} / \text{Formula ADM}) + 0.5 \times (\text{Average of last three years' FAGI} / \text{Formula ADM})$$

$$\text{State wealth per pupil} = 0.5 \times (\text{Sum of the average of all districts' taxable property value} / \text{Sum of all districts' formula ADM}) + 0.5 \times (\text{Sum of the average of all districts' FAGI} / \text{Sum of all districts' formula ADM})$$

Base targeted assistance is provided to the 489 districts with the lowest wealth per pupil. Millage is equalized to the wealth per pupil of a threshold district, which is the district with the 490th lowest wealth per pupil. In FY 2018, the threshold district's wealth per pupil is \$213,209. The millage equalized by the base tier varies depending on the wealth per pupil of the district. The formula calculates a wealth index for each district that is equal to the statewide wealth per pupil divided by the district's wealth per pupil. So, if a district's wealth per pupil is average (equal to the state's) then the wealth index is 1.0. If a district's wealth per pupil is greater than average, its wealth index will be less than 1.0 and if it is lower than average, its index will be greater than 1.0. In FY 2018, statewide wealth per pupil is \$167,336 and the wealth index values of the 489 districts eligible for base targeted assistance vary from about 0.79 to about 2.72. The wealth index of each district is multiplied by a target millage rate of six mills in each fiscal year. As a result, the millage equalized by the base tier in FY 2018 ranges from about 4.7 mills (6 mills x 0.79) to about 16.3 mills (6 mills x 2.72). The calculation of a district's equalized millage is summarized below.

Millage Equalized by Base Targeted Assistance

$$\text{District wealth index} = \text{State wealth per pupil} / \text{District wealth per pupil}$$

$$\text{District additional millage} = 0.006 \times \text{District wealth index}$$

Although targeted assistance is computed on a per-pupil basis, it is not included in the calculation of the Educational Choice, Autism, and Jon Peterson Special Needs scholarships. It is also not provided to e-schools and provided at only 25% to "brick and mortar" community and STEM schools. Therefore, an adjustment is made to the formula ADM of each district so as to not credit the district with targeted assistance for students educated through these programs. The resulting ADM figure is referred to as "net formula ADM." Base targeted assistance per pupil calculated by the formula for eligible districts ranged from about \$6 to about \$2,471. The calculation of the base tier is given below. Base targeted assistance for school districts totaled approximately \$778.8 million in FY 2018.

Base Targeted Assistance

$$\text{Base targeted assistance per pupil} = (\text{Wealth per pupil of 490th lowest wealth district} - \text{District wealth per pupil}) \times \text{Target millage} \times \text{District wealth index}$$

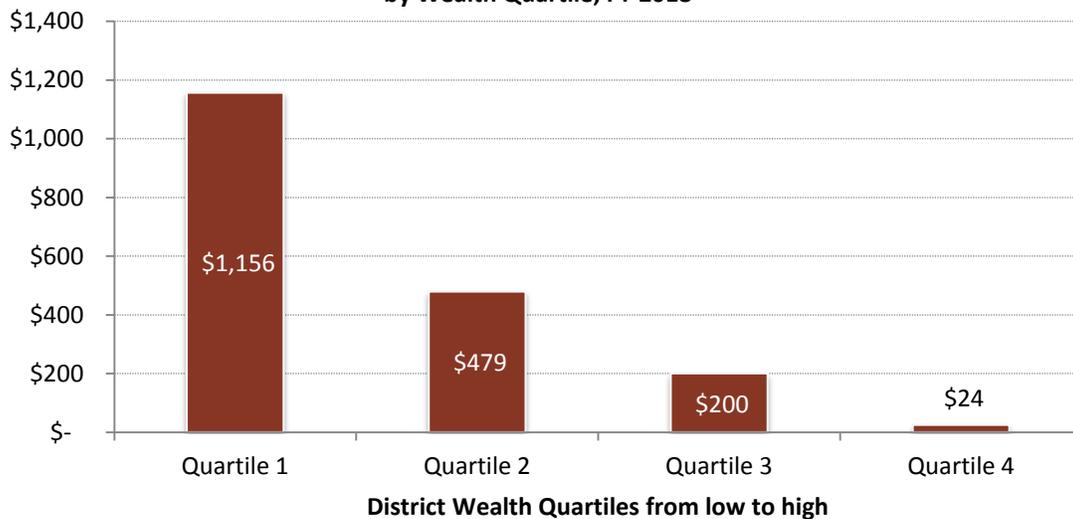
$$\text{Base targeted assistance} = \text{Base targeted assistance per pupil} \times \text{Net formula ADM}$$

$$\text{Target millage} = 0.006$$

$$\text{Net formula ADM} = \text{Formula ADM} - \text{EdChoice Scholarship ADM} - \text{Autism Scholarship ADM} - \text{Jon Peterson Special Needs Scholarship ADM} - \text{e-school ADM} - 75\% \text{ of "brick and mortar" community and STEM school ADM}$$

Chart S.5 illustrates the equalized distribution of these funds by wealth quartile on an average per-pupil basis calculated using the district's formula ADM. As the chart shows, districts in quartile 1 receive an average of \$1,156 per pupil, significantly more than the other quartiles. The chart also illustrates the scaling effect of applying the wealth index to the target millage rate. On average, the districts in quartile 1 have a wealth index of 1.79, while districts in quartiles 2 and 3 have an average wealth index of 1.18 and 0.92, respectively. Thus, the base tier equalizes an average of 10.72 mills (6 mills x 1.79) for the least wealthy districts, close to double the average 5.54 mills equalized in districts comprising quartile 3 (6 mills x 0.92).

Chart S.5: Average Base Targeted Assistance Per Pupil by Wealth Quartile, FY 2018



Supplemental tier

The formula also provides supplemental targeted assistance based on a district's percentage of agricultural property value. This tier is calculated by subtracting 10 percentage points from each district's agricultural percentage and multiplying the difference by 40% of the formula amount (\$2,404 in FY 2018 and \$2,408 in FY 2019) and then by the district's net

formula ADM. Thus, only districts with more than 10% agricultural real property qualify for these funds. In FY 2018, 335 (54.9%) districts met this threshold. The calculation of supplemental targeted assistance is given below. Supplemental targeted assistance for school districts totaled approximately \$168.1 million in FY 2018.

Supplemental Targeted Assistance

$$\text{District agricultural percentage} = \frac{\text{Three-year average value of district agricultural real property}}{\text{Three-year average value of all real property in district}}$$

$$\text{Supplemental targeted assistance} = (\text{District agricultural percentage} - 0.1) \times (0.4 \times \text{Formula amount}) \times \text{Net formula ADM}$$

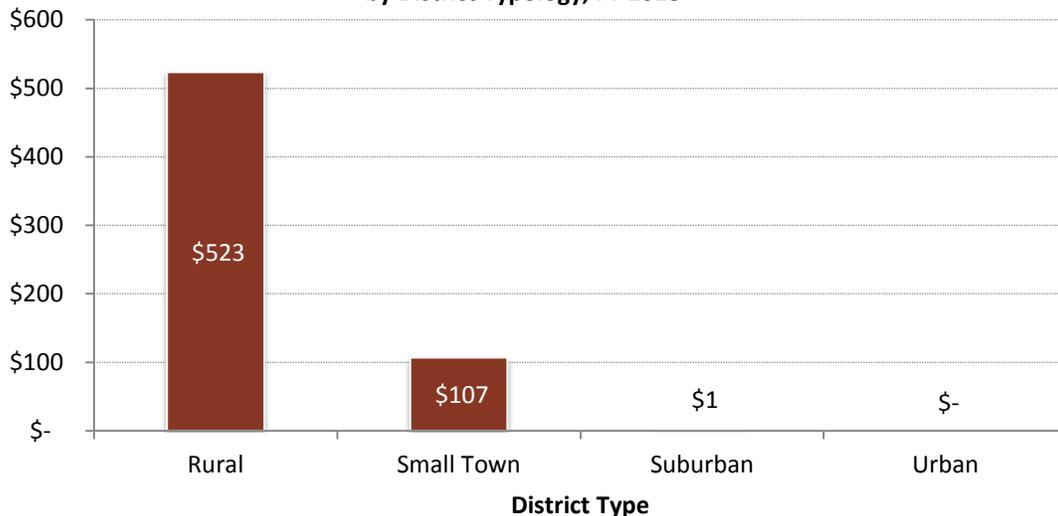
If this calculation results in a negative number, then Supplemental targeted assistance = \$0

$$\text{Three-year average value for FY 2018} = \text{Average value for TYs 2014, 2015, and 2016}$$

$$\text{Three-year average value for FY 2019} = \text{Average value for TYs 2015, 2016, and 2017}$$

Chart S.6 shows average supplemental targeted assistance per formula ADM in FY 2018 by district comparison group (referred to as typology). The chart illustrates that the formula focuses this funding on districts with the most agricultural real property. The average per-pupil amount for rural districts was \$523 in FY 2018, almost five times more than the average of \$107 per pupil received by districts in small town areas. Suburban and urban districts received little or nothing from this component.

Chart S.6: Average Supplemental Targeted Assistance Per Pupil by District Typology, FY 2018



Example – Targeted assistance. The following calculates base and supplemental targeted assistance in FY 2018 for the hypothetical districts A, B, and C. Once again, assume that these districts have identical ADM figures. Note that, because of its high wealth rank (564),

District C is ineligible for base tier funds, but receives supplemental tier funds because more than 10% of its real property value is comprised of agricultural property.

Targeted Assistance for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
A. 3-year average value	\$127,000,000	\$103,000,000	\$260,000,000
B. Formula ADM	976	976	976
C. Value per pupil = A / B	\$130,123	\$105,533	\$266,393
D. 3-year Average FAGI	\$146,000,000	\$99,000,000	\$261,000,000
E. FAGI per pupil = D / B	\$149,590	\$101,434	\$267,418
F. Wealth per pupil = (0.5 x C) + (0.5 x E)	\$139,857	\$103,484	\$266,906
G. Statewide wealth per pupil	\$167,336	\$167,336	\$167,336
H Wealth index = G / F	1.1965	1.6170	0.6269
I. Wealth rank (from lowest to highest)	200	61	564
J. Threshold wealth = 490th rank	\$213,209	\$213,209	\$213,209
K. Base tier per pupil = (J – F) x 0.006 x H	\$527	\$1,065	\$0
L. EdChoice Scholarship students	7	7	7
M. Autism Scholarship students	3	3	3
N. Jon Peterson Special Needs Scholarship students	1	1	1
O. E-school ADM	10	10	10
P. Brick and mortar community school ADM	20	20	20
Q. Net formula ADM = B – L – M – N – O – (0.75 x P)	940	940	940
R. Base targeted assistance = K x Q	\$494,994	\$1,000,700	\$0
S. 3-year average agricultural real property value	\$50,000,000	\$5,000,000	\$45,000,000

Targeted Assistance for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
T. 3-year average total real property value	\$120,000,000	\$101,000,000	\$150,000,000
U. Agricultural percentage = S / T	0.4167	0.0495	0.30
V. Supplemental targeted assistance = (U – 0.1) x (0.4 x \$6,010) x Q	\$702,493	\$0	\$443,680
W. Total targeted assistance = R + V	\$1,197,488	\$1,000,700	\$443,680

Capacity aid

Beginning in FY 2016, H.B. 64 added a new funding component that targets funding to smaller districts with relatively low total property valuation. This component, capacity aid, is based on the amount a district can raise with one mill (the district's capacity amount) and is provided to districts that raise less than the median amount. In FY 2018, the median capacity amount was \$231,776. The aid is calculated on a sliding scale so that districts further from the median receive a higher amount. This sliding scale is determined by a district's capacity ratio. The capacity ratio is calculated by multiplying each district's three-year average total property valuation by 0.001 to determine its capacity amount and then dividing the statewide median capacity amount by the district's capacity amount. The formula then subtracts a value of one from that quotient so that only districts below the median capacity amount qualify for funding. No district's capacity ratio may exceed a value of 2.5.

Capacity Ratio

District capacity amount = Three-year average value x 0.001

Capacity ratio = The lesser of [(Median capacity amount / District capacity amount) – 1] or 2.5

If this calculation results in a negative number, then Capacity ratio = 0

Three-year average value for FY 2018 = Average value for TYs 2014, 2015, and 2016

Three-year average value for FY 2019 = Average value for TYs 2015, 2016, and 2017

Next, the formula calculates the capacity aid per pupil amount, which is the median capacity amount divided by the average formula ADM of all of the districts with capacity amounts below the median. In FY 2018, the average formula ADM of all districts below the median capacity amount was 1,030, leading to a capacity aid per-pupil amount of about \$225.

Capacity Aid Per-Pupil Amount

Capacity aid per-pupil amount =
 Median capacity amount / Average formula ADM of all districts below the median capacity amount

Finally, capacity aid is calculated by multiplying the capacity aid per-pupil amount by the district's formula ADM by the capacity aid multiplier (value of 4.0 in both FY 2018 and FY 2019) and then by the capacity ratio. Capacity aid for school districts totaled approximately \$196.3 million in FY 2018.

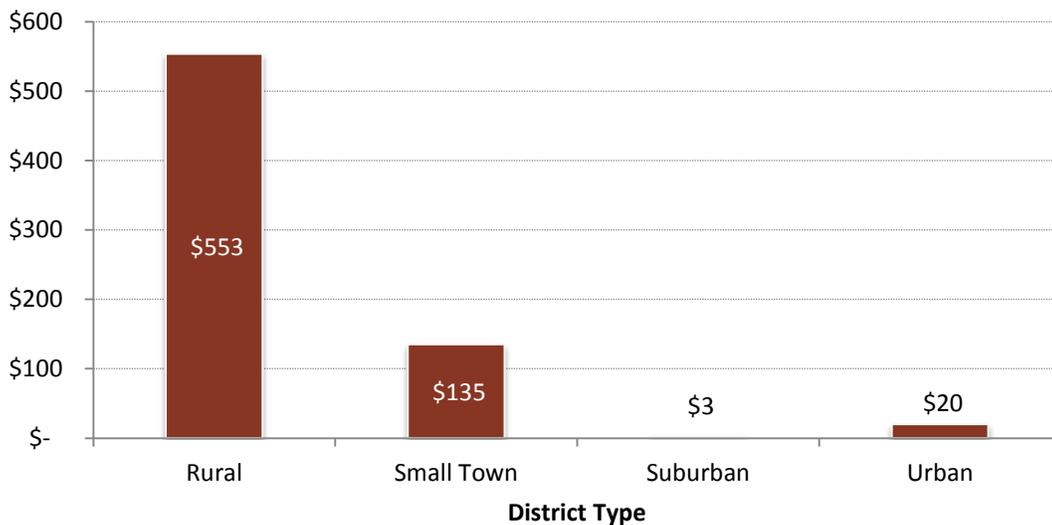
Capacity Aid

Capacity aid = Capacity aid per-pupil amount x Formula ADM x Capacity aid multiplier x Capacity ratio

Capacity aid multiplier = 4.0

Chart S.7 shows average per formula ADM funding in FY 2018 calculated under capacity aid by district typology. Rural districts receive the highest amount of average per-pupil funding from this component at \$553. These districts have, on average, the lowest aggregate valuations among the district types and make up 62.5% of the districts below the median capacity amount. On the other hand, urban districts receive very little from capacity aid, though they tend to have the lowest average valuations per pupil among district types. By their nature, urban districts, particularly the eight major urban districts, have relatively large amounts of aggregate property value. Thus, urban districts tend to raise more than the median capacity amount from one mill. Of the districts that qualify for capacity aid, 11 (3.7%) are smaller urban districts. No major urban districts qualify.

Chart S.7: Average Capacity Aid Per Pupil by District Typology, FY 2018



Example – Capacity Aid. The following calculates capacity aid for the hypothetical Districts A, B, and C. Only District C raises more money with one mill than the median district and thus, does not qualify for funding under this component. Due to its small property tax base, District B has the highest capacity ratio and receives the largest capacity aid amount.

Capacity Aid for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
A. 3-year average value	\$127,000,000	\$103,000,000	\$260,000,000
B. District capacity amount = A x 0.001	\$127,000	\$103,000	\$260,000
C. Median capacity amount	\$231,776	\$231,776	\$231,776
D. Capacity ratio = the lesser of (C / B) – 1 or 2.5	0.8250	1.2503	0.0
E. Average formula ADM of districts below median capacity amount	1,030	1,030	1,030
F. Capacity aid per-pupil = C / E	\$225	\$225	\$225
G. Formula ADM	976	976	976
H. Capacity aid multiplier	4.0	4.0	4.0
I. Capacity aid = F x G x H x D	\$724,839	\$1,098,452	\$0

Categorical components

The opportunity grant is the cornerstone of the foundation aid formula. However, funding based on a flat per-pupil amount will not ensure a similar education for every student in every district since students have different needs and districts face different challenges. The current school funding formula includes a series of additional components to account for individual districts' unique characteristics. These components account for students receiving special education and related services, economically disadvantaged students, gifted students, students in grades K-3, students receiving career-technical education services, and limited English proficiency students. Since the size and road conditions of districts vary considerably, this section also discusses the formula for determining transportation aid.

State funding accounts for a district's unique characteristics and corresponding cost differences that are beyond the district's control

Special education additional aid

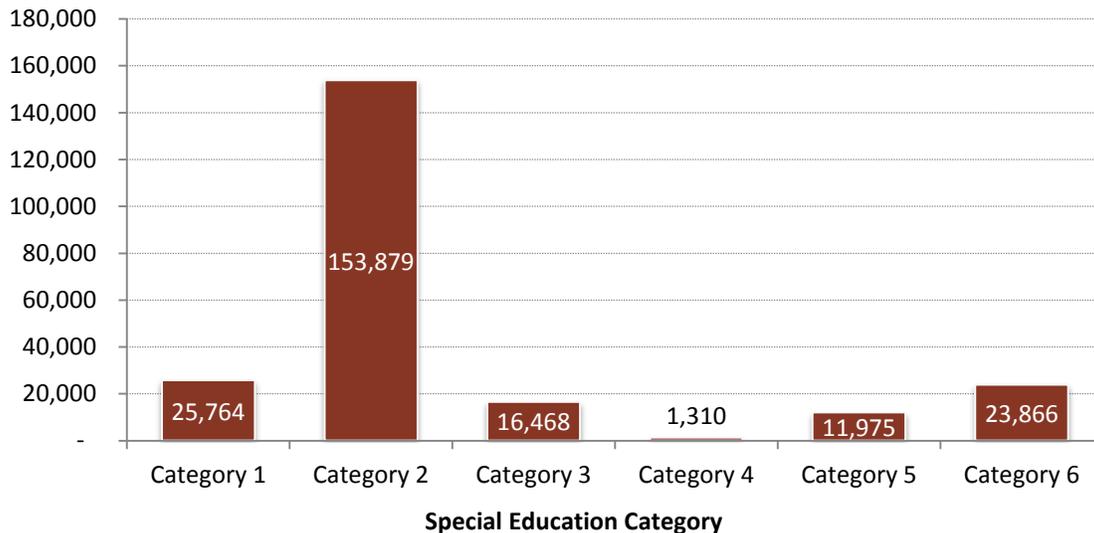
Federal and state law requires children with disabilities ages three to 21 to be provided a free appropriate public education. Accordingly, school districts must develop an individualized education program (IEP) for each child with a disability. Among other items, an IEP contains a

statement of the special education and related services and accommodations the child will be provided. The foundation aid formula groups special education students into six categories based on their disabilities, and assigns an additional per pupil amount for each category. The categories and amounts are listed below.

Special Education Categories	
Category	Amount Per Pupil
1 Speech only	\$1,578
2 Specific learning disabled, developmentally disabled, other health – minor	\$4,005
3 Hearing impaired, severe behavior disabled	\$9,622
4 Vision impaired, other health – major	\$12,841
5 Orthopedically disabled, multi-disabled	\$17,390
6 Autism, traumatic brain injury, both visually and hearing impaired	\$25,637

Each special education student is counted in the district's ADM as one student for the purposes of calculating the district's opportunity grant. These students are also counted in each district's special education ADM, which, as noted above, is broken out by each special education category. Across all six categories, special education ADM amounted to 233,262 in FY 2018. Chart S.8 displays the incidence of each of the six special education categories. As the chart shows, most special education students fall into category two, which represents almost 154,000 (66.0%) of overall special education ADM.

Chart S.8: Special Education ADM by Category, FY 2018



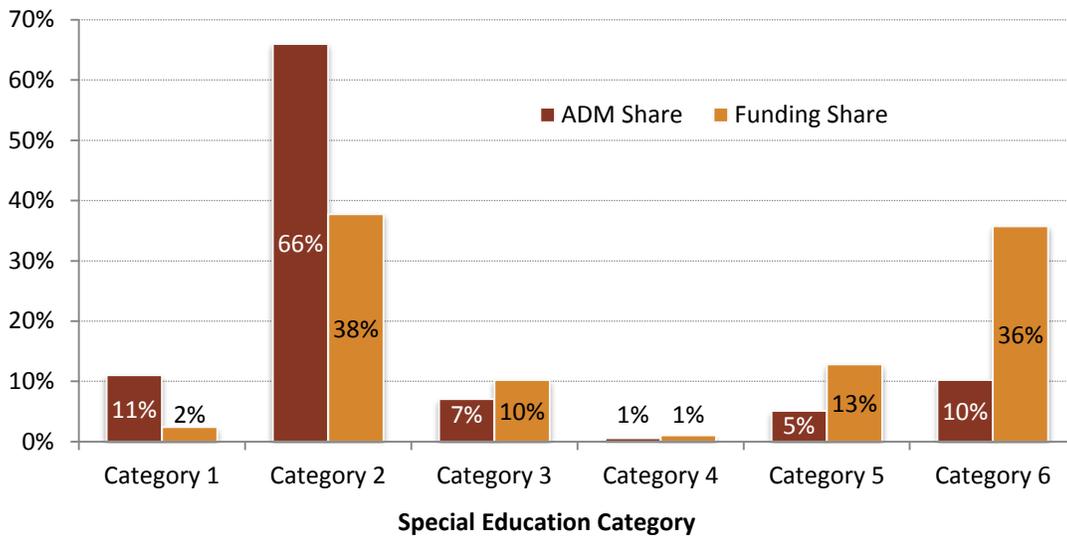
In order to determine special education additional aid, the formula calculates the sum of the amounts obtained by multiplying the special education ADM for each category by the per-pupil amount for that category and, to equalize this funding based on school district capacity to raise local revenues, by the state share index. This calculation is summarized below. The total amount calculated for special education additional aid statewide was \$857.7 million in FY 2018.

Special Education Additional Aid

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

Chart S.9 compares the shares of special education ADM and funding for FY 2018 for each special education category. As noted above, category two students make up 66% of all special education ADM, but the special education additional aid for those students makes up 38% of the total special education additional aid. Conversely, the students with the most severe disabilities (category six) represent 10% of all special education ADM but drive 36% of the additional aid to school districts.

Chart S.9: Share of Special Education ADM and Funding by Category, FY 2018



Example – Special education additional aid. The following calculations continue the example of the hypothetical District A. The table shows District A's assumed ADM for each of the six special education categories and the calculation of District A's special education additional aid for FY 2018.

Special Education Additional Aid for Hypothetical District A, FY 2018				
Category	A. Special Education ADM	B. Per-Pupil Amount	C. State Share Index	D. Additional Aid = A x B x C
One	15	\$1,578	0.5263	\$12,457
Two	82	\$4,005	0.5263	\$172,837
Three	11	\$9,622	0.5263	\$55,703
Four	0	\$12,841	0.5263	\$0
Five	5	\$17,390	0.5263	\$45,760
Six	12	\$25,637	0.5263	\$161,908
Total	125	--	--	\$448,665

Economically disadvantaged funds

Another categorical cost is that incurred by districts for disadvantaged students, who may not have access to the same resources and opportunities outside of school as other students. In order to provide these students with an education similar to that provided to more advantaged students, schools may need to provide additional resources and opportunities. The foundation aid formula provides additional funding to school districts based on the number and concentration of economically disadvantaged students in a district. The state uses students from low-income families (i.e., families eligible for free and reduced price school lunch) as a proxy for disadvantaged students. In order to provide more funding to districts with higher concentrations of economically disadvantaged students, the formula calculates an economically disadvantaged index. A district's index value is equal to the percentage of students in the district that are economically disadvantaged divided by the percentage of students in the state that are economically disadvantaged, with the result squared to target funding to districts with higher concentrations of poverty. This index ranges from zero to 4.0. Calculation of the index is summarized below.

Economically Disadvantaged Index

$$\% \text{ Economically disadvantaged} = \text{Economically disadvantaged ADM} / \text{Total ADM}$$

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

The formula provides a per-pupil amount of \$272, which is multiplied by the district's economically disadvantaged index and then by the number of students in the district's ADM

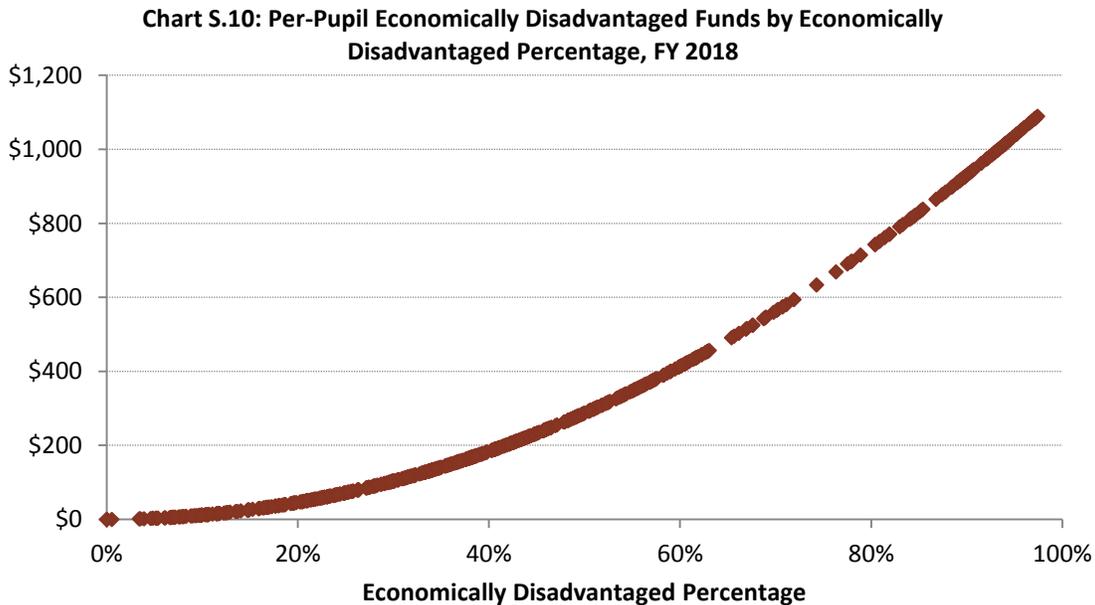
who are identified as economically disadvantaged (except for students attending an e-school, since e-schools are ineligible for this funding component). This calculation is summarized below. The total amount calculated for economically disadvantaged aid statewide was \$448.4 million in FY 2018.

Economically Disadvantaged Funds

$$\text{Economically disadvantaged funds} = \text{Economically disadvantaged per-pupil amount} \times \text{Economically disadvantaged index} \times \text{Economically disadvantaged ADM}$$

Economically disadvantaged per-pupil amount = \$272

Chart S.10 shows the effect of the economically disadvantaged index on the per economically disadvantaged pupil amount in FY 2018. The chart illustrates that the increase in per-pupil funding becomes more rapid as the economically disadvantaged percentage increases. This is due to the inclusion of the square factor in the computation of the index. For example, a district at the state average percentage (48.7% in FY 2018) has an economically disadvantaged index of 1.0, which results in a per-pupil amount of \$272 (\$272 x 1.0), the base amount specified by the formula. In contrast, the economically disadvantaged index for the district with the highest economically disadvantaged percentage (97.4%) in FY 2018 was about 4.0. Thus, that district's per-pupil amount in FY 2018, in effect, was about \$1,089 (\$272 x 4.0).



Example – Economically disadvantaged funds. The following calculations continue the example of the hypothetical District A. The table shows the calculation of District A's economically disadvantaged funds for FY 2018. Since District A's economically disadvantaged percentage is close to the state average, its economically disadvantaged index is close to 1.0.

Economically Disadvantaged Funds for Hypothetical District A, FY 2018	
Factor	Amount
A. Economically disadvantaged ADM	468
B. Resident district e-school economically disadvantaged ADM	2
C. Total ADM	1,000
D. Economically disadvantaged percentage = A / C	0.4680
E. State economically disadvantaged percentage	0.4869
F. Economically disadvantaged index = (D / E) ²	0.9239
G. Economically disadvantaged funds = (A – B) x \$272 x F	\$117,103

Gifted funds

Identification funds

Current law requires school districts to identify gifted students in grades K-12. School districts identify gifted students through the use of certain screening tools and assessments approved by ODE. The foundation aid formula assists districts with the costs of identification. Funds for gifted identification are provided at a rate of \$5.05 per formula ADM. This calculation is summarized below. In FY 2018, the total amount calculated for gifted identification funds statewide was \$8.4 million.

Gifted Identification Funds

Gifted identification funds = Gifted identification per-pupil amount x Formula ADM

Gifted identification per-pupil amount = \$5.05

Unit funds

While school districts are required to identify gifted students, they are not required to offer gifted services. Even so, the formula provides unit funding for gifted education services based upon certain prescribed ratios of gifted coordinators and gifted intervention specialists. The formula allocates one gifted coordinator unit for every 3,300 students in a district's gifted unit ADM, which is calculated as the district's formula ADM minus the ADM of resident students from the district attending a community or STEM school. No district may have fewer than 0.5 or more than eight such units allocated under the formula. One gifted intervention specialist unit is allocated for every 1,100 gifted unit ADM, with a minimum of 0.3 units allocated to each district. There is no cap on the number of gifted intervention specialist units. The total number

of units is then multiplied by the specified unit cost to determine the district's unit funding. The formula specifies that the unit cost for each gifted coordinator and gifted intervention specialist unit is \$37,370. The calculations for gifted units are summarized below. In FY 2018, the statewide number of gifted coordinator and gifted intervention specialist units calculated by the formula was 525 and 1,418, respectively. The total amount calculated for gifted unit funding statewide in FY 2016 was \$72.6 million.

Gifted Unit Funds	
Gifted unit ADM = Formula ADM – Community and STEM school ADM	
Gifted coordinator units = Gifted unit ADM / 3,300 (minimum of 0.5 units and maximum of 8 units)	
Gifted intervention specialist units = Gifted unit ADM / 1,100 (minimum of 0.3 units)	
Gifted unit funds = Gifted unit cost x (Gifted coordinator units + Gifted intervention specialist units)	
Gifted unit cost = \$37,370	

Example – gifted funds. The following calculations continue the example of the hypothetical District A. The table shows the calculation of District A's gifted funds for FY 2018.

Gifted Funds for Hypothetical District A, FY 2018	
Factor	Amount
A. Formula ADM	976
B. Gifted identification funds = A x \$5.05	\$4,929
C. Resident district community and STEM school ADM	30
D. Gifted unit ADM = A – C	946
E. Gifted coordinator units = D / 3,300 (min. of 0.5; max. of 8)	0.5
F. Gifted intervention specialist units = D / 1,100 (min. of 0.3)	0.86
G. Gifted unit funds = \$37,370 x (E + F)	\$50,823
H. Total gifted funds = B + G	\$55,752

K-3 literacy funds

Under a policy in current law known as the third grade reading guarantee, each district and community school must annually assess the reading skills of each student in grades K-3 to identify students reading below grade level. The district or school must provide intervention services to identified students to help them improve their reading skills. Once the policy is fully phased-in, school districts and community schools generally will be prohibited from promoting to fourth grade a student that is not reading at grade level by the end of the third grade. The foundation aid formula provides additional funding to school districts in support of the third grade reading guarantee. This funding is based on a district's K-3 ADM, with the exception of such resident students attending an e-school (e-schools are ineligible for this component of funding), through two tiers, one equalized and the other unequalized. The equalized portion of a school district's K-3 literacy funds, which depends on the district's state share index, uses a per-pupil amount of \$193 while the unequalized portion is calculated using a per-pupil amount of \$127. The calculation of this funding is summarized below. The total amount calculated for K-3 literacy funds statewide in FY 2018 was \$112.7 million.

K-3 Literacy Funds

$$\text{K-3 literacy funds} = (\text{K-3 ADM} \times \text{Equalized per-pupil amount} \times \text{State share index}) + (\text{K-3 ADM} \times \text{Unequalized per-pupil amount})$$

$$\text{Equalized per-pupil amount} = \$193$$

$$\text{Unequalized per-pupil amount} = \$127$$

Example – K-3 literacy funds. The following calculations continue the example of the hypothetical District A. The table shows District's A's assumed K-3 ADM and the calculation of District A's K-3 literacy funds for FY 2018.

K-3 Literacy Funds for Hypothetical District A, FY 2018	
Factor	Amount
A. K-3 ADM	315
B. K-3 E-school ADM	5
C. State share index	0.5263
D. Equalized K-3 literacy funds = (A – B) x 193 x C	\$31,488
E. Unequalized K-3 literacy funds = (A – B) x \$127	\$39,370
F. Total K-3 literacy funds = D + E	\$70,858

Career-technical education funds

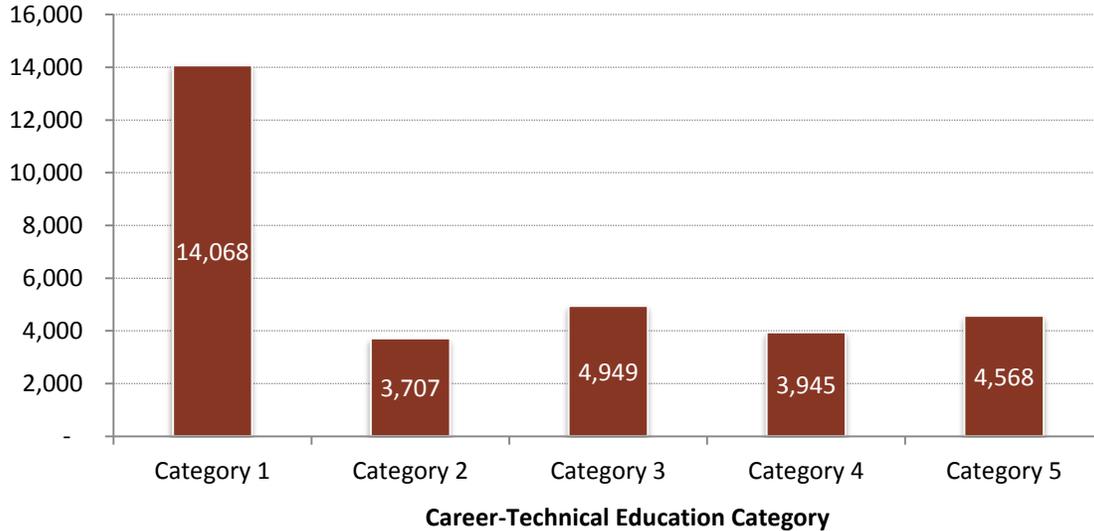
Current law generally requires school districts to provide students in grades 7-12 with the opportunity of career-technical education (CTE) that adequately prepares them for an occupation.⁷ School districts can meet this requirement by establishing their own State Board of Education-approved CTE programs, being a member of a joint vocational school district (JVSD), or by contracting with a JVSD or another school district for CTE services. The formula provides additional funding to school districts to cover the higher costs of CTE services. The formula for calculating this funding separates career-technical FTEs into five categories and funds a per FTE amount for each category. The five categories and the amounts are given in the table below. The same CTE amounts apply to students enrolled in JVSDs, which are funded through a separate but comparable formula that is discussed at the end of this section.

Career-Technical Education Categories	
Category	Amount Per Pupil
1 Workforce development programs in agricultural and environmental systems, construction technologies, engineering and science technologies, finance, health science, information technology, and manufacturing technologies	\$5,192
2 Workforce development programs in business and administration, hospitality and tourism, human services, law and public safety, arts and communications, and transportation systems	\$4,921
3 Career-based intervention programs	\$1,795
4 Workforce development programs in education and training, marketing, workforce development academics, public administration, and career development	\$1,525
5 Family and consumer science programs	\$1,308

Across all five categories, career-technical FTEs amounted to 31,237 in FY 2018. Chart S.11 displays statewide FTE by CTE category. As the chart shows, category one contains the largest number of FTEs, representing 45% of the total.

⁷ School districts may opt to not provide career-technical education to students in grades seven and eight by annually adopting a resolution and submitting it to the Ohio Department of Education.

Chart S.11: Career-Technical Education FTE by Category, FY 2018



The formula multiplies the FTE in each category by the dollar amounts in the table above and by the state share index. The amounts for each category are then summed. This calculation is summarized below. Statewide, CTE additional funds amounted to \$61.2 million in FY 2018.

Career-Technical Education Additional Funds

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

The formula also provides CTE associated services funds based on the sum of a district's career-technical FTE in categories one through five and a per-pupil amount of \$245, as detailed in the table below. Like CTE additional funds, associated services funding is equalized based on a district's state share index. The amount calculated for CTE associated services funds statewide was \$4.2 million in FY 2018.

Career-Technical Education Associated Services Funds

$$\text{Career-technical education associated services funds} = (\text{Category 1 FTE} + \text{Category 2 FTE} + \text{Category 3 FTE} + \text{Category 4 FTE} + \text{Category 5 FTE}) \times \text{Associated services per-pupil amount} \times \text{State share index}$$

$$\text{Associated services per-pupil amount} = \$245$$

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

CTE additional funds and CTE associated services funds are provided outside the formula's main guarantee provisions. However, the formula separately guarantees that a district will receive, in both FY 2018 and FY 2019, at least 100% of the funding it received from those sources for FY 2017. The total amount calculated for temporary transitional CTE aid statewide in FY 2018 was \$5.0 million for 360 school districts.

Temporary Transitional Career-Technical Education Aid	
FY 2018 Temporary transitional career-technical education aid =	FY 2017 total career-technical education funds - FY 2018 total career-technical education funds
If calculation results in negative number, temporary transitional career-technical education aid = \$0	
<hr/>	
FY 2019 Temporary transitional career-technical education aid =	FY 2017 total career-technical education funds - FY 2019 total career-technical education funds
If calculation results in negative number, temporary transitional career-technical education aid = \$0	
<hr/>	
Total career-technical education funds =	
Career-technical education additional funds + Career-technical education associated services funds	

Example – CTE funds. The following calculations continue the example of the hypothetical District A. The first table below shows District A's assumed FTE for each of the five CTE categories and the calculation of District A's CTE funds for FY 2018.

Total Career-Technical Education Funds for Hypothetical District A, FY 2018				
Category	A. Career-Technical FTE	B. Per-Pupil Amount	C. State Share Index	D. Additional Aid = A x B x C
One	30	\$5,192	0.5263	\$81,974
Two	15	\$4,921	0.5263	\$38,848
Three	10	\$1,795	0.5263	\$9,447
Four	5	\$1,525	0.5263	\$4,013

Total Career-Technical Education Funds for Hypothetical District A, FY 2018				
Category	A. Career-Technical FTE	B. Per-Pupil Amount	C. State Share Index	D. Additional Aid = A x B x C
Five	20	\$1,308	0.5263	\$13,768
Subtotal additional funds	80	--	--	\$148,049
Associated services funds	80	\$245	0.5263	\$10,315
Total CTE formula funds	--	--	--	\$158,364

The following table shows the calculation of District A's temporary transitional CTE aid for FY 2018.

Temporary Transitional Career-Technical Education Aid for Hypothetical District A, FY 2018	
Factor	Amount
A. Career-technical education additional funds, FY 2017	\$165,000
B. Career-technical education associated services funds, FY 2017	\$12,000
C. Total career-technical education funds, FY 2017 = A + B	\$177,000
D. Total career-technical education formula funds, FY 2018	\$158,364
E. Temporary transitional career-technical education aid, FY 2018 = if (D < C), C – D, else \$0	\$18,636
F. Total CTE Funds (D+E), FY 2018	\$177,000

Limited English proficiency funds

Limited English proficient (LEP) students are, in general, those who were not born in the United States or whose native language is a language other than English, whose difficulties in communicating in or understanding the English language make it difficult for the student to achieve academically or fully participate in society. To assist school districts in providing additional educational services to these students, the foundation aid formula provides additional funding based on the ADM of LEP students in a manner similar to the funding provided for special and career-technical education students.

LEP ADM is divided into three categories based on the amount of time the student has been enrolled in schools in the United States. The following table describes the three categories as well as the additional cost applied under the formula. In FY 2018, LEP ADM totaled 53,269

statewide. Almost 71% of these students (37,775) fell under category two, which represents students in U.S. schools more than 180 school days or previously exempted from either of the spring reading or writing English language arts assessments.

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

The formula multiplies the ADM in each category by the applicable dollar amount. Each result is equalized based on the state share index and then summed to calculate a district's funding. The calculation of LEP funds is summarized below. In FY 2018, the amount calculated for LEP funds statewide was \$35.0 million.

Limited English Proficiency Funds

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

Example – LEP funds. The following calculations continue the example of the hypothetical District A. The table shows District A's assumed ADM for each of the three LEP categories and the calculation of District A's LEP funds for FY 2018.

Limited English Proficiency Funds for Hypothetical District A, FY 2018				
Category	A. LEP ADM	B. Per-Pupil Amount	C. State Share Index	D. Additional Aid = A x B x C
One	2	\$1,515	0.5263	\$1,595
Two	7	\$1,136	0.5263	\$4,185
Three	1	\$758	0.5263	\$399
Total	10	--	--	\$6,179

Transportation aid

Current law requires school districts to provide transportation to the district's students as well as to certain community school students and nonpublic students who reside in the district. While these state transportation requirements only apply to students in grades K-8 who live more than two miles from the school, the state also funds transportation service for high school students and for students who live between one and two miles from the school. The transportation formula supports the transportation of all regular education pupils in buses owned by the district or operated through a contract. All other types of pupil transportation to and from school are reimbursed through a method determined separately through rules adopted by the State Board. The transportation formula is based on transportation costs as reported by school districts for the prior fiscal year and current year ridership and mileage counts. Additionally, a supplemental transportation payment is provided to districts with low density. Details of these calculations are given below.

Base transportation aid

The transportation formula looks at two statewide cost measures from the previous year: the average cost per pupil transported and the average cost per mile driven. These state averages are computed after removing the ten districts with the highest and lowest costs per pupil and costs per mile, respectively. These average costs are then applied to the number of pupils transported and the number of miles driven in the current year for each district. To calculate the base payment for each district, the greater of these two amounts is then multiplied by the greater of the district's state share index or the minimum transportation state share, which is 37.5% in FY 2018 and 25% in FY 2019. The base amount calculated by the formula totaled \$840.5 million in FY 2018. Once the applicable state share was applied, the amount calculated for the base payment statewide was \$413.8 million in FY 2018.

The payment amounts for other types of transportation are added to the base payment to determine each district's total base transportation allocation. The amount calculated for payments for these other types was \$13.3 million for 76 districts in FY 2018. In addition, community schools may provide transportation services to the students they educate and receive payment for doing so through deductions of the resident district's state foundation aid. Current law requires the resident school districts to be partially credited for the amounts deducted. These payments, which amounted to \$3.1 million for 50 districts in FY 2018, are also added to the district's base transportation payment. The calculation of the total base transportation allocation for each school district is summarized below. The amount calculated for the total base transportation allocation statewide in FY 2018 was \$430.1 million.

Total Base Transportation Funds

District's per-rider subsidy =
 State average cost per rider in previous year x Number of pupils transported in current year

District's per-mile subsidy =
 State average cost per mile in previous year x Number of miles driven in current year

Total Base Transportation Funds

If the district's per-pupil subsidy is greater than its per-mile subsidy:
 Base payment = District's per-rider subsidy x Greater of minimum state share or state share index

If the district's per-mile subsidy is greater than its per-pupil subsidy:
 Base payment = District's per-mile subsidy x Greater of minimum state share or state share index

Total base transportation funds =
 Base payment + Payment for other types of school transportation +
 Payment for students transported by community schools

Minimum state share = 37.5% in FY 2018 and 25% in FY 2019

Transportation supplement

In addition to the base and other transportation payments, the formula provides a transportation supplement targeted to districts with low density to aid these districts with transportation operating costs. To calculate the supplement, the formula first determines each district's transportation supplement percentage, which is based on district rider density (defined as total ADM per square mile). The percentage is equal to a rider density threshold of 50 minus the district's rider density, the result of which is then divided by 100. Thus, lower density districts have a higher transportation supplement percentage, up to a theoretical maximum of 50%. Districts above the density threshold in each fiscal year do not receive funding from this component.

Each district's supplement is calculated by multiplying the transportation supplement percentage by the district's calculated mile base from the main pupil transportation formula and then by a fixed value of 0.55. The calculation of the transportation supplement is summarized in the table below. The transportation supplement amounted to \$55.3 million for 369 districts in FY 2018.

Transportation Supplement

Transportation supplement percentage = (Density threshold – District rider density) / 100

Density threshold = 50

District rider density = District total ADM / District square miles

Transportation supplement = Transportation supplement percentage x district mile base x 0.55

If this calculation results in a negative number, then Transportation supplement = \$0

District mile base = Statewide cost per mile x district annual miles driven

Example – Transportation aid. The following calculations continue the example of the hypothetical District A. Assume the district has 500 qualifying riders and 125,000 annual miles driven, the district covers 150 square miles, and none of the district's students are transported by community schools. The table shows the calculation of District A's transportation aid for FY 2018.

Transportation Aid for Hypothetical District A, FY 2018	
Factor	Amount
A. State average cost per pupil, FY 2017	\$964.82
B. State average cost per mile, FY 2017	\$4.68
C. Qualifying riders, FY 2018	500
D. Annual miles driven, FY 2018	125,000
E. Per pupil subsidy = A x C	\$482,410
F. Per mile subsidy = B x D	\$584,494
G. Base cost = Greater of E or F	\$584,494
H. State share index	0.5263
I. Base payment = G x (Greater of 37.5% or H)	\$307,610
J. Payment amount for other types of transportation	\$10,000
K. Community school transportation payment	\$0
L. Total base transportation allocation = I + J + K	\$317,610
M. District square miles	150
N. Total ADM – FY 2017	1,010
O. Rider density = N / M	6.7
P. Supplement density threshold	50
Q. Transportation supplement percentage = (P – O) / 100	0.4327
R. Transportation supplement = Q x F x 0.55	\$139,090
S. Total transportation aid = L + R	\$456,700

Special education transportation

In addition to funding a portion of regular pupil transportation costs as described above, the state provides funds outside of the main foundation aid formula to school districts and county boards of developmental disabilities to assist them in providing required transportation services to students with disabilities whom it is impossible or impractical to transport by regular school bus. Such transportation costs are reimbursed through a method determined separately through rules adopted by the State Board. Under these rules, the state calculates a base amount of \$6 per rider per instructional day plus one half of the actual cost in excess of \$6 per rider per day. However, the base amount is limited to the actual reported cost of transportation or 200% of the statewide average cost of transportation per child, whichever is less. The resulting amount is then multiplied by the greater of 60% or the district's state share index. In FY 2018, these payments totaled \$60.5 million, of which \$55.6 million went to school districts.

Performance bonuses

In an effort to incentivize performance, the formula includes two components based on school district four-year graduation rates and third grade reading proficiency rates. Each bonus payment is discussed in more detail below.

Graduation bonus

The formula's graduation bonus payment is calculated by multiplying a district's graduation rate on its most recent report card by a per-pupil amount equal to 7.5% of the formula amount (\$451 in FY 2018 and \$452 in FY 2019). Each district's per pupil amount is then multiplied by the number of the district's graduates and then by the district's state share index. This calculation is summarized below. The total amount calculated for graduation bonus statewide was \$20.4 million in FY 2018.

Graduation Bonus

Graduation bonus = Graduate count x 0.075 x Formula amount x Graduation rate x State share index

Graduate count = Number of graduates reported to ODE for the same school year for which the most recent report card is issued

Graduation rate = Four-year adjusted cohort graduation rate on most recent report card

Third grade reading bonus

The formula's third grade reading bonus payment is calculated by multiplying a district's third grade reading proficiency percentage by 7.5% of the formula amount (same as the graduation bonus). Each district's per-pupil amount is then multiplied by the number of the district's third graders who score proficient or higher in reading and then by the district's state share index. This calculation is summarized below. The total amount calculated for third grade reading bonuses statewide was \$11.2 million in FY 2018.

Third Grade Reading Bonus

$$\text{Third grade reading bonus} = \text{Third grade reading proficiency percentage} \times 0.075 \times \text{Formula amount} \times \text{Number of proficient or higher readers in third grade} \times \text{State share index}$$

Third grade reading proficiency percentage = The percentage of a district's students scoring at a proficient or higher level of skill on the third grade English language arts assessment for the immediately preceding school year as reported on the district's report card

Example – Performance bonuses. The following calculations continue the example of the hypothetical District A. The table shows District's A's assumed graduate count, graduation rate, number of proficient third grade readers, and third grade reading proficiency percentage and the calculation of District A's performance bonuses for FY 2018.

Performance Bonuses for Hypothetical District A, FY 2018	
Factor	Amount
A State share index	0.5263
B. Graduate count	80
C. Graduation rate	0.93
D. Graduation bonus = $B \times 0.075 \times \$6,010 \times C \times A$	\$17,649
E. Number of proficient third grade readers	60
F. Third grade reading proficiency percentage	0.83
G. Third grade reading bonus = $E \times 0.075 \times \$6,010 \times F \times A$	\$11,814
H. Total performance bonuses = $D + G$	\$29,463

Additional funding adjustments

In general, the final allocation for each district may be adjusted further by either guaranteeing districts receive no less than a certain percentage of their state foundation aid in FY 2017 or by limiting the increases in funding through application of a funding cap. These adjustments are described in more detail below.

Temporary transitional aid

In general, temporary transitional aid is provided to districts in FY 2018 and FY 2019 to guarantee 100% of their FY 2017 state aid, except for certain districts that lost enrollment in recent years. If, between FY 2014 and FY 2016, a district's total ADM decreased by 10% or

more, the district is guaranteed 95% of the district's FY 2017 foundation aid (less exempt components) in both FY 2018 and FY 2019. If a district's total ADM decreased between 5% and 10%, the district is guaranteed a scaled amount between 95% and 100% of the district's FY 2017 foundation aid. Seven (1.1%) districts were guaranteed 95% of their FY 2017 foundation aid because they lost 10% or more in enrollment while 93 (15.2%) were guaranteed a scaled amount between 95% and 100%.

CTE additional funds and CTE associated services funds are provided outside of temporary transitional aid but are separately guaranteed, as described above. The calculation of temporary transitional aid is summarized below. In FY 2018, temporary transitional aid totaling \$221.4 million was paid to 328 (53.8%) districts.

Temporary Transitional Aid

$$\text{Temporary transitional aid} = (\text{Transitional aid guarantee base} \times \text{Transitional aid guarantee base percentage}) - \text{Foundation funding for the guarantee}$$

If this calculation results in a negative number, then Temporary transitional aid = \$0

$$\text{Transitional aid guarantee base in FY 2018 and FY 2019} =$$

The following FY 2017 amount after any reductions to comply with the gain cap: Opportunity grant + Targeted assistance + Special education additional aid + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid + Graduation bonus + Third grade reading bonus + Total base transportation funds + Transportation supplement + Temporary transitional aid

$$\text{Foundation funding for the guarantee} =$$

Opportunity grant + Targeted assistance + Special education additional aid + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid + Graduation bonus + Third grade reading bonus + Total base transportation funds + Transportation supplement

$$\text{Total ADM percentage change} = (\text{Total ADM for FY 2016} / \text{Total ADM for FY 2014}) - 1$$

If Total ADM percentage change \leq -10%:

Transitional aid guarantee base percentage = 95%

If Total ADM percentage change $>$ -10% and $<$ -5%:

Transitional aid guarantee base percentage = Total ADM percentage change + 105%

If Total ADM percentage change \geq -5%:

Transitional aid guarantee base percentage = 100%

Example – Temporary transitional aid. The following calculations continue the example of the hypothetical District A. Assume District A's FY 2018 transitional aid guarantee base (i.e., the district's FY 2017 foundation aid from components included in the guarantee calculations) is \$6.4 million. The table shows the calculation of District A's temporary transitional aid for

FY 2018. As the table shows, the district is guaranteed less than 100% of its transitional aid guarantee base due to the district's loss in enrollment.

Temporary Transitional Aid for Hypothetical District A, FY 2018	
Factor	Amount
A. Transitional aid guarantee base (FY 2017 foundation aid less exempt components)	\$6,400,000
B. Total ADM – FY 2014	1,090
C. Total ADM – FY 2016	1,025
D. Total ADM percentage change = $(C / B) - 1$	-6.0%
E. Transitional aid guarantee base percentage = if $D \leq -10\%$, 95%, else if $D > -10\%$ and $< -5\%$, $D + 105\%$, else 100%	99%
F. Transitional aid guarantee amount = $A \times E$	\$6,338,349
G. Foundation funding for the guarantee	\$6,200,425
H. Temporary transitional aid = if $G < F$, $F - G$, else \$0	\$137,923

Gain cap

General gain cap. The foundation aid formula generally caps a district's annual funding increase to 3.0% of prior year funding, except for certain districts whose enrollment grew in recent years. The gain cap is increased to up to 5.5% in FY 2018 and to up to 6.0% in FY 2019 for a district whose total ADM grew by more than 3.0% between FY 2014 and FY 2016. The gain cap for such a district is directly related to its percentage change in total ADM. For example, the funding increase for a district whose total ADM increased by 4.0% is capped at 4.0% in both years while the funding increase for a district whose total ADM increased by 7.0% is capped at 5.5% in FY 2018 and 6.0% in FY 2019. The maximum possible increases of 5.5% in FY 2018 and 6.0% in FY 2019 apply to 21 (3.4%) and 14 (2.3%) districts, respectively. An additional 26 (4.3%) and 33 (5.4%) districts were eligible for increases greater than 3% but less than the maximums in FY 2018 and FY 2019, respectively. The formula calls for a district's opportunity grant, targeted assistance, capacity aid, economically disadvantaged funds, gifted funds, K-3 literacy funds, and LEP funds to be reduced proportionately to comply with the gain cap.

Gain cap for eligible power plant districts. The formula modifies the gain cap calculations for the "eligible school districts" that are adversely affected by power plant devaluation described above. Essentially, the gain cap for an "eligible district" is the lesser of (1) the district's foundation aid each fiscal year before the cap is applied and (2) the district's prior year funding plus the difference in the district's taxes charged and payable for the tax year

three years preceding the tax year in which the current fiscal year ends and those taxes for the tax year two years preceding the tax year in which the current fiscal year ends (i.e., for FY 2018, the loss in local property taxes from TY 2015 to TY 2016 and, for FY 2019, the loss in local property taxes from TY 2016 to TY 2017). In no circumstance can an eligible district's funding be limited by more than the general limitation that applies to all other school districts. The modification to the gain cap for eligible districts permits them to more fully take advantage of their increased state share index values by lifting the gain cap up to the loss in local property tax revenue from year to year.

The calculations for the general gain cap and the gain cap for eligible power plant districts are summarized below. In FY 2018, the gain cap reduced funding to 198 (32.3%) districts by a total of \$562.7 million.

Exempt components. Components exempt from the cap are the graduation bonus, the third grade reading bonus, CTE additional funds, CTE associated services funds, and temporary transitional CTE aid. Thus, each district will receive the full calculated amounts for these exempt components, whether or not the district is subject to the gain cap. Special education additional funds and pupil transportation funds, while included in the cap calculations, are exempt from the gain cap unless the calculated amounts for the other components are insufficient to fully comply with the cap limitation. In that case, ODE may proportionately reduce a district's calculated amount of those funds. In FY 2018, it was not necessary to apply the gain cap to those components.

Gain Cap

Gain cap (general) = Limitation base x Limitation base multiplier

Limitation base for FY 2018 =

The following FY 2017 amount after any reductions to comply with the gain cap: Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid + Total base transportation funds + Transportation supplement + Temporary transitional aid

Limitation base for FY 2019 =

The following FY 2018 amount after any reductions to comply with the gain cap: Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds + Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid + Total base transportation funds + Temporary transitional aid + Cap offset payment + S.B. 8 supplemental TPP payment⁸

⁸ See the "Tax Loss Reimbursements" section of this document for additional information on the S.B. 8 supplemental TPP payment.

Gain Cap

If Total ADM percentage change \geq 5.5% in FY 2018 or \geq 6.0% in FY 2019:
Limitation base multiplier = 1.055 in FY 2018 or 1.06 in FY 2019

If Total ADM percentage change $>$ 3% and ($<$ 5.5% in FY 2018 or $<$ 6.0% in FY 2019):
Limitation base multiplier = Total ADM percentage change + 1

If Total ADM percentage change \leq 3.0%:
Limitation base multiplier = 1.03

Gain cap ("eligible school districts") = the greater of:

1. The lesser of:
 - a. Foundation funding subject to the gain cap (i.e., funding before the cap is applied) and
 - b. Limitation base + (Taxes charged and payable for tax year three years preceding the tax year in which the current fiscal year ends – the taxes charged and payable for the tax year two years preceding the tax year in which the current fiscal year ends)
2. The general gain cap

Cap offset payment

By nature, the state foundation aid of a capped district grows from the prior year. However, due to the phase-out of fixed rate operating TPP replacement payments described later, a capped district's combined amount from these sources ("combined state aid") in FY 2018 may be less than what it was in FY 2017. In response, the foundation aid formula provides a payment in FY 2018 that, in practice, guarantees a capped district receives at least the same amount of combined state aid in FY 2017 as it did in FY 2018 unless the district's cap reduction is less than its net loss. In that case, the payment is limited to the cap reduction. The payment is calculated as an amount equal to the lesser of (1) the district's cap reduction in FY 2018 and (2) the district's net loss in combined state aid between FY 2017 and FY 2018. While this payment is calculated only for FY 2018, the amount of a district's FY 2018 cap offset payment is included in the district's FY 2019 limitation base to allow the district greater growth in foundation aid in the second year of the biennium. The total amount calculated for the cap offset payment statewide was \$4.9 million for 26 (4.3%) districts in FY 2018.

Cap Offset Payment

Cap offset payment for eligible school district = the lesser of:
1. FY 2017 Combined state aid – FY 2018 Combined state aid
2. FY 2018 cap reduction

FY 2017 Combined state aid =
Foundation funding + Fixed rate operating direct reimbursements for TPP tax losses

Cap Offset Payment

FY 2018 Combined state aid =
Foundation funding before cap offset payment +
Fixed rate operating direct reimbursements for TPP tax losses + S.B. 8 supplemental TPP payment

FY 2017 Foundation funding =
The following FY 2017 amount after any reductions to comply with the gain cap: Opportunity grant +
Targeted assistance + Special education additional funds + K-3 literacy funds +
Economically disadvantaged funds + Limited English proficiency funds + Gifted funds +
Career-technical education additional funds + Career-technical education associated services funds +
Capacity Aid + Total base transportation funds + Transportation Supplement +
Temporary transitional aid

FY 2018 Foundation funding before cap offset payment =
The following FY 2018 amount after any reductions to comply with the gain cap: Opportunity grant +
Targeted assistance + Special education additional funds + K-3 literacy funds +
Economically disadvantaged funds + Limited English proficiency funds + Gifted funds +
Career-technical education additional funds + Career-technical education associated services funds +
Capacity Aid + Total base transportation funds + Transportation Supplement +
Temporary transitional aid + Temporary transitional career-technical education aid

FY 2018 cap reduction =
Absolute value of (FY 2018 Gain cap – FY 2018 Foundation funding subject to the gain cap)

Eligible school district =
FY 2018 cap reduction > \$0 and
(FY 2017 combined state aid – FY 2018 Combined state aid) > \$0

Final foundation funding

A district's final foundation funding each fiscal year is the lesser of its foundation funding subject to the gain cap or its gain cap plus the amounts computed for the district for the components exempt from the gain cap, the cap offset payment, and temporary transitional CTE aid. The calculation of final foundation funding for each school district is summarized below. In FY 2018, a total of \$7.95 billion was allocated to the 610 school districts in Ohio.

Final Foundation Funding

Final foundation funding for FY 2018 =
(The lesser of Foundation funding subject to the gain cap or the gain cap) +
Career-technical education additional funds + Career-technical education associated services funds +
Graduation bonus + Third grade reading bonus +
Temporary transitional career-technical education aid + Cap offset payment

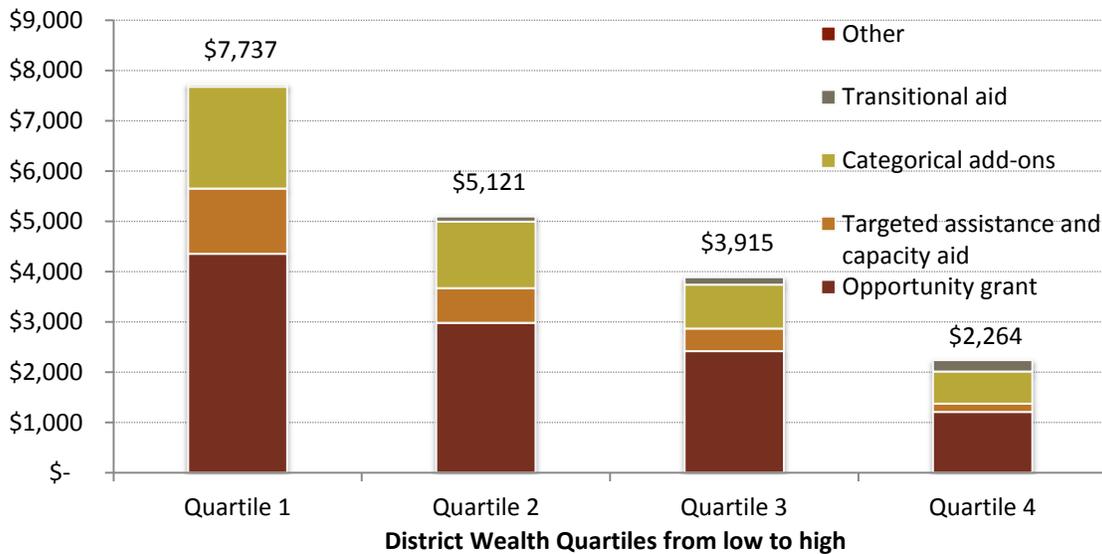
Final Foundation Funding

Final foundation funding for FY 2019 =
 (The lesser of Foundation funding subject to the gain cap or the gain cap) +
 Career-technical education additional funds + Career-technical education associated services funds +
 Graduation bonus + Third grade reading bonus +
 Temporary transitional career-technical education aid

Foundation funding subject to the gain cap =
 Opportunity grant + Targeted assistance + Special education additional funds + K-3 literacy funds +
 Economically disadvantaged funds + Limited English proficiency funds + Gifted funds + Capacity aid +
 Total base transportation funds + Transportation supplement + Temporary transitional aid

As noted above, overall, the statewide average final foundation funding per pupil in FY 2018 was \$4,770. Chart S.12 displays final foundation funding per pupil by formula component and wealth quartile.

Chart S.12: Per-Pupil Final Foundation Funding by Wealth Quartile, FY 2018



Example – Gain cap and foundation funding before the cap offset payment. The following calculations continue the example of the hypothetical District A as well as the two other hypothetical districts from earlier in this section, districts B and C. The table shows the calculation of the gain cap and foundation funding before the cap offset payment for each district for FY 2018. As the table shows, District A is not subject to the cap while district B is. District C, being eligible for the formula's power plant devaluation provisions, receives the full amount of funding calculated by the formula for FY 2018 when it would otherwise be subject to the cap.

Gain Cap and Foundation Funding Before Cap Offset for Hypothetical Districts A, B, and C, FY 2018			
Factor	District A	District B	District C
A. Limitation base (FY 2017 foundation aid less exempt components)	\$6,350,000	\$8,500,000	\$2,250,000
B. Total ADM, FY 2014	1,090	1,090	1,090
C. Total ADM, FY 2016	1,025	1,025	1,025
D. Total ADM percent change = $(C / B) - 1$	-6.0%	-6.0%	-6.0%
E. Limitation base multiplier = if $D \geq 5.5\%$, 1.055, else if $D > 3.0\%$ and $< 5.5\%$, $D + 1$, else 1.03	1.03	1.03	1.03
F. Foundation aid subject to the gain cap, FY 2018	\$6,308,886	\$9,100,000	\$2,700,000
G. Property taxes charged, TY 2015	\$3,950,000	\$2,400,000	\$9,000,000
H. Property taxes charged , TY 2016	\$4,000,000	\$2,425,000	\$7,500,000
I. Eligible district for power plant devaluation provisions	No	No	Yes
J. Gain cap = if (I = "No"), $A \times E$, else the greater of: (a) $A \times E$ and (b) the lesser of F or $(A + (G - H))$	\$6,540,500	\$8,755,000	\$2,700,000
K. Gain cap reduction = lesser of $J - F$ or \$0	\$0	-\$353,191	\$0
L. Foundation funding before cap offset payment = $F + K +$ Components exempt from cap	\$6,515,349	\$9,125,000	\$2,800,000

Example – Cap offset payment and final foundation funding. The following calculations continue the example of the hypothetical District A. The table shows the calculation of District A's cap offset payment. The calculations assume the district does not qualify for the S.B. 8 supplemental TPP payment. While the district's combined state aid declined from FY 2017 to FY 2018, the district was not subject to the gain cap and, thus, does not qualify for the cap offset payment.

Cap Offset Payment and Final Foundation Funding for Hypothetical District A, FY 2018	
Factor	Amount
A. Final foundation funding, FY 2017	\$6,500,000
B. Fixed rate operating TPP replacement payment, FY 2017	\$230,000
C. Combined state aid, FY 2017 = A + B	\$6,730,000
D. Foundation funding before cap offset payment, FY 2018	\$6,515,349
E. Fixed rate operating TPP replacement payment, FY 2018	\$150,000
F. S.B. 8 supplemental TPP Payment, FY 2018	\$0
G. Combined state aid, FY 2018 = D + E + F	\$6,665,349
H. Absolute value of gain cap reduction	\$0
I. Cap offset payment = if $(C - G) > \$0$ and $H > \$0$, the greater of $(C - G)$ and H , else $\$0$	\$0
J. Final foundation funding, FY 2018 = D + I	\$6,515,349

State funding transfers

As mentioned previously, the ADM for each district is based on a count of students who reside in the district. The district is legally required to provide an education for these students. After each school district's state aid is calculated as explained above, ODE performs a number of deductions and transfers for various services provided to the students counted in the districts' ADMs. For example, school districts whose students receive services from a regional educational service center (ESC) have an amount deducted and transferred to the ESC to pay for these services. Some students choose to obtain all of their education at schools that are not part of their resident districts. For example, some students attend community schools and some students attend other districts through open enrollment. In general, the funding these students generate in the formula for the district in which they reside is deducted from the state aid allocated to that district and transferred to the district or community school where the students are actually educated. In addition, state programs such as the Cleveland Scholarship Program, the Autism Scholarship Program, the Jon Peterson Special Needs Scholarship Program, and the traditional Educational Choice Scholarship Program provide for deductions of state aid from school districts to support the provision of vouchers to district residents to be used in alternative educational programs. Finally, College Credit Plus, formally known as the Post-Secondary Enrollment Options (PSEO) Program, allows students to attend post-secondary

Students are counted where they live and funding follows the students to where they are educated

institutions for both high school and college credit. The tuition for most of these students is paid from a deduction from the educating district or school. This section describes how funding for these programs typically works.

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. They have grown from 15 schools educating 2,245 FTE students (0.1% of public school enrollment) in FY 1999 to 341 schools educating 104,433 FTE students (6.1% of public school enrollment) in FY 2018. 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. Funding for these two types of community schools is a bit different. Science, technology, engineering, and mathematics (STEM) schools were first authorized by law in June 2007. These public schools are similar to community schools in many respects but must operate in collaboration with higher education institutions and business organizations. In addition, H.B. 49 of the 132nd General Assembly authorized science, technology, engineering, arts, and mathematics (STEAM) schools as a type of STEM school. These schools must integrate arts and design into the study of STEM and operate in collaboration with a partnership that includes an arts organization, among other requirements. Currently, there are eight STEM schools that are governed independently from any school district.⁹ In FY 2018, STEM schools educated a total of 3,105 FTE students.

As stated previously, all students are counted in the school district in which they reside for funding purposes, including those who are educated outside of their home district, such as community and STEM school students. Funding for these schools is provided as a per-pupil transfer from each community and STEM school student's district of residence. The state share for community and STEM schools is, in effect, 100% since they do not have taxing authority. The formula for the transfers for community and STEM schools follows the formula for traditional districts with some modifications. Community and STEM school ADM is based on a monthly count during the current fiscal year.

Opportunity grant

Community and STEM schools are provided opportunity grant funding, which is based on the per-pupil formula amount. Since these schools do not have authority to levy taxes, the full formula amount is used to calculate their funding (i.e., the state index is not applied). A school's per-pupil opportunity grant is, therefore, equal to the formula amounts of \$6,010 in FY 2018 and \$6,020 in FY 2019, the same amounts used for traditional school districts. The total amount transferred for the opportunity grant statewide was \$646.5 million in FY 2018.

⁹ STEM schools may also be governed by a traditional or joint vocational school district board of education. In this case, the school is considered one of the schools of the district and the formula for deductions discussed in this section does not apply.

Targeted assistance

Brick-and-mortar community and STEM schools are provided targeted assistance for each student that is equal to the per-pupil base targeted assistance amount for the student's resident district multiplied by 0.25. E-schools do not receive targeted assistance. The total amount transferred for targeted assistance statewide was \$20.8 million in FY 2018.

Special education additional aid, career-technical education funds, and LEP funds

Brick-and-mortar community and STEM schools are provided additional aid for students receiving special education or career-technical education services or those who are classified as limited English proficient. E-schools receive special education and career-technical education additional funds, but do not receive LEP funding. For these components, a community or STEM school receives the full per-pupil amount for the school's FTE student count in each applicable category. That is, the calculations are the same as those for traditional districts except no state share index is applied. The total amounts transferred for special education additional aid, career-technical education funds, and LEP funds statewide in FY 2018 were \$124.5 million, \$12.2 million, and \$6.7 million, respectively.

Economically disadvantaged funds

In addition to the above funding, brick-and-mortar community and STEM schools receive economically disadvantaged funds for each student identified as economically disadvantaged equal to \$272 multiplied by the economically disadvantaged index of the student's resident district. E-schools do not receive this funding. The total amount transferred for economically disadvantaged funds statewide was \$57.5 million in FY 2018.

K-3 literacy funds

For each student in grades K-3, a brick-and-mortar community school and STEM school receives \$320 per pupil, which equals the sum of the equalized and unequalized portions of the K-3 literacy component for traditional school districts. E-schools do not receive this funding. The total amount deducted for K-3 literacy funds statewide was \$9.9 million in FY 2018.

Transportation funds

Generally, a district must provide transportation for students in grades K-8 who live more than two miles from school, whether they attend district schools, community schools, or chartered nonpublic schools. However, community schools may transport their own students and receive a payment for doing so, either through an agreement with the students' resident school district or by unilaterally assuming the district's transportation responsibility. In the case of a bilateral agreement, ODE makes payments to the community school according to the terms of the agreement. In the case of a unilateral assumption of transportation responsibility, the payment for each student the school transports will be the amount that would have been calculated for the district under the transportation formula for the transportation mode the district would have used. Nevertheless, the community school is not required to use that same mode of transportation. In either case, ODE transfers the payment amount from the state aid of

the student's resident district. In FY 2018, a total amount of \$3.1 million was transferred to 35 community schools.

Summary of state aid transfers for community and STEM schools

The total amount of state aid for community and STEM schools is calculated by adding together the different types of aid. State aid for community and STEM schools is not subject to a guarantee or a gain cap. The calculation is summarized below. The total amount transferred for community and STEM schools statewide was \$881.1 million in FY 2018.

State Aid Transfer for Community and STEM Schools

State aid transfer for brick-and-mortar community and STEM schools =
Opportunity grant + Targeted assistance + Special education additional aid +
Career-technical education funds + LEP funds + Economically disadvantaged funds +
K-3 literacy funds + Transportation funds

State aid transfer for e-schools =
Opportunity grant + Special education additional aid + Career-technical education funds

Facilities funding

In addition to the funding received through transfers of state aid from a student's school district of residence, each brick-and-mortar community and STEM school receives a per-pupil amount of \$200 to assist with facilities costs. E-schools receive a per-pupil amount of \$25. Facilities funding is paid directly by the state using lottery profits. In FY 2018, school facilities funding for community and STEM schools statewide was \$16.6 million.

Performance bonuses

Finally, community and STEM schools receive funding based on third grade reading proficiency rates and four-year graduation rates in an effort to incentivize performance. The payments are calculated in the same manner as those for traditional school districts except that the state share index is not applied. The total amounts calculated for the graduation and third grade reading bonuses for community and STEM schools statewide were approximately \$1.3 million and \$890,000, respectively, in FY 2018, for a total of \$2.2 million. Both performance bonus payments are funded directly by the state using GRF funds.

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 \$6,010 in FY 2018 and \$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. These amounts

are calculated in the same way as they are calculated for community schools (see above). 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 2018, 80,924 (4.9%) FTE students attended schools other than their resident district schools through the open enrollment option and \$485.6 million in state foundation aid was transferred on behalf of those students.

Educational Choice Scholarship Program

The Educational Choice Scholarship Program ("EdChoice") provides up to 60,000 scholarships each year to students, other than those residing in the Cleveland Municipal School District, who attend or who would otherwise be entitled to attend a school that meets one of a number of conditions indicative of poor academic performance. Students use the scholarships to attend participating nonpublic schools. The amount awarded under the program is the lesser of the actual tuition charges of the school or the maximum scholarship award. The maximum scholarship award is \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. Scholarship students are counted in the resident district's ADM in order to calculate state aid. In FY 2018, a total of \$108.3 million was deducted statewide for about 22,300 scholarship students in 41 school districts.

Since FY 2014, income-based EdChoice scholarships have been phased-in for students whose family income is at or below 200% of the federal poverty guidelines (FPG), regardless of the academic rating of the school they would otherwise attend. Unlike the traditional program, students qualifying for EdChoice under the income-based program are not counted in their resident district's ADM for funding purposes and, accordingly, deductions are not taken from school districts to fund the scholarships. Instead, the scholarships are paid directly by the state. In FY 2018, \$38.2 million was spent by the state to fund these scholarships, which covered approximately 10,000 students in grades K-4. Under current law, this program is being phased in over time by adding a new grade level each year. In FY 2019, eligible students in grades K-5 may be awarded scholarships.

Cleveland Scholarship Program

The Cleveland Scholarship Program allows students who are residents of the Cleveland Municipal School District to obtain scholarships to attend participating nonpublic schools. The scholarships are the lesser of the tuition charged by the alternative provider or the maximum scholarship award. The maximum scholarship award is \$4,650 for students in grades K-8 and \$6,000 for students in grades 9-12. In general, scholarship students are not counted in Cleveland's ADM for funding purposes. A portion of Cleveland's state aid has been earmarked in the state operating budget to be used to help fund this program. The rest of the funding for the program comes from the state GRF without any deduction from Cleveland. In FY 2018, \$15.4 million was deducted from Cleveland's state aid to fund this program for total program spending of about \$37.4 million. This amount was used to provide about 8,400 students with scholarships under the program.

Autism Scholarship Program

The Autism Scholarship Program provides scholarships to autistic students whose parents choose to enroll the student in an approved special education program other than the one offered by the student's school district. The scholarships are the lesser of the total fees charged by the alternative provider or \$27,000. Scholarship students are counted in their resident district's ADMs for purposes of the state funding formula. The amount of the scholarship is then deducted from the resident district's state aid and paid to the alternate provider. In FY 2018, \$84.5 million was transferred for the scholarships for about 3,400 students in 452 districts.

Jon Peterson Special Needs Scholarship Program

The Jon Peterson Special Needs Scholarship Program, which began operations in FY 2013, is similar to the Autism Scholarship Program except that it is available to all disabled students with IEPs established by their resident school districts. Funding for the program is provided in the same way as that of the Autism Scholarship Program, through a transfer of state aid from the resident district to the alternate provider. Likewise, scholarship students are also counted in their district's ADM for the purposes of the foundation aid formula. Under current law, the amount of the scholarship cannot exceed \$27,000 and is the lesser of the tuition charged by the alternate provider or the special education funding calculated for the student, which is the formula amount plus the applicable special education amount used to calculate funding for the student under the formula for traditional school districts. In FY 2018, \$55.8 million was transferred for the scholarships for 5,260 students in 451 districts.

College Credit Plus Program

The College Credit Plus Program (CCP) allows both public and nonpublic high school students to attend classes at post-secondary education institutions and earn both high school and college credits at state expense. CCP replaced the similar Post-Secondary Enrollment Options Program beginning in the 2015–2016 school year. Public high school students are counted in their resident districts' ADMs for funding purposes. If the student participating in CCP attends a public school outside of the resident district, the funding for the student follows the student to where they are educated, as described above. The tuition amounts for the college classes the student attends are deducted from the educating districts' state aid to pay for the program.

In general, the formula for CCP payments calculates per credit hour "default ceiling" and "default floor" amounts in each fiscal year that correspond to certain methods of course delivery and instruction. The calculations of these amounts depend on the per-pupil formula amount, as shown in the table below. In FY2018, the payment rates range from about \$42 (default floor) to \$166 (default ceiling) per credit hour. A school district and college may enter into an alternative payment structure, but the negotiated rate cannot be higher than the default ceiling amount per credit hour or the college's standard rate, whichever is less, or lower than the default floor amount per credit hour unless a lower amount is approved by the Chancellor of Higher Education

College Credit Plus Default Payment Rates		
Method of Course Delivery and Instruction	Payment Rate	Per Credit Hour Rate Formula
Course taken at the college (including online)	Default ceiling	Formula amount x 0.83 / 30
Course taken at the high school with college professor	50% of default ceiling	50% of default ceiling
Course taken at the high school with high school teacher	Default floor	25% of default ceiling

For FY 2018, about \$48.6 million has been paid to colleges under the program. For nonpublic high school students, the costs of taking college classes under CCP are paid by an earmark of GRF line item 200511, Auxiliary Services. In FY 2018 and FY 2019, \$2.6 million per year is set aside from the GRF for the payments. Additionally, a portion of the funds in the Auxiliary Services Reimbursement Fund (Fund 5980) may be used to make CCP payments for nonpublic students. Payments for home-instructed students are funded through an earmark of \$1.5 million per year in FY 2018 and FY 2019 from GRF line item 200550, Foundation Funding.

Educational service centers (ESCs)

Educational service centers (ESCs) are regional entities that offer a broad spectrum of services, including curriculum development, professional development, purchasing, publishing, human resources, special education services, and counseling services, to school districts and community schools in their regions. By law, every city, local, and exempted village school district with a student count of 16,000 or less must enter into an agreement for services with an ESC. Practically, this requirement applies to all but the seven largest districts in Ohio. The districts with a greater student count may also enter into such agreements. Districts that have established agreements with ESCs are termed "client districts."

ESC services are supported through a variety of funding mechanisms. State law requires client districts to pay a per-pupil amount for the general expenses of the ESC. Generally, this per-pupil amount is \$6.50. ODE deducts this payment from the state funding provided to the districts and transfers it to the appropriate ESC. In FY 2018, the statewide cost of the per-pupil amount was \$11.5 million.

In addition to the per-pupil amount, if an ESC is providing preschool special education services through an agreement with a school district, that district may authorize ODE to transfer funds computed under the pupil-based preschool special education formula to the ESC. In FY 2018, the statewide amount computed under the preschool special education formula and transferred to ESCs for the services was \$8.6 million. In other circumstances, the ESC and district may agree to a different amount than what is provided through the preschool special education formula and have that amount deducted and transferred pursuant to a contract for additional services.

ESCs receive over 77% of their funding distributed through the state from additional services contracts with school districts, the cost of which is also deducted from the school

districts' state aid allocations and transferred to the ESCs. In FY 2018, the cost of these contracts totaled \$218.6 million. In sum, therefore, a total of \$238.7 million was deducted from school district state aid and transferred to ESCs in FY 2018.

ESCs also receive funding directly from the state. This funding includes a per-pupil amount, gifted funding, and special education transportation funding. In FY 2018, direct state funding for ESCs totaled \$44.4 million.

Joint vocational school district funding

Currently, there are 49 joint vocational school districts (JVSDs) in Ohio. JVSDs partner with associate school districts that may send students to their schools. Statewide, JVSDs educated a total of 39,649 FTE students in FY 2018, about 2.3% of total public school students. Like a traditional school district, a JVSD has taxing authority. Levies must be approved by taxpayers in all associate districts and the same JVSD millage rate applies to all associate

JVSDs receive state operating funding through a separate formula similar to that used for traditional school districts

districts within a JVSD. Also like a school district, a JVSD's ability to raise local revenues is partly dependent on its property value. JVSDs receive state operating funding through a separate formula similar to that used to fund traditional school districts. Under the current formula, JVSDs receive an opportunity grant, CTE funds, additional special education aid, economically disadvantaged funds, LEP funds, and the graduation bonus. There are two main differences between the formulas for traditional school districts and JVSDs: the calculation of the opportunity grant and the calculation of the percentage used to distribute the state's share of funding for CTE funds, special education additional aid, LEP funds, and the graduation bonus. Each component of the JVSD formula is described in more detail below.

Opportunity grant

JVSDs combine the territory of more than one traditional school district and typically educate students for the last two years of their high school careers. Since JVSDs are larger and they educate fewer students than traditional districts, their values per pupil are much higher and their average property tax rates are much lower than those of traditional districts. The formula uses a base cost approach to calculate each JVSD's opportunity grant. This approach establishes a base cost by multiplying the same per-pupil formula amount used for traditional school districts by the JVSD's formula ADM. The local share of this cost is calculated by multiplying a uniform charge-off rate of $\frac{1}{2}$ mill by the JVSD's three-year average taxable property value. The state share of the opportunity grant is the base cost minus the local share. However, the formula specifies that no JVSD's opportunity grant may be less than 5% times the formula amount times the district's student count. In effect, this provision sets a floor of 5% for the state share percentage. In FY2018, three JVSDs had state share percentages at the 5% floor. The calculation of the opportunity grant for JVSDs is summarized below. Statewide, the opportunity grant for JVSDs totaled approximately \$158.9 million in FY 2018.

JVSD Opportunity Grant

$$\text{Base cost} = \text{Formula amount} \times \text{Formula ADM}$$

$$\text{Local share} = \text{Three-year average value} \times \text{Charge-off rate}$$

If $(\text{Base cost} - \text{Local share}) \geq \text{Base cost} \times 0.05$:

Opportunity grant = Base cost – Local share

If $(\text{Base cost} - \text{Local share}) < \text{Base cost} \times 0.05$:

Opportunity grant = Base cost x 0.05

$$\text{Charge-off rate} = 0.0005$$

State share percentage

In order to determine the state's share of the cost for career-technical education funds, special education additional aid, LEP funds, and the graduation bonus for JVSDs, the formula calculates a state share percentage for each JVSD by dividing the district's opportunity grant by its base cost. The resulting figure is multiplied by the calculated cost for each of the above components. The state share percentage is recalculated each year of the biennium. JVSD state share percentages in FY 2018 ranged from 5% to 91.4% with a statewide average of 68.2% and a median of 68.2%. The calculation of the state share percentage is summarized below.

JVSD State Share Percentage

$$\text{State share percentage} = \text{Opportunity grant} / \text{Base cost}$$

Categorical components

Like traditional school districts, the current JVSD funding formula includes categorical add-ons that address the needs of "nontypical" students, such as those receiving special education or career-technical education services, those who are economically disadvantaged, or those who are limited English proficient. The amount for these add-ons is determined for JVSDs similarly to the way it is determined for traditional school districts. For example, the same per-pupil amounts are used for each component. However, each JVSD's state share percentage (rather than the state share index) is used to equalize its state funding for career-technical education funds, special education additional aid, LEP funds, and the graduation bonus. Economically disadvantaged funds are not subject to the state share percentage. The calculations of these add-ons are summarized below.

Career-technical education funds

Across all five CTE categories, career-technical FTEs at JVSDs statewide amounted to about 32,494 in FY 2018. CTE funds for JVSDs totaled \$79.7 million in FY 2018.

JVSD Career-Technical Education Additional Funds

$$\text{Career-technical education additional funds} = (\text{Category 1 FTE} \times \text{Per-pupil amount} + \text{Category 2 FTE} \times \text{Per-pupil amount} + \text{Category 3 FTE} \times \text{Per-pupil amount} + \text{Category 4 FTE} \times \text{Per-pupil amount} + \text{Category 5 FTE} \times \text{Per-pupil amount}) \times \text{State share percentage}$$

Like traditional school districts, the formula also provides CTE associated services funds based on the sum of a district's career-technical education FTE in categories one through five and a specified per-pupil amount, as summarized in the table below. CTE associated services funding is equalized based on a district's state share percentage. The amount calculated for CTE associated services funds for JVSD students was \$5.3 million in FY 2018.

JVSD Career-Technical Education Associated Services Funds

$$\text{Career-technical education associated services funds} = (\text{Category 1 FTE} + \text{Category 2 FTE} + \text{Category 3 FTE} + \text{Category 4 FTE} + \text{Category 5 FTE}) \times \text{Associated services per-pupil amount} \times \text{State share percentage}$$

Special education additional aid

Across all six special education categories, special education ADM at JVSDs statewide amounted to 8,909 in FY 2018. Special education additional aid for JVSDs totaled \$36.8 million.

JVSD Special Education Additional Aid

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

Economically disadvantaged funds

In FY 2018, JVSDs educated 15,035 students identified as economically disadvantaged. The economically disadvantaged percentage for JVSDs ranged from 7.6% to 94.0%, with the statewide average being 37.9%. The resulting economically disadvantaged index ranged from a low of just above zero to a high of about 6.15. Thus, the amount per economically disadvantaged pupil, in effect, ranged from \$11 (\$272 x 0.04) to \$1,672 (\$272 x 6.15). JVSD economically disadvantaged funds statewide totaled \$6.5 million in FY 2018.

JVSD Economically Disadvantaged Funds

Economically disadvantaged funds =
Economically disadvantaged aid per-pupil amount x Economically disadvantaged index x
Economically disadvantaged ADM

Limited English proficiency funds

Across all three LEP categories, JVSDs educated about 129 LEP students statewide in FY 2018. LEP funds for JVSDs totaled \$86,811 in FY 2018.

JVSD Limited English Proficiency Funds

Limited English proficiency funds =
(Category 1 ADM x Per-pupil amount + Category 2 ADM x Per-pupil amount + Category 3 ADM x
Per-pupil amount) x State share percentage

Graduation bonus

JVSDs receive the formula's graduation bonus. The bonus is calculated by multiplying the JVSD's graduation rate by a per-pupil amount equal to 7.5% of the formula amount (\$451 in FY 2018 and \$452 in FY2019). The district's per-pupil amount is then multiplied by the number of the district's students that received high school diplomas and then by the district's state share percentage. Graduation bonus funds for JVSDs totaled \$4.4 million in FY 2018.

JVSD Graduation Bonus

Graduation bonus =
Graduation rate reported on most recent report card x 0.075 x Formula amount x Graduate count x
State share percentage

Graduate count = Number of the district's students who received high school diplomas as reported by
the district to the Ohio Department of Education

JVSD additional funding adjustments

Temporary transitional aid

JVSDs are provided temporary transitional aid like traditional school districts. In FY 2018 and FY 2019, these funds generally guarantee a JVSD receives at least 100% of their FY 2017 state aid. However, this base is reduced for JVSDs with a 5% or higher decline in formula ADM between FY 2014 and FY 2016. The reduction is capped at 5% for districts whose formula ADM decreased 10% or higher. Nine (18.4%) JVSDs were guaranteed 95% of their FY 2017 state foundation aid because they lost 10% or more in enrollment while six (12.2%) were guaranteed a scaled amount between 95% and 100%.

The calculation for temporary transitional aid is summarized below. CTE funds and CTE associated services funds are exempt from the guarantee. Unlike traditional districts, JVSD CTE funding is not separately guaranteed. In FY 2018, temporary transitional aid totaling \$19.9 million was paid to 26 JVSDs.

JVSD Temporary Transitional Aid

Temporary transitional aid =
 (Transitional aid guarantee base x transitional aid guarantee base percentage) –
 Foundation funding for the guarantee

If this calculation results in a negative number, then Temporary transitional aid = \$0

Transitional aid guarantee base =
 The following FY 2017 amount after any reductions to comply with the gain cap: Opportunity grant +
 Special education additional aid + Economically disadvantaged funds +
 Limited English proficiency funds + Graduation bonus + Temporary transitional aid

Foundation funding for the guarantee =
 Opportunity grant + Special education additional aid + Economically disadvantaged funds +
 Limited English proficiency funds + Graduation bonus

Formula ADM percentage change = (Formula ADM for FY 2016 / Formula ADM for FY 2014) – 1

If Formula ADM percentage change ≤ -10%:
 Transitional aid guarantee base percentage = 95%

If Formula ADM percentage change > -10% and < -5%:
 Transitional aid guarantee base percentage = Formula ADM percentage change + 105%

If Formula ADM percentage change ≥ -5%:
 Transitional aid guarantee base percentage = 100%

Gain cap

Like traditional school districts, JVSD foundation funding is generally subject to a gain cap of 3.0% in FY 2018 and FY 2019 compared to the previous year's funding. However, the cap is gradually increased to 5.5% in FY 2018 and 6.0% in FY 2019 for JVSDs whose formula ADM increased by more than 3.0% between FY 2014 and FY 2016. The maximum increases of 5.5% in FY 2018 and 6.0% in FY 2019 apply to ten (20.4%) JVSDs. An additional six (12.2%) JVSDs were eligible for increases greater than 3.0% but less than the maximums in FY 2018 and FY 2019, respectively.

CTE additional funds, CTE associated services funds, and the graduation bonus are exempt from the cap. Special education additional aid, while included in the cap calculations, is exempt from the cap unless the calculated amounts for the other components are insufficient to fully comply with the cap limitation. In FY 2018, it was not necessary to apply the gain cap to

that component. The calculation of the gain cap is summarized below. In FY 2018, the gain cap reduced funding to 16 (32.7%) JVSDs by a total of \$8.8 million.

JVSD Gain Cap

Gain cap = Limitation base x Limitation base multiplier

Limitation base for FY 2018 =

The following FY 2017 amount after any reductions to comply with the gain cap: Opportunity grant +
Special education additional funds + Economically disadvantaged funds +
Limited English proficiency funds + Temporary transitional aid

Limitation base for FY 2019 =

The following FY 2018 amount after any reductions to comply with the gain cap: Opportunity grant +
Special education additional funds + Economically disadvantaged funds +
Limited English proficiency funds + Temporary transitional aid

If Formula ADM percentage change $\geq 5.5\%$ in FY 2018 or $\geq 6.0\%$ in FY 2019:

Limitation base multiplier = 1.055 in FY 2018 or 1.06 in FY 2019

If Formula ADM percentage change $> 3\%$ and $(< 5.5\%$ in FY 2018 or $< 6.0\%$ in FY 2019):

Limitation base multiplier = Formula ADM percentage change + 1

If Formula ADM percentage change $\leq 3.0\%$:

Limitation base multiplier = 1.03

JVSD final foundation funding

A JVSD's final foundation funding in each fiscal year is the lesser of the district's foundation funding subject to the gain cap or its gain cap plus the amounts computed for the district for the components exempt from the gain cap. The calculation of final foundation funding for each school district is summarized below. In FY 2018, final foundation funding for JVSDs totaled \$301.4 million.

JVSD Final Foundation Funding

Final foundation funding =

(The lesser of Foundation funding subject to the gain cap or the gain cap) +
Career-technical education additional funds + Career-technical education associated services funds +
Graduation bonus

Foundation funding subject to the gain cap =

Opportunity grant + Special education additional funds + Economically disadvantaged funds +
Limited English proficiency funds + Temporary transitional aid

Preschool special education

Outside of the main funding formula, the state provides funding to school districts and some state institutions for the special education and related services they provide to preschool-aged (ages three through five) children with disabilities. Districts are mandated under federal law to provide a free appropriate public education to these students. Under the formula for distributing these funds, funding is equal to \$4,000 per preschool special education student plus additional special education aid based on the applicable special education amount for each student and the resident district's state share index. Special education aid is then multiplied by 0.5. The special education categories and amounts are the same as those used for primary and secondary students. The state share index for a state institution is the index for the student's resident district. This calculation is summarized in the following table. Ultimately, ESCs and county boards of developmental disabilities also receive a portion of this funding through transfers from the amounts allocated to the school districts with which those entities have service agreements. School districts may also opt to pay an ESC directly for preschool special education services. In FY 2018, preschool special education payments totaled \$115.5 million.

Preschool Special Education Funding

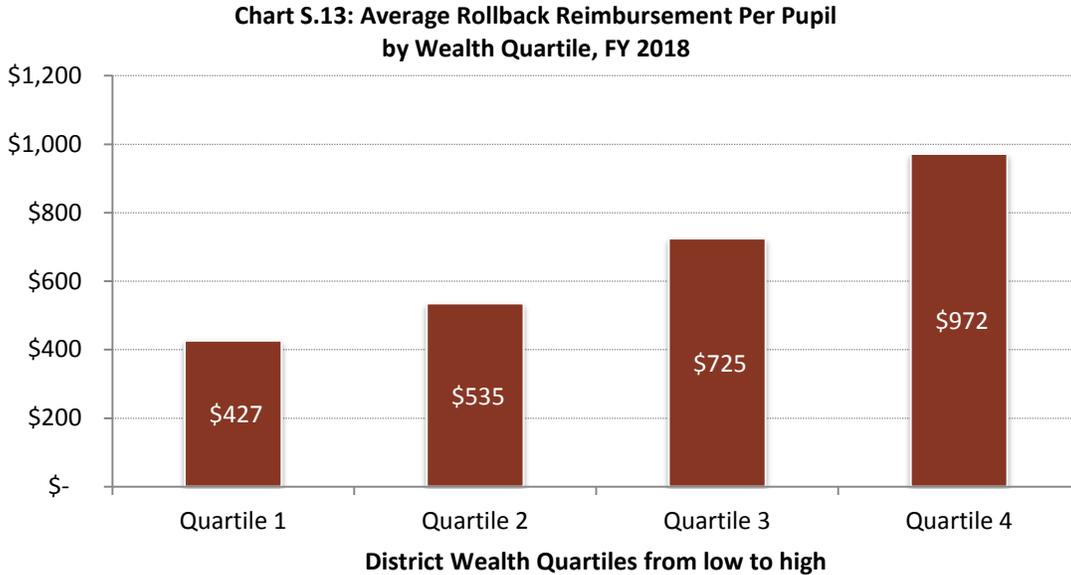
$$\text{Preschool special education funding} =$$

$$\$4,000 \times \text{preschool special education ADM} + (\text{Category 1 ADM} \times \text{Per pupil amount} + \text{Category 2 ADM} \times \text{Per pupil amount} + \text{Category 3 ADM} \times \text{Per pupil amount} + \text{Category 4 ADM} \times \text{Per pupil amount} + \text{Category 5 ADM} \times \text{Per pupil amount} + \text{Category 6 ADM} \times \text{Per pupil amount}) \times \text{State share index} \times 0.5$$

Property tax reimbursements

Rollbacks and homestead exemption

As part of its tax policy, the state reduces property taxes on residential and agricultural real property by 10.0% and the property taxes on owner-occupied homes by an additional 2.5% for all levies initially approved in August 2013 or before. These two reductions in real property taxes provided by the state are often called property tax rollbacks. The state also provides a reduction in property taxes for certain senior citizens and disabled persons. This policy is called the homestead exemption. The state reimburses school districts and JVsDs (and other local governments) for these reductions in real property taxes. In FY 2018, school districts received \$1,109.8 million and JVsDs received \$42.7 million statewide in property tax rollback and homestead exemption reimbursements, for a total of \$1.15 billion. These reimbursements are directly related to the amount of property tax revenue paid in each district, so unlike state education aid, property tax rollback reimbursements tend to be higher in higher wealth districts. Chart S.13 shows the average rollback reimbursement per pupil in the four wealth quartiles for FY 2018. Although state spending on property tax rollbacks has increased steadily since they were instituted in the 1970s, this spending should stabilize in future years as the rollbacks no longer apply to new levies.



Tangible personal property (TPP) tax replacement

Base payment

The state also provides partial reimbursements for tax losses incurred by school districts due to the elimination of the tax on general business tangible personal property (TPP) and the deregulation of electric and natural gas utilities. Since FY 2012, the tax loss replacement payments have been gradually phased-out using a number of different mechanisms. Formerly, the phase-out mechanisms targeted replacement payments for fixed rate operating levies to districts for which TPP tax revenues represented a significant portion of the districts' total resources. Beginning in FY 2018, base fixed-rate operating levy replacement payments are reduced from the prior year's base payment by an amount equal to $\frac{5}{8}$ of one mill (0.000625) of the average total taxable value of the district for tax years 2014, 2015, and 2016 ("three-year average value"). Replacement payments based on emergency levies are phased out over five years, while payments for permanent improvement levies ended after FY 2016. For FY 2018, the base replacement payments for operating levies totaled \$177.5 million for 223 (36.6%) traditional districts. Base replacement payments for JVSs were completely phased-out starting in FY 2018 under the new methodology. TPP replacement payments are currently supported by 13% of receipts from the commercial activities tax, deposited into the School District Tangible Property Tax Replacement Fund (Fund 7047).

Base TPP Replacement Payment for Fixed Rate Operating Levies

Base TPP replacement payment =
 Prior year base TPP replacement payment – (Three-year average value x 0.000625)
 If this calculation results in a negative number, then base TPP replacement payment = \$0

Three-year average value = Average total taxable value for TYs 2014, 2015, and 2016

S.B. 8 supplemental replacement payment

S.B. 8 of the 132nd General Assembly provides supplemental replacement payments to certain school districts for their fixed-rate operating TPP tax losses in FY 2018 and FY 2019. For traditional school districts in FY 2018, and for JVSDs in FY 2018 and FY 2019, if the base TPP replacement payment for each year is less than the amount the district received in the previous fiscal year (including the TPP supplement payment for FY 2017 authorized in S.B. 208 of the 131st General Assembly for traditional districts) minus 3.5% of the district's state and local resources, then a district receives a supplemental replacement payment equal to the difference between those two amounts. Likewise, a traditional district receives a supplemental replacement payment in FY 2019 equal to the difference between (1) the total of a district's base and supplemental replacement payments in FY 2018 less the $\frac{5}{8}$ of one mill phase-down, and (2) the district's FY 2019 base TPP replacement payment. The supplemental replacement payments do not affect the base TPP replacement payments in FY 2020 and thereafter. Those payments will be equal to the base amount a district received in the preceding fiscal year, excluding any supplemental replacement payment, less $\frac{5}{8}$ of one mill of three-year average value. Overall, the supplemental replacement payments increased FY 2018 funding to 17 (2.8%) traditional districts by \$3.8 million and three (6.1%) JVSDs by \$475,375.

S.B. 8 Supplemental Replacement Payment

FY 2018 S.B. 8 Supplemental replacement payment (traditional districts) =
 $[(\text{FY 2017 Base TPP replacement payment} + \text{FY 2017 TPP Supplement}) - (\text{Total resources} \times 0.035)] -$
 FY 2018 Base TPP replacement payment

If this calculation results in a negative number, then S.B. 8 Supplemental replacement payment = \$0

FY 2019 S.B. 8 Supplemental replacement payment (traditional districts) =
 $[(\text{FY 2018 Base TPP replacement payment} + \text{FY 2018 S.B. 8 Supplemental TPP payment}) -$
 $(\text{Three-year average value} \times 0.000625)] - \text{FY 2019 Base TPP replacement payment}$

If this calculation results in a negative number, then S.B. 8 Supplemental replacement payment = \$0

FY 2018 S.B. 8 Supplemental replacement payment (JVSDs) =
 $[\text{FY 2017 Base TPP replacement payment} - (\text{Total Resources} \times 0.035)] -$
 FY 2018 Base TPP replacement payment

If this calculation results in a negative number, then S.B. 8 Supplemental replacement payment = \$0

FY 2019 S.B. 8 Supplemental replacement payment (JVSDs) =
 $[(\text{FY 2018 Base TPP replacement payment} + \text{FY 2018 S.B. 8 Supplemental replacement payment}) -$
 $(\text{Total Resources} \times 0.035)] - \text{FY 2019 Base TPP replacement payment}$

If this calculation results in a negative number, then S.B. 8 Supplemental replacement payment = \$0

S.B. 8 Supplemental Replacement Payment

Total resources (traditional districts) =
FY 2017 Foundation aid + FY 2017 Fixed rate operating and fixed sum operating TPP replacement payments + TY 2016 property taxes for current expenses + CY 2016 school district income taxes + CY 2016 shared municipal income taxes + FY 2017 gross casino revenue taxes

Total resources (JVSDs) =
FY 2017 Foundation aid + FY 2017 Fixed rate operating TPP replacement payments + TY 2016 property taxes for current expenses + FY 2017 gross casino revenue taxes

Three-year average value = Average total taxable value for TYs 2014, 2015, and 2016

Gross casino revenue tax

In 2009, Ohio voters approved a constitutional amendment that authorizes four casinos in the state and requires a 33% tax on gross casino revenue. The County Student Fund receives 34% of the revenue from this tax. These funds are distributed to schools based on the number of students at each school. In FY 2018, a total of \$92.0 million was distributed to schools, consisting of \$81.7 million (88.8%) to traditional school districts, \$4.3 million (4.7%) to JVSDs, and \$6.0 million (6.5%) to community and STEM schools.

Local Operating Revenue

The primary local funding source for schools is locally voted property taxes, which account for approximately 95% of local operating revenue, excluding the portion of property taxes paid by the state (property tax rollbacks and homestead exemption). The other 5% comes from school district income taxes. In TY 2016, school districts levied a total of \$9.59 billion in property tax for operating purposes. An additional \$1.36 billion was levied for permanent improvements and debt service. In TY 2016, joint vocational school districts levied a total of \$360.8 million in property tax for operating purposes and an additional \$30.7 million for permanent improvements and debt service. As stated in the section on state operating revenue, \$1.15 billion of locally levied property tax was paid by the state through property tax rollbacks and reimbursements for the homestead exemption. School district income taxes totaled \$444.1 million in FY 2018. Local operating revenue is discussed in more detail in this section.

Property taxes

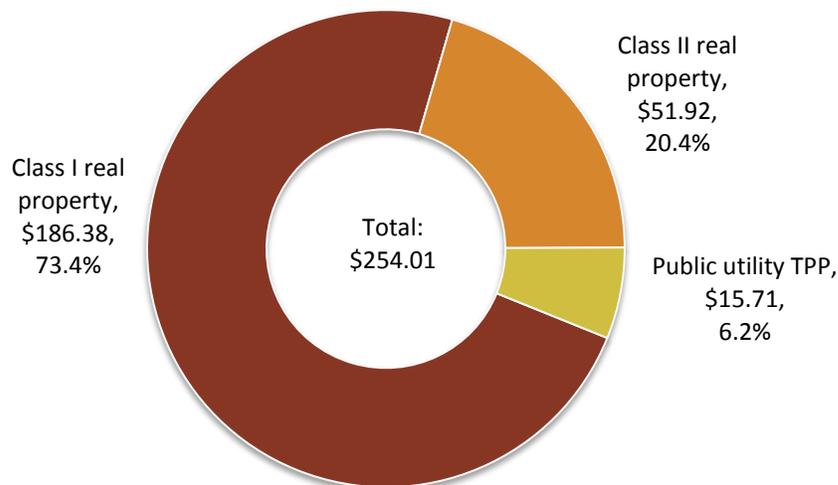
Assessed or taxable property value

Property taxes are calculated on the assessed or taxable property value, which is a percentage of fair market value. This percentage is called the assessment rate. Property value in Ohio is divided into three major categories with different assessment rates:

- Class I real property (residential and agricultural);
- Class II real property (commercial, industrial, and mineral); and
- Public utility tangible personal property.

Real property is generally assessed at 35% of true value, which is determined by the county auditor. This means that if the auditor appraises a home's true value as \$100,000, for

Chart L.1: Taxable Property Value (\$ in billions), TY 2016



example, that home's taxable property value would be \$35,000 (\$100,000 x 0.35). Public utility tangible personal property (TPP) is assessed at rates ranging from 24% to 88% of true value, which is self-reported by businesses based on certain approved methods. Chart L.1 shows the statewide total taxable property value composition based on the three property categories for TY 2016. It can be seen from the chart that class I real property makes up the bulk of total taxable property value, followed by class II real property, and then public utility tangible personal property.

Over 73% of state taxable property value is residential and agricultural real property.

School district taxable property value composition

Chart L.1 gives the taxable property value composition in TY 2016 for the state. However, the composition for each individual district varies widely across the state. Table L.1 shows the minimum, median, and maximum ranges for each category.

Category	Minimum	Median	Maximum
Class I real property	20.1%	79.6%	97.0%
Class II real property	0.6%	13.4%	70.0%
Public utility TPP	0.5%	4.8%	70.3%

A change in the taxable value of a particular category of property through changes in the economy or changes in tax policy generally has an uneven impact on districts due to the variation in property composition across districts.

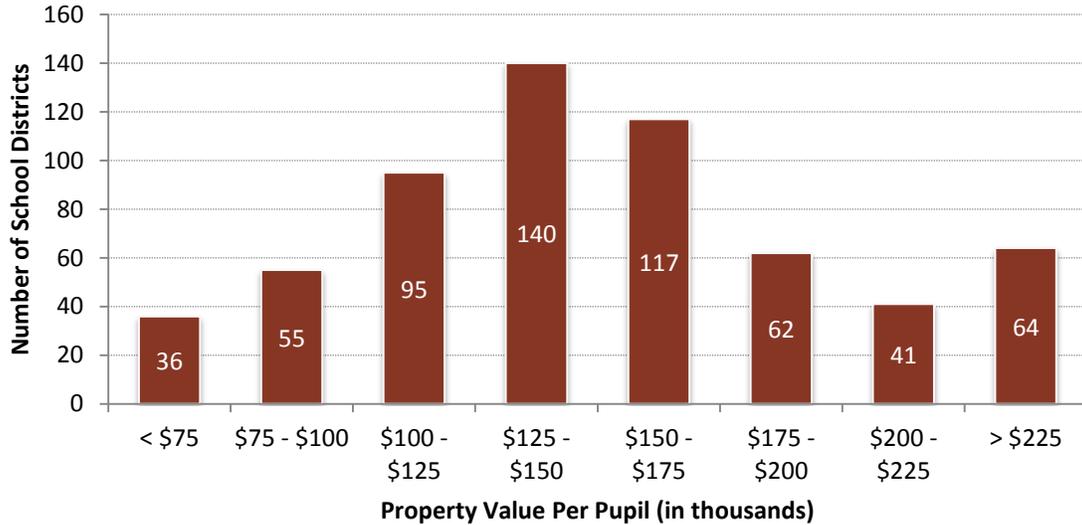
School district value per pupil

Value per pupil is the most important indicator of each district's ability to raise local revenues. Due to the uneven distribution of taxable property, value per pupil varies widely across school districts. Chart I.2 from the introduction is reproduced below. It shows the distribution of values per pupil. It can be seen that values per pupil range from less than \$75,000 in 36 districts to more than \$225,000 in 64 other districts. The statewide weighted average and the statewide median are both about \$145,000 per pupil. The weighted average represents a per-pupil based ranking, which takes into account the size of school districts. The median represents a district ranking, which is represented by the middle district (the 305th district out of 610). Values per pupil for about two-thirds (414 or 67.9%) of school districts range from \$100,000 to \$200,000.

For the same tax effort, a high wealth district raises more local revenue

The variation in per-pupil value impacts each individual district's ability to raise local revenue. The same one-mill property tax levy generates \$75 per pupil for a district with a value per pupil of \$75,000 and \$225 per pupil for a district with a value per pupil of \$225,000.

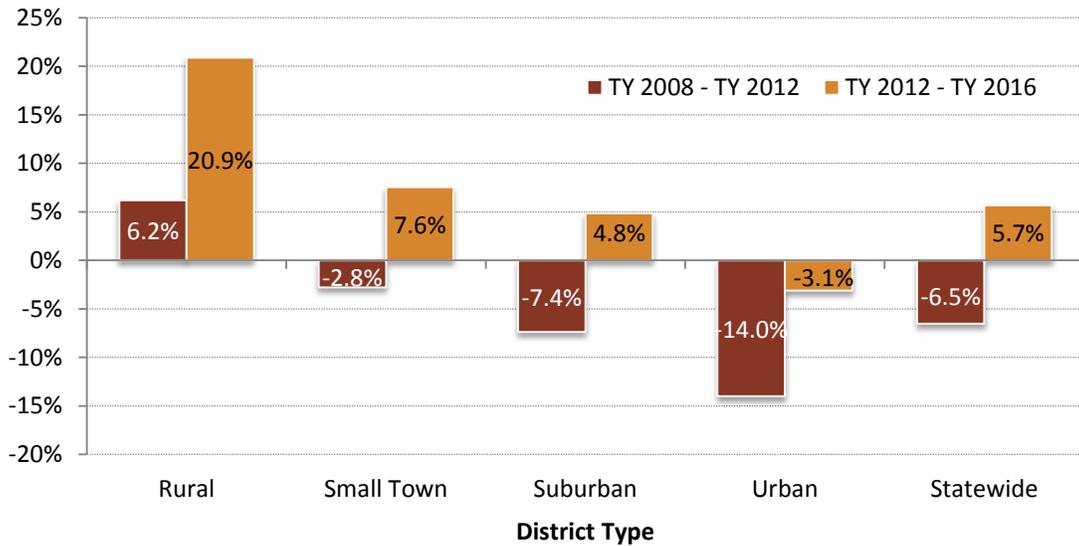
Chart I.2: Distribution of Taxable Property Value Per Pupil, FY 2018



Changes in taxable real property value

As of TY 2016, aggregate real property values were approaching their pre-recession levels. From TY 2012 to TY 2016, statewide real property value increased by 5.7% after declining 6.5% from TY 2008 to TY 2012, as shown in Chart L.2. Over the last four years, all school district types except for urban districts gained aggregate real property value.

Chart L.2: Percent Change in Real Property by District Type



Rural districts experienced the largest increase in real property value over the past nine years. Their values grew 6.2% from TY 2008 to TY 2012 and 20.9% from TY 2012 to TY 2016 due to steady increases in statewide agricultural real property value—27.6% from TY 2008 to TY 2012 and 49.2% from TY 2012 to TY 2016. Agricultural real property value comprises a much

larger share of total real property value for rural districts (33.9% in TY 2016) than for all districts as a whole (8.2%).

From TY 2012 to TY 2016, real property value increased 7.6% for small town school districts and 4.8% for suburban districts. From TY 2008 to TY 2012, these districts lost 2.8% and 7.4% of their value, respectively. Urban district values continued to decline (-3.1% from TY 2012 to TY 2016), but at a slower rate than the 14.0% loss from TY 2008 to TY 2012.

Residential real property accounted for 70.0% of total statewide real property value in TY 2016. From TY 2012 to TY 2016, this value increased by \$4.92 billion (3.0%) statewide. However, the change varied from a gain of 5.2% in rural districts to a loss of 3.6% in urban districts. From TY 2008 to TY 2012, residential real property valuation decreased \$15.55 billion (8.8%) statewide

The remaining 21.8% of real property valuation in TY 2016 was made up of commercial, industrial, mineral, and railroad real property. From TY 2012 to TY 2016, this property valuation increased 2.9% statewide following a decrease of 5.6% from TY 2008 to TY 2012. In TY 2016, real property valuation was \$238.3 billion, representing 93.8% of the total property valuation statewide.

Local property tax levy rates and H.B. 920 tax reduction factors

Generally, school districts have the option to use five different types of levies: inside mills, current expense levies, emergency levies, permanent improvement levies, and bond levies. Inside mills can be used for any purposes designated by local school boards of education. The vast majority of school districts use inside mills for current (operating) expenses. Current expense and emergency levies are used for operating expenses. The revenue from permanent improvement levies and bond levies is used for permanent improvements and debt service. Current expense and permanent improvement levies are fixed-rate levies – voters vote for a certain millage rate that is applied to the taxable property value to calculate the tax each year (subject to tax reduction factors, which are discussed below). Emergency and bond levies are fixed-sum levies – voters vote for a certain amount of tax revenue to be collected each year regardless of taxable property value.

Inside mills and voted (outside) mills

The Ohio Constitution prohibits governmental units from levying property taxes that in the aggregate exceed 1% of the true value of the property in their district unless the voters approve them. This is known as the ten-mill limitation and these unvoted ten mills are called inside mills. The ten inside mills are shared by three levels of government: counties, school districts, and cities or townships. Inside mills for school districts range from less than three mills in some districts to more than six mills in some others. On average, school districts have approximately 4.4 inside mills. All levies other than inside mills need to be approved by the voters and are referred to as voted or outside mills. While voted current expense mills are subject to H.B. 920 tax reduction factors, inside mills are not (see below).

H.B. 920 tax reduction factors

H.B. 920 is a tax policy that was enacted in 1976. It limits changes in revenue from property taxes on existing real property (real property that has previously been taxed). The

effect of this policy, in general, is to require taxing jurisdictions, including school districts and JVSs, to periodically ask the voters for approval of new levies if they want to collect revenue beyond the H.B. 920 limitations. Without the H.B. 920 limitations, a 10% increase or decrease in a district's real property value would result in a 10% increase or decrease in real property tax revenue for the district even without new levies. With the H.B. 920 limitations, however, a 10% increase or decrease in real property generally leads to a much smaller change in real property tax revenue for the district unless voters approve new levies. In the long run, real property values generally experience inflationary increases, although, as discussed above, real property values have been subject to decreases at times.

H.B. 920 tax reduction factors were put into the Ohio Constitution in 1980 through a constitutional amendment that also created the two separate classes of real property. Separate tax reduction factors are applied to each class of real property. However, not all property value and not all tax levies are subject to H.B. 920 tax reduction factors. New construction (real property that did not exist in the prior year) and tangible property are not affected by the tax reduction factors; taxes on these two types of property will grow at the same rate as property values grow. Since emergency levies and bond levies are fixed-sum levies, (they are designed to raise the same amount of tax revenue every year) there is no reason to apply tax reduction factors to them. As indicated earlier, inside mills are not affected by the tax reduction factors either. So, H.B. 920 tax reduction factors apply only to current expense and permanent improvement levies on existing real property. After tax reduction factors are applied, the millage rate actually charged on each class of real property falls below the voted millage rate. This lower millage rate is commonly called the effective millage rate. It can be calculated by dividing the actual taxes charged by the taxable property value for each class of real property. In times of falling real property values, effective mills may increase, but they will never go above the voted millage rate.

Inside mills are not subject to voter approval or to H.B. 920 tax reduction factors.

H.B. 920 20-Mill floor

While H.B. 920 limits the tax revenue growth on existing real property, it does not allow a school district's combined real property millage (from current expense levies and inside mills for operating expenses) to fall below 20 effective mills. This provision of H.B. 920 is referred to as the 20-mill floor. Under H.B. 920, if a school district's combined real property millage falls to 20 effective mills, tax reduction factors no longer apply. Real property taxes based on these 20 mills will grow at the same rate as real property values grow. School district income tax levies are not included in the 20-mill floor determination and neither are emergency levies, although these levies are generally used for operating expenses. The 20-mill floor determination includes only inside mills used for operating expenses and current expense levies.

A total of 239 districts (39.2%) were at the H.B. 920 20-mill floor in at least one class of real property in TY 2016. These 239 floor districts tend to be smaller than average and represent only 18.1% of statewide total ADM. The number of floor districts decreased from 329 in TY 2008 to 120 in TY 2012 due to the fall in real property values. As property values have rebounded, the number of floor districts has increased. Of the 239 floor districts in TY 2016, 48 districts were at the floor in both class I and class II real property, 185 districts were in class I only, and the other six districts were in class II only.

Table L.2 shows the number and percentage of school districts at the H.B. 920 floor by district type. These types were developed by ODE based on districts' demographic characteristics. It can be seen from the table that the H.B. 920 floor district percentages for rural districts (types 1 and 2) tend to be higher than the others, at 64.2% and 77.4%, respectively. In fact, 161 (67.4%) of the floor districts in TY 2016 are rural districts.

Table L.2: Number and Percentage of H.B. 920 Floor Districts by District Type, TY 2016				
District Type	Description	Total Districts	Floor Districts	% Districts on Floor
Type 1	Rural – High poverty & small student population	123	79	64.2%
Type 2	Rural – Average poverty & very small student population	106	82	77.4%
Type 3	Small town – Low poverty & small student population	111	51	45.9%
Type 4	Small town – High poverty & average student population	89	18	20.2%
Type 5	Suburban – Low poverty & average student population	77	4	5.2%
Type 6	Suburban – Very low poverty & large student population	46	1	2.2%
Type 7	Urban – High poverty & average student population	47	1	2.1%
Type 8	Urban – Very high poverty & very large student population	8	0	0.0%
Type 0	Outliers – Island districts	3	3	100.0%
	Total	610	239	39.2%

Since tax reduction factors do not apply to a district at the 20-mill floor, once a district reaches the floor it begins to receive greater increases in revenue when real property values increase due to reappraisals and updates without having to ask voters to approve additional levies. Most districts, however, do not choose to limit local operating revenue to 20 mills; districts on the floor tend to supplement their current expense millage and inside millage with emergency levies and school district income tax levies, which are not included in the floor calculation. In fact, of the 239 floor districts in TY 2016, 181 districts (75.7%) had either emergency or substitute levies or school district income taxes. Table L.3 shows that 34.1% of districts with emergency or substitute levies and 63.8% of districts with school district income taxes are floor districts. Floor districts tend to have lower operating tax rates even when taking all taxes into account. The average effective operating tax rate (including both property taxes and school district income taxes) for the 239 floor districts was 29.0 mills in TY 2016, compared to an average of 42.0 mills for non-floor districts and an average of 39.5 mills for all districts.

Table L.3: H.B. 920 Floor District Supplemental Levies, TY 2016			
Type of Levy	Total Districts	Floor Districts	% Districts on Floor
Emergency or Substitute Levies	267	91	34.1%
School District Income Tax (FY 2018)	196	125	63.8%

Summary of local tax levies and H.B. 920

Table L.4 summarizes the above discussion on which levies and which properties are subject to H.B. 920 reduction factors as well as which levies are included in the 20-mill floor determination.

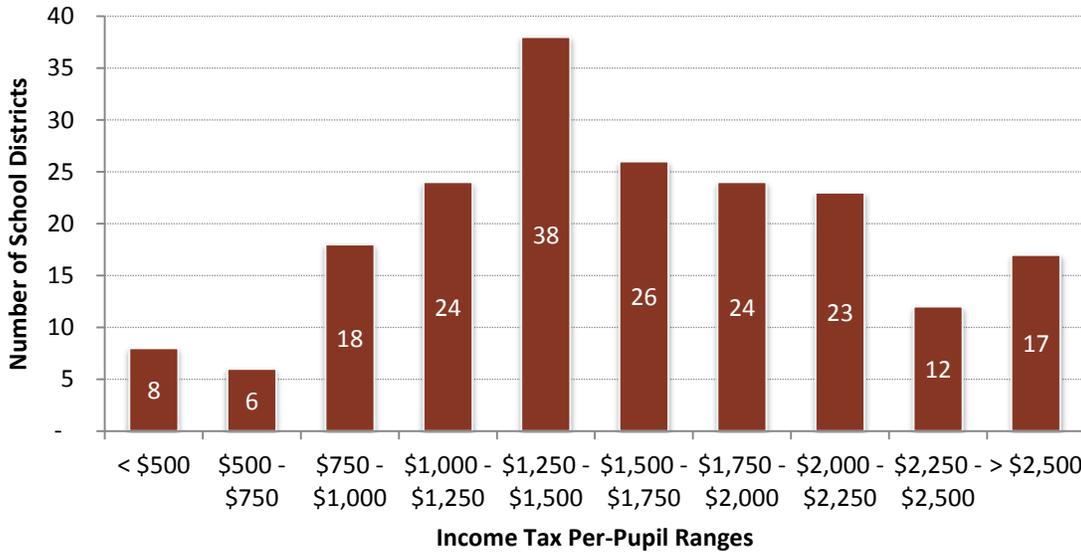
Table L.4: Summary of Local Tax Levies and H.B. 920 Tax Reduction Factors			
Type of Levy	Purpose of Levy	Subject to H.B. 920 Tax Reduction Factors?	Included in H.B. 920 20-Mill Floor Determination?
Inside Mills	Designated by school boards – generally operating	No	Yes – if designated as operating
Current Expenses	Operating	Yes	Yes
Emergency	Operating	No	No
Income Tax	Operating	No	No
Permanent Improvement	Permanent improvements or items with at least five years of useful life	Yes	No
Bond	Debt service	No	No
Type of Property		Subject to H.B. 920 Tax Reduction Factors?	
Existing Real Property	--	Yes	--
New Construction – Real Property	--	No	--
Tangible Personal Property	--	No	--

School district income tax

The school district income tax is paid by residents of the school district regardless of where they work. Nonresidents working in the district and corporations are not taxed. A total of \$444.1 million in school district income taxes was collected by 196 school districts (32.1%) in FY 2018. As shown in Table L.3, 63.8% of these are H.B. 920 20-mill floor districts. These 196 districts tend to be smaller than average and represent approximately 17.6% of statewide total ADM. These districts have an average ADM of approximately 1,530 students compared to an average ADM of approximately 3,400 students for the other 414 districts.

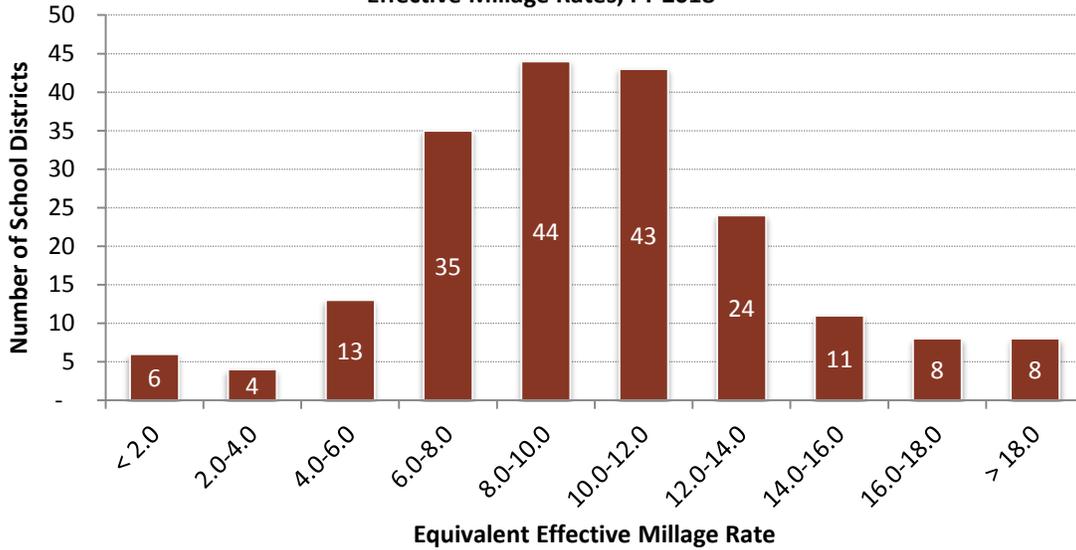
Chart L.3 shows the distribution of income tax revenues per pupil for the 196 districts with such revenues in FY 2018. Per-pupil school district income tax collections range from less than \$100 to over \$4,700 with an average of \$1,480 per pupil for these 196 districts. Per-pupil amounts of less than \$100 often indicate the beginning or ending of a tax levy.

Chart L.3: Distribution of Income Tax Per Pupil, FY 2018



By dividing income tax revenue into total property value, the equivalent effective millage rate is calculated. Chart L.4 shows the distribution of income tax equivalent effective millage rates for the 196 districts with income tax revenues in FY 2018. Effective millage rates range from less than one mill to 25.7 mills with an average of 9.9 mills for these 196 districts. In general, school districts with income tax levies tend to have relatively low business property wealth. Farming communities predominate on the list of school districts with income tax levies.

Chart L.4: Distribution of School District Income Tax Equivalent Effective Millage Rates, FY 2018



Summary of school district effective operating tax rates

By combining revenues received from all operating tax levies, including the school district income tax, it is possible to calculate overall effective operating tax rates. In TY 2016, these range from about 20 mills or less in the bottom ten districts to more than 60 mills in the top ten districts. The Shaker Heights City SD (Cuyahoga County), the Ottawa Hills Local SD (Lucas County), and the Cleveland Heights-University Heights City SD (Cuyahoga County) have the highest overall effective operating tax rates of 96.1, 81.2, and 80.6 mills, respectively. The statewide average is 39.5 mills and the statewide median is 32.7 mills. Chart L.5 shows the distribution of overall effective operating tax rates. It can be seen from the chart that the equivalent overall effective rates for 358 school districts (58.7%) range from 25.0 to 40.0 mills.

Chart L.5: Distribution of Overall Effective Operating Tax Rates, TY 2016

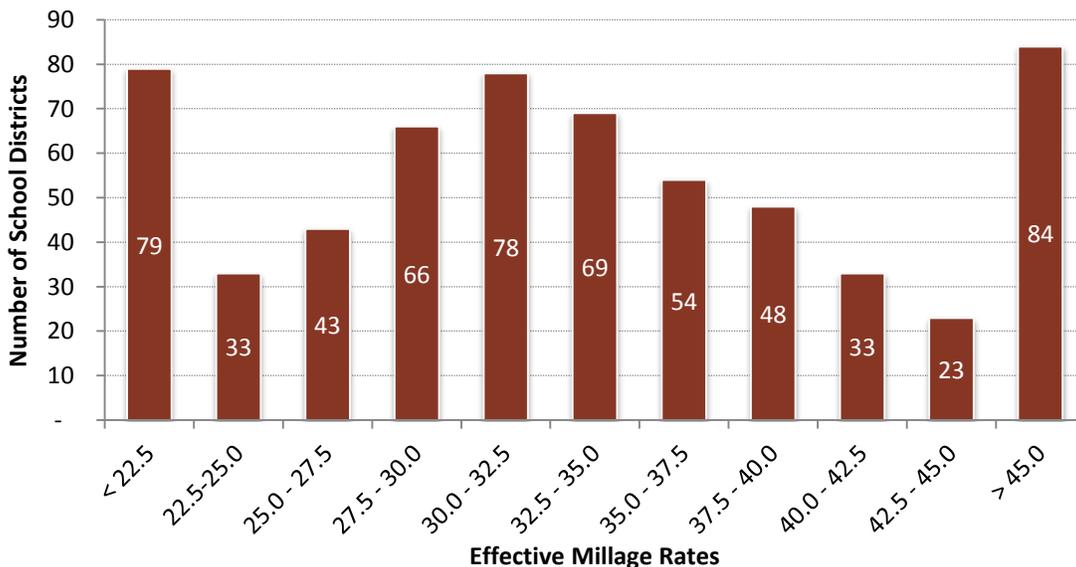


Chart L.6 illustrates shows the average equivalent millage rate on non-business property and school district income taxes for operating purposes for groups of districts categorized by value per pupil in TY 2016. The state average non-business equivalent millage rate was 37.4 mills. Lower wealth districts tend to levy more than the state average. The average rates for higher wealth districts tend to increase as the value per pupil increases, with the exception of the districts with the highest values per pupil.

Chart L.6: Average Non-Business Equivalent Operating Tax Rates by Value Per Pupil, TY 2016

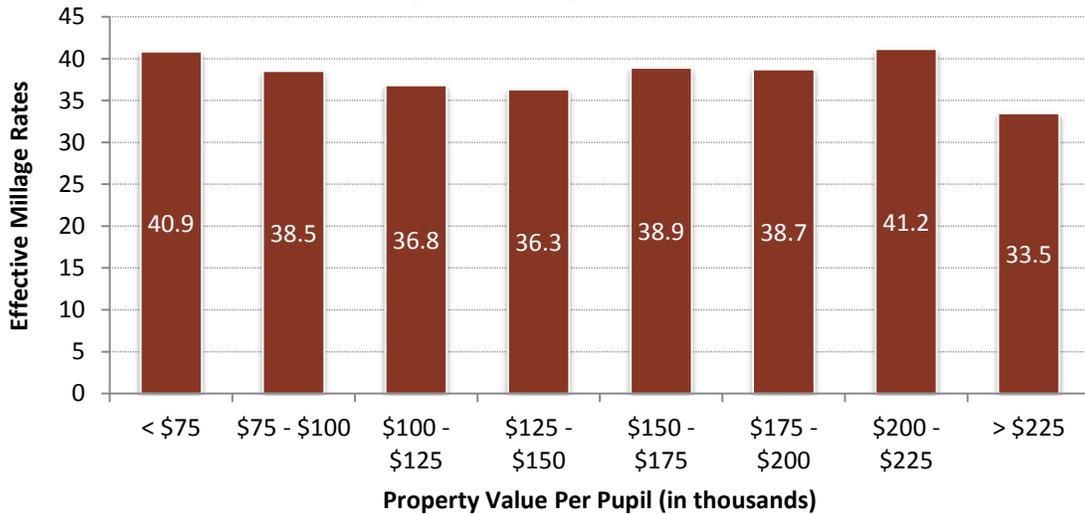
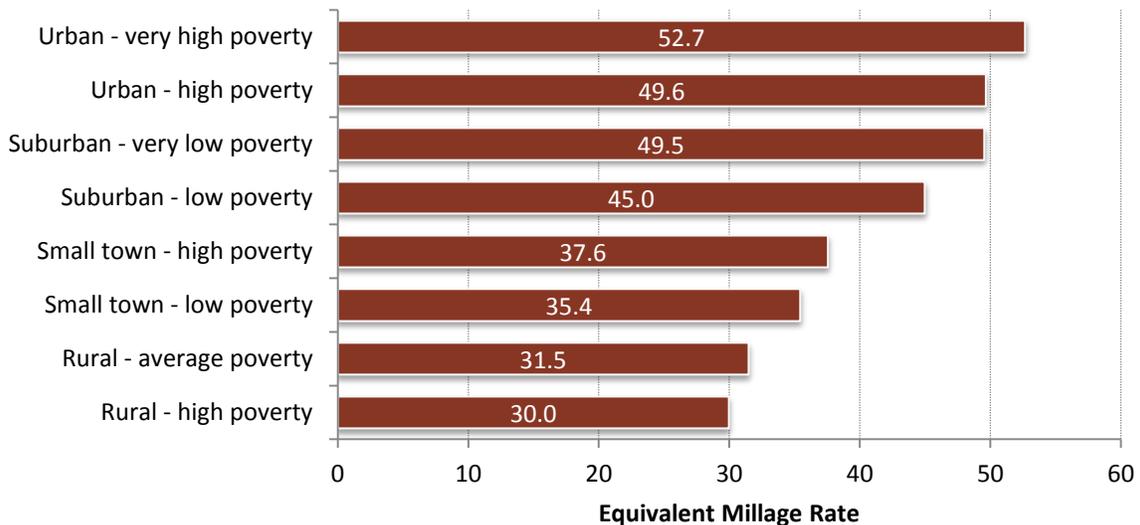


Chart L.7 is similar to Chart L.6 but shows average equivalent non-business property and school district income tax millage rates for both operating and non-operating purposes by the district types described in Table L.2. This chart shows that urban and suburban districts tend to have higher rates than rural and small town districts. This coincides with rural districts being more likely to be on the H.B. 920 floor.

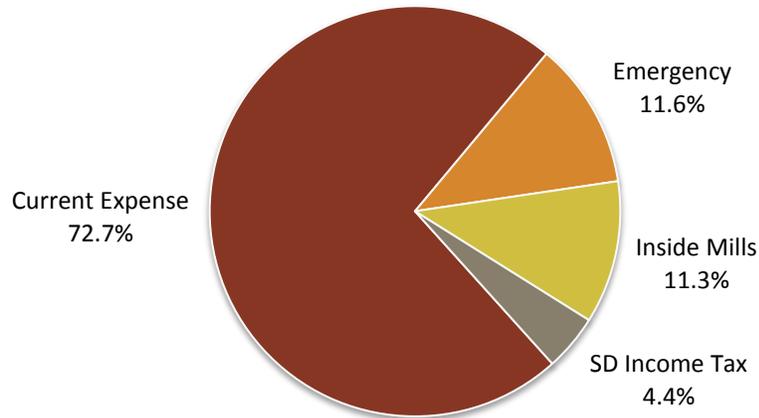
Chart L.7: Average Non-Business Operating and Nonoperating Effective Millage Rates by District Type, FY 2018



School district operating tax revenue by levy type

School districts collected a total of \$10.04 billion in operating taxes in TY 2016, including the portion paid by the state through property tax rollbacks and the homestead exemption. Chart L.8 shows school district operating tax revenues by levy type. Current expense levies, representing 72.7% of total operating tax revenues, were the largest component. Emergency levies generated 11.6%, inside millage 11.3%, and school district income tax levies 4.4%.

Chart L.8: School District Operating Tax Revenue by Levy Type, TY 2016



Summary of joint vocational school district tax revenue

As stated in the state operating revenue section, there are 49 joint vocational school districts (JVSD). Like a regular school district, each JVSD has its own taxing authority. In TY 2016, the 49 JVSDs levied a total of \$361.8 million in local operating revenue and an additional \$31.1 million in non-operating local revenue, for a total of \$391.9 million. Levies need to be approved by taxpayers in all associate districts and the same JVSD millage rate applies to all associate districts within a JVSD. Since a JVSD may include several traditional school districts, its tax base is generally much larger. In TY 2016, average value per pupil for all JVSDs is approximately \$4.2 million.

JVSDs do not have inside mills and they do not levy emergency levies or income tax levies. For operating revenues, therefore, JVSDs are restricted to voted current expense levies. As with regular school districts, JVSDs current expense and permanent improvement levies are subject to H.B. 920 tax reduction factors. The floor on effective current expense millage for JVSDs is 2.0 mills, although several JVSDs are below this millage rate because they have not had levies approved by voters for more than this amount.

Federal Operating Revenue

Federal dollars accounted for 5.4% of public school revenue in FY 2018. The federal revenue counted for purposes of this analysis includes the main formula-based funding that flows to schools through the state budget. It does not include competitive grants that either flow through the state budget or that flow directly to grant recipients. In FY 2018, this federal revenue totaled \$1.10 billion. It is mainly directed toward economically disadvantaged and special education students. Spending of federal revenue is generally restricted to purposes allowed by each grant.

The federal government's main program for economically disadvantaged students is authorized by Title I of the Elementary and Secondary Education Act (ESEA) and is generally referred to simply as "Title I." In FY 2018, \$537.5 million in Title I funds were distributed to local education agencies (LEAs) in Ohio. Table F.1 shows the distribution of federal Title I funding by district typology. As can be seen from the table, federal funding through Title I is concentrated in districts with high percentages of student poverty. Average Title I funding per pupil in FY 2018 ranges from a high of \$826 for urban districts with very high poverty to a low of \$75 for suburban districts with very low poverty.

Table F.1: Title I and IDEA Funding Per Pupil by District Type, FY 2018

Comparison Group – Description		Number of Districts	Student Poverty %	Title I Per Pupil	% Special Education	IDEA Per Pupil
Rural	High poverty, small population	123	54.0%	\$289	15.6%	\$222
Rural	Average poverty, very small population	106	40.9%	\$207	14.0%	\$190
Small town	Low poverty, small population	111	32.7%	\$154	12.9%	\$205
Small town	High poverty, average population	89	58.5%	\$307	15.3%	\$235
Suburban	Low poverty, average population	77	31.4%	\$153	13.4%	\$219
Suburban	Very low poverty, large population	46	14.8%	\$75	12.1%	\$186
Urban	High poverty, average population	47	73.2%	\$455	17.9%	\$246

Table F.1: Title I and IDEA Funding Per Pupil by District Type, FY 2018						
Comparison Group – Description		Number of Districts	Student Poverty %	Title I Per Pupil	% Special Education	IDEA Per Pupil
Urban	Very high poverty, very large population	8	95.2%	\$826	19.5%	\$342
Average			48.3%	\$299	14.9%	\$232

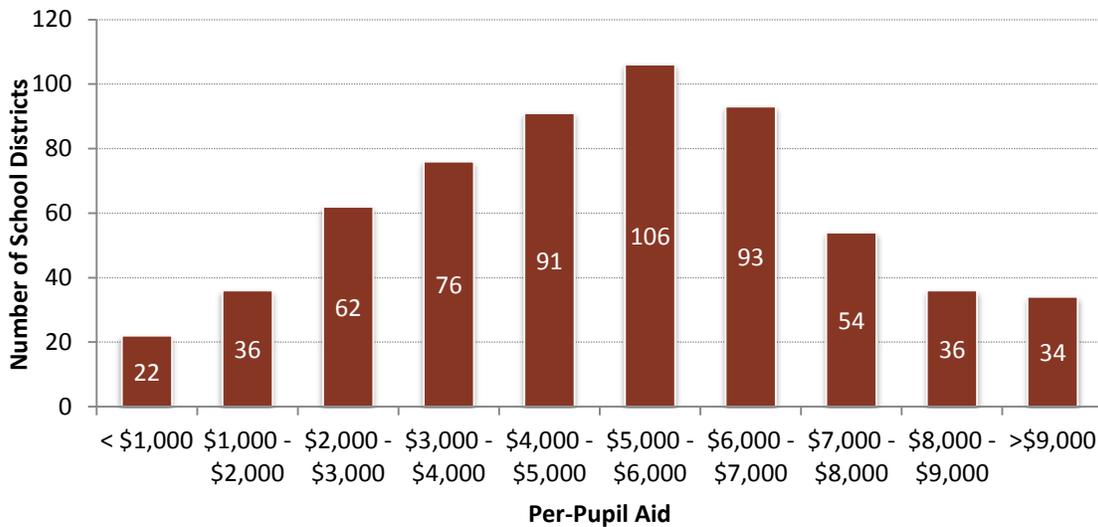
The second largest source of federal operating revenues for school districts is authorized by the Individuals with Disabilities Education Act (IDEA). This funding is directed toward students with disabilities to assist districts in complying with federal requirements to serve these students. In FY 2018, \$424.5 million in IDEA funds were distributed to LEAs in Ohio. Table F.1 shows the distribution of federal IDEA funding by district typology. Although special education students are more evenly distributed among districts than economically disadvantaged students, they are more heavily concentrated in urban districts. Average IDEA funding per pupil in FY 2018 ranges from a high of \$342 for very large urban districts, which have an average of 19.5% of enrollment receiving special education, to a low of \$186 for large suburban districts, which have an average of 12.1% of enrollment receiving special education.

Summary

As stated in the introduction, this analysis of operating funding for public schools in Ohio is meant to assist legislators and legislative staff in understanding the current school funding system. This analysis has discussed the respective roles played by state, local, and federal revenues in funding school operations in Ohio.

In summary, the largest part of state revenues flow to schools through the foundation aid formula. The foundation aid formula helps to equalize school district tax revenues by providing a greater share of state aid to districts with lower capacities to raise local revenue through the state share index, targeted assistance, and capacity aid. However, this funding is adjusted in FY 2018 and FY 2019, through temporary transitional aid and the gain cap, to smooth any large fluctuations in state foundation aid for individual school districts. Chart X.1 shows the distribution of per-pupil foundation aid in FY 2018. As can be seen from the chart, per-pupil aid amounts ranged from less than \$1,000 in 22 districts to over \$9,000 in 34 districts. Most districts (366, 60.0%) received per-pupil foundation aid from \$3,000 to \$7,000.

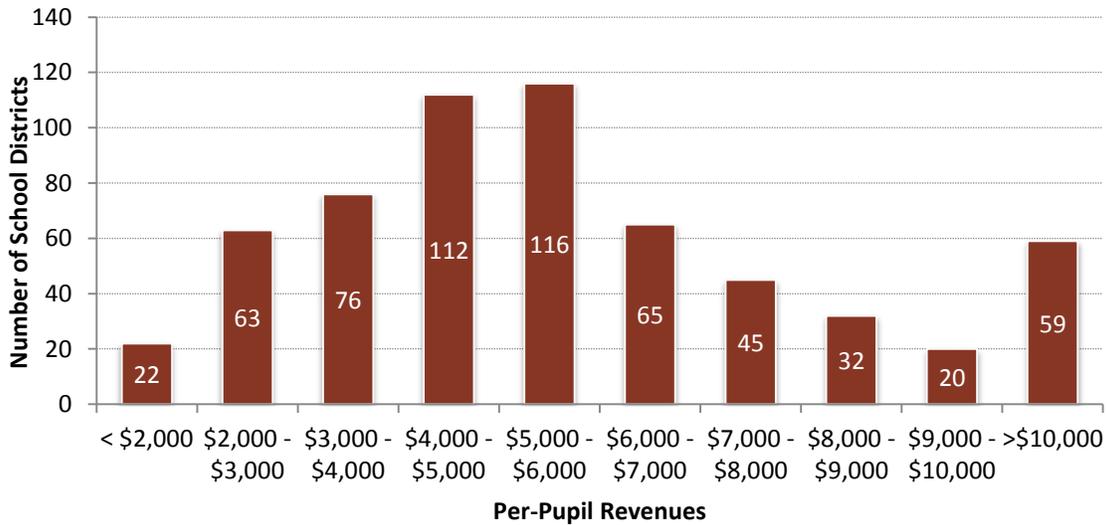
Chart X.1: Distribution of Per-Pupil State Foundation Aid, FY 2018



Tax revenues are primarily determined by a district’s taxable property value and effective property tax rates. These effective tax rates are determined through periodic tax levies that are either approved or rejected by the voters residing in the district. The rates for certain types of levies are reduced by H.B. 920 when a district’s taxable real property value increases due to inflation. A small percentage of tax revenues are determined by the incomes of district residents and the school district income tax rate approved by voters in certain districts. Chart X.2 shows the distribution of per-pupil tax revenues for operating purposes for FY 2018. In the chart, tax revenue includes locally-paid school district property and income taxes and state-paid property tax rollbacks, homestead exemption reimbursements, and TPP tax replacement payments. As can be seen from the chart, per-pupil tax revenues in FY 2018 ranged from less than \$2,000 in 22 districts to more than \$10,000 in 59 districts. About half of

districts (304, 49.8%) received per-pupil operating tax revenues from \$3,000 to \$6,000. Note that state foundation aid is largely equalized based on each district's wealth as measured by property value per pupil and not directly based on each district's local tax revenue per pupil. School districts have no control over their wealth levels, but they do have some control over their revenues. Two districts with the same value per pupil will have different local revenues per pupil if they have different tax rates.

Chart X.2: Distribution of Per-Pupil Operating Tax Revenues, FY 2018



Federal revenues mainly are targeted to special education and economically disadvantaged students. Chart X.3 shows the distribution of per-pupil federal formula revenues in FY 2018. As can be seen from the chart, per-pupil federal revenues in FY 2018 ranged from less than \$200 in 26 districts to more than \$1,000 in 17 districts. The majority of districts (354, 58.0%) received per-pupil federal revenues from \$300 to \$600.

Chart X.3: Distribution of Per-Pupil Federal Formula Revenues, FY 2018

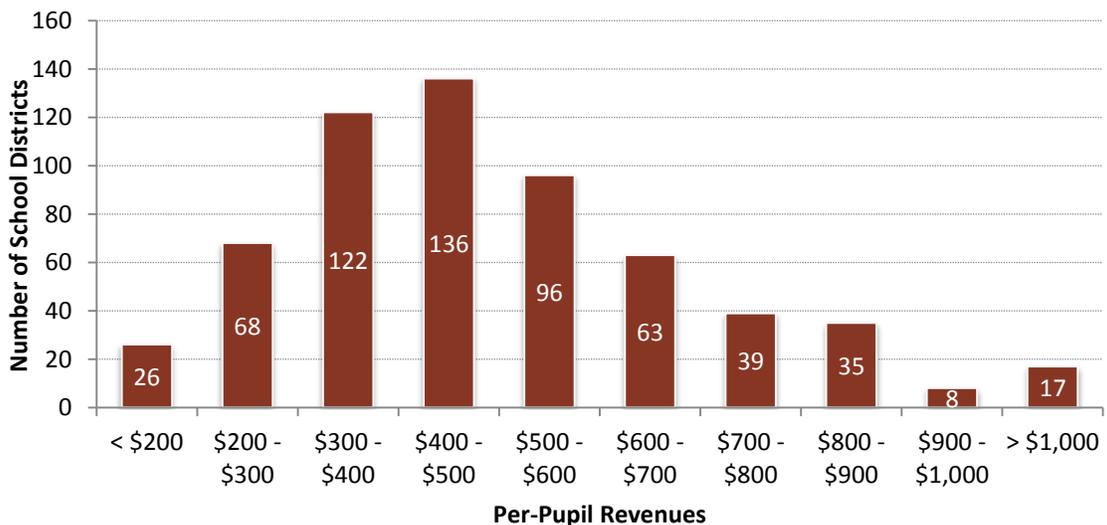
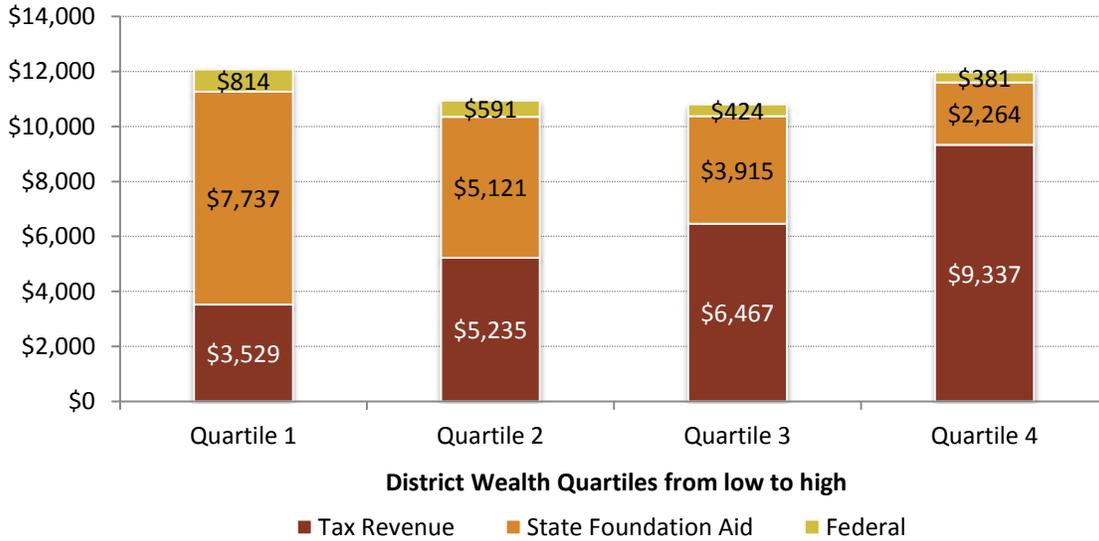


Chart X.4 presents per-pupil operating revenues in FY 2018 from all three of the above sources by district wealth quartile. In FY 2018, average per-pupil revenues were \$12,080 in quartile 1, \$10,946 in quartile 2, \$10,806 in quartile 3, and \$11,981 in quartile 4. As can be seen from the chart, state and federal revenues help to counteract the relatively high local revenues collected by high wealth districts, resulting in a more even revenue distribution than if funding came solely from local sources.

Chart X.4: Operating Revenues Per Pupil, FY 2018



Department of Education

General Revenue Fund

GRF 200321 Operating Expenses

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$14,492,309	\$15,049,149	\$14,237,772	\$14,882,566	\$15,078,032	\$16,490,951
% change	3.8%	-5.4%	4.5%	1.3%	9.4%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.20 of H.B. 49 of the 132nd G.A. (originally established by H.B. 487 of the 129th G.A.)

Purpose: This line item funds personal services, maintenance, and equipment for administrative functions not directly related to one program, such as the Superintendent's office, communications, legal counsel, and so on. This line item also provides the state match for administrative expenses for federal career-technical education funds spent from Fund 3L90 line item 200621, Career-Technical Education Basic Grant, and the federal maintenance of effort requirements for administrative expenses for the Child Nutrition grant spent from Fund 3670 line item 200607, School Food Services.

GRF 200408 Early Childhood Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$50,454,523	\$54,906,258	\$66,713,910	\$68,116,789	\$68,116,789	\$68,116,789
% change	8.8%	21.5%	2.1%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.20 of H.B. 49 of the 132nd G.A. (originally established by H.B. 298 of the 119th G.A.)

Purpose: This line item funds early childhood education (ECE) programs at school districts, educational service centers, community schools, chartered nonpublic schools, and certain licensed child care centers. In FY 2018 and FY 2019, funding is prioritized for four-year old children, but providers with unused funds may seek ODE approval to consider qualified three-year old children eligible for funding. In FY 2017, only four-year old children were eligible. Prior to FY 2017, three and four-year-olds were eligible. The programs are directed at families at or below 200% of the federal poverty level. Those with higher incomes pay fees on a sliding scale. Each program must participate in the state's Step Up to Quality Program and either maintain a high rating or meet certain other requirements. ODE may use up to 2% of the funds for program support and technical assistance. Under H.B. 49, a portion of the funds must be used to create an ECE pilot program in up to two Appalachian counties. Also, a portion may be used to establish a pilot program where parents choose among designated providers. The former pilot program is complete while the latter was explored but never pursued.

Department of Education

GRF 200420 Information Technology Development and Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,281,329	\$4,028,893	\$3,697,582	\$3,807,492	\$4,004,299	\$4,026,960
% change	-5.9%	-8.2%	3.0%	5.2%	0.6%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.30 of H.B. 49 of the 132nd G.A. (originally established by H.B. 282 of the 123rd G.A.)

Purpose: This line item supports development and implementation of information technology solutions designed to improve the performance and services of ODE. These funds may also be used to support data-driven decision-making and differentiated instruction, as well as to communicate academic content standards and curriculum models through web-based applications.

GRF 200421 Alternative Education Programs

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$8,935,131	\$10,050,276	\$1,477,545	\$0	\$0	\$0
% change	12.5%	-85.3%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by H.B. 640 of the 123rd G.A.)

Purpose: This line item provided alternative education program grants to school districts and educational service centers. These programs focused on youth who were expelled or suspended, at risk of dropping out of school, were habitually truant or disruptive, or were on probation or on parole from a Department of Youth Services facility. A portion of this line item was also used for program administration, monitoring, technical assistance, support, research, and evaluation. In FY 2016 and FY 2017, this line item also funded (1) a program for students ages 22 and above to enroll in a school district, community school, or two-year college to earn a high school diploma, (2) the Jobs for Ohio's Graduates (JOGS) program, and (3) a clearinghouse of information regarding identification and intervention for at-risk students. Beginning in FY 2018, the high school diploma program is funded in GRF line item 200572, Adult Education Programs, while the JOGS program is funded in GRF line item 200545, Career-Technical Education Enhancements.

Department of Education

GRF 200422 School Management Assistance

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,835,102	\$2,060,555	\$2,079,611	\$2,131,467	\$2,385,580	\$2,408,711
% change	-27.3%	0.9%	2.5%	11.9%	1.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.073 and 3316; Sections 265.10 and 265.50 of H.B. 49 of the 132nd G.A. (originally established by H.B. 1285 of the 112th G.A.)

Purpose: This line item is used to provide fiscal technical assistance and in-service education for school district management personnel and to administer, monitor, and implement the fiscal caution, fiscal watch, and fiscal emergency provisions of state law. Prior to FY 2017, a portion of this line item was earmarked to support Auditor of State expenses relating to fiscal caution, fiscal watch, and fiscal emergency activities and performance audits of other school districts determined to be employing fiscal practices or experiencing budgetary conditions that could produce a state of fiscal watch or fiscal emergency. Beginning in FY 2017, the funding for the Auditor of State's expenses is appropriated in GRF line item 070409, School District Performance Audits, in the Auditor of State's budget.

GRF 200424 Policy Analysis

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$401,092	\$410,304	\$432,791	\$433,861	\$458,232	\$457,676
% change	2.3%	5.5%	0.2%	5.6%	-0.1%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.60 of H.B. 49 of the 132nd G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: This line item supports research and data collection related to education policy analysis. ODE staff supported by this item are responsible for developing reports, analyses, and briefings to inform education policymakers of current trends in educational practices, efficient and effective use of resources, and evaluations of programs to improve educational results. A portion of this line item may be used by ODE to develop and implement an evidence-based clearinghouse to support school improvement strategies as part of the federal Every Student Succeeds Act of 2015.

Department of Education

GRF 200425 Tech Prep Consortia Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$230,317	\$137,979	\$0	\$0	\$0	\$0
% change	-40.1%	-100%	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Controlling Board in FY 2001)

Purpose: This line item was used for state-level activities designed to support, promote, and expand tech prep programs. The funds were distributed equally to the six Ohio College Tech Prep Regional Centers. Eligible activities included administration of grants, program evaluation, professional development, curriculum development, assessment development, program promotion, communications, and statewide coordination of tech prep consortia.

GRF 200426 Ohio Educational Computer Network

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$18,928,171	\$16,268,399	\$15,429,257	\$15,457,000	\$15,457,000	\$15,457,000
% change	-14.1%	-5.2%	0.2%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3301.075; Sections 265.10 and 265.70 of H.B. 49 of the 132nd G.A. (originally established by H.B. 204 of the 113th G.A.)

Purpose: This line item is used to maintain and provide technical assistance for a system of information technology throughout Ohio in support of the State Education Technology Plan. The bulk of funding supports connecting public and state-chartered nonpublic schools to the state's education network, to each other, and to the Internet. Funds from this line item also support information technology centers (ITCs) that provide computer services to member school districts on a regional basis, the development and maintenance of administrative software for school districts, the teacher-student linkage roster verification process for teacher value-added reports, and the eTranscript/student records exchange initiative. Prior to FY 2016, this line item funded the Union Catalog and INFOhio Network. Those programs are now funded by GRF line item 200465, Education Technology Resources.

Department of Education

GRF 200427 Academic Standards

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$3,892,989	\$4,234,314	\$3,391,393	\$3,894,552	\$4,434,215	\$4,483,525
% change	8.8%	-19.9%	14.8%	13.9%	1.1%

Source: General Revenue Fund

Legal Basis: ORC 3301.079; Sections 265.10 and 265.80 of H.B. 49 of the 132nd G.A. (originally established by H.B. 94 of the 124th G.A.)

Purpose: This line item supports the development and dissemination of the state academic content standards and model curricula to school districts. The line item also funds professional development programs and other tools on Ohio's Learning Standards, as well as model curricula in English language arts, mathematics, science, social studies, and other subjects.

GRF 200437 Student Assessment

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$43,710,611	\$59,465,729	\$58,657,378	\$56,025,042	\$56,363,725	\$56,405,197
% change	36.0%	-1.4%	-4.5%	0.6%	0.1%

Source: General Revenue Fund

Legal Basis: ORC 3301.078, 3301.079, 3301.0710, 3301.0711, 3301.0712, 3301.0715, 3301.27, and 3313.608; Sections 265.10 and 265.90 of H.B. 49 of the 132nd G.A. (originally established by H.B. 111 of the 118th G.A.)

Purpose: This line item is used to develop, field test, print, distribute, collect, score, and report results of achievement assessments for elementary and high school students and diagnostic assessments for students in grades K-3. Since FY 2016, ODE has administered elementary and high school state assessments in English language arts (ELA), mathematics, science, and social studies developed by the American Institutes for Research (AIR). In FY 2015 only, the Partnership for the Assessment of Readiness for College and Careers (PARCC) supplied the state's elementary and secondary assessments in ELA and mathematics. Subsequently, H.B. 64 of the 131st G.A. prohibited GRF appropriations from being used to purchase assessments developed by PARCC. Beginning in FY 2018, H.B. 49 eliminated the administration of the elementary state assessments in social studies. Federal funding to assist with the cost of administering federally-mandated achievement assessments is appropriated in FED Fund 3Z20 line item 200690, State Assessments.

Department of Education

GRF 200439 Accountability/Report Cards

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,299,829	\$7,076,727	\$520,230	\$927,005	\$7,517,406	\$7,565,320
% change	64.6%	-92.6%	78.2%	710.9%	0.6%

Source: General Revenue Fund

Legal Basis: ORC 3302.03, 3302.031, and 3302.26; Sections 265.10 and 265.100 of H.B. 49 of the 132nd G.A. (originally established by H.B. 95 of the 125th G.A.)

Purpose: This line item supports the development and distribution of local and state report cards. For FY 2018 and FY 2019, this line item was used in conjunction with DPF Fund 5UCO line item 200662, Accountability/Report Cards, which provided most of the funding for these and other related activities. Prior to FY 2018, this GRF line item primarily supported such costs, including funding and expenditure accountability reports, the development and maintenance of teacher value-added reports, the teacher student linkage/roster verification process, and a performance management section on ODE's website. Funds were also provided for training district and regional specialists and district educators in the use of the value-added progress dimension and in the use of data as it relates to improving student achievement. The executive proposal for FY 2020 and FY 2021 supports these activities solely through the GRF.

GRF 200442 Child Care Licensing

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,782,745	\$1,539,253	\$1,989,245	\$1,913,927	\$2,156,322	\$2,227,153
% change	-13.7%	29.2%	-3.8%	12.7%	3.3%

Source: General Revenue Fund

Legal Basis: ORC 3301.52 through 3301.59; Sections 265.10 and 265.100 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on October 16, 1995)

Purpose: This line item funds the licensure and inspection of preschool and school-age child care programs that are operated by school districts, educational service centers, community schools, chartered nonpublic schools, Head Start agencies, and county boards of developmental disabilities.

Department of Education

GRF 200446 Education Management Information System

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$7,120,030	\$6,752,670	\$6,998,853	\$7,673,848	\$8,112,987	\$8,174,415
% change	-5.2%	3.6%	9.6%	5.7%	0.8%

Source: General Revenue Fund

Legal Basis: ORC 3301.0714; Sections 265.10 and 265.110 of H.B. 49 of the 132nd G.A. (originally established by H.B. 111 of the 118th G.A.)

Purpose: This line item supports the collection and reporting of student, staff, and financial data through the Education Management Information System (EMIS), including the development and maintenance of a uniform set of data definitions and a data warehouse. A portion of this line item is distributed to 22 information technology centers (ITCs) on a per pupil basis to assist them with costs relating to collecting, processing, storing, and transferring data for the effective operation of EMIS. Beginning in FY 2018, funds are also earmarked to support grants to ITCs to provide EMIS-related professional development opportunities to district and school personnel.

GRF 200447 High School Equivalency Testing

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$268,192	\$300,328	\$20,653	\$0	\$0	\$0
% change	12.0%	-93.1%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Controlling Board on January 8, 1990)

Purpose: This line item paid the operating costs of ODE's General Educational Development (GED)/High School Equivalence Office. Prior to FY 2015, this line item, in conjunction with DPF Fund 4540 line item 200610, High School Equivalence, was also used to reimburse testing centers. In 2014, GED test administration and credentialing transitioned from the state to the national testing entity, GED Testing Service. Under this arrangement, the national testing entity centrally collects testing fees, reimburses the testing centers, and operates an electronic transcript system. ODE staff serve as a state presence, answer questions, oversee the testing sites, and process the high school equivalency exam reimbursements formerly funded from GRF line item 200550, Foundation Funding. Beginning in FY 2018, ODE's High School Equivalence Office and duties related to the high school equivalency exam reimbursements are funded by GRF line item 200572, Adult Education Programs.

Department of Education

GRF 200448 Educator Preparation

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,865,185	\$1,629,644	\$1,715,238	\$1,710,384	\$12,260,384	\$7,760,384
% change	-12.6%	5.3%	-0.3%	616.8%	-36.7%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 263.120 of H.B. 49 of the 132nd G.A. (originally established by H.B. 95 of the 125th G.A.)

Purpose: This line item supports a variety of initiatives related to educator preparation and school improvement. The bulk of the line item supports the implementation of teacher and principal evaluation systems. It also provides funding for Ohio's State System of Support for districts and schools implementing school improvement processes, as well as the Educator Standards Board. In FY 2018 and FY 2019, moneys are also earmarked for (1) Teach For America, for corps member recruitment, teaching training and program development, and alumni support and networking in Ohio (funding for this purpose was appropriated in GRF line item 200597, Education Program Support, in FY 2016 and FY 2017); (2) FASTER Saves Lives training for selected school staff to stop active shooters and treat casualties and to purchase trauma training and equipment for school staff; (3) The Childhood League Center to provide intensive early intervention and educational services in Franklin County; and (4) the Play and Language for Autistic Youngsters (PLAY) Project. In FY 2016 and FY 2017, this line item also supported the Ohio Appalachian Teaching Fellowship. The executive proposal discontinues the earmark for the Childhood League Center and provides new earmarks for (1) Bright New Leaders for Ohio Schools Program (currently supported by an earmark of GRF line item 200550, Foundation Funding), (2) grants to educational service centers to provide professional development to school personnel on the prevention of risky behaviors, (3) grants to support graduate coursework for high school teachers to earn credentialing to teach College Credit Plus courses, and (4) grants to support teachers to receive credentialing to teach computer science.

GRF 200455 Community Schools and Choice Programs

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,840,461	\$3,901,529	\$4,053,747	\$4,632,602	\$4,867,763	\$4,912,546
% change	37.4%	3.9%	14.3%	5.1%	0.9%

Source: General Revenue Fund

Legal Basis: ORC 3314.015 and 3314.11; Sections 265.10 and 265.130 of H.B. 49 of the 132nd G.A. (originally established by H.B. 215 of the 122nd G.A.)

Purpose: This line item funds ODE's costs related to the administration of school choice programs, including oversight and evaluation of community school sponsors. A portion of this line item may be used by ODE to develop and conduct training sessions for community schools, community school sponsors, and other schools participating in school choice programs.

Department of Education

GRF 200457 STEM Initiatives

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$750,000	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

Source: General Revenue Fund

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

Purpose: In FY 2016, this line item was used for a pilot project affiliated with the Alliance for Working Together supporting innovative STEM initiatives providing early access to programming, engineering design, and problem-solving skills to middle school students in Geauga and Lake Counties. It was also used to provide matching funds for STEM schools for industry workforce development initiatives. In FY 2015, this line item provided funding for building and equipment costs associated with the Lake County Incubator Project, a facility located at Lakeland Community College accommodating advanced STEM and computer coding programs, a fabrication laboratory, and medical sciences education facilities for high school students.

GRF 200464 General Technology Operations

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$5,333	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by H.B. 59 of the 130th G.A.)

Purpose: This line item supported ODE's general overhead expenses related to former responsibilities of the eTech Ohio Commission (reconstituted as the Broadcast Educational Media Commission in FY 2014). Until FY 2014, these expenses were funded through eTech Ohio Commission line item 935408, General Operations. Beginning in FY 2016, these expenses are funded in GRF line item 200465, Education Technology Resources.

Department of Education

GRF	200465	Education Technology Resources				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$3,169,638	\$3,165,219	\$5,178,157	\$5,179,664	\$5,179,664	\$5,179,664	
% change	-0.1%	63.6%	0.0%	0.0%	0.0%	

Source: General Revenue Fund

Legal Basis: ORC 3301.075; Sections 265.10 and 265.140 of H.B. 49 of the 132nd G.A. (originally established by H.B. 59 of the 130th G.A.)

Purpose: This line item provides grants to educational television stations working with education technology centers to provide public schools with instructional resources and services. Prior to FY 2014, these grants were funded by eTech Ohio Commission line item 935411, Technology Integration and Professional Development. Beginning in FY 2016, this line item also funds Union Catalog and INFOhio Network library-related services, which previously were funded by GRF line item 200426, Ohio Educational Computer Network. Lastly, beginning in FY 2016, this line item is used to administer the federal E-Rate program, support the eTranscript system, and provide federally-required internet safety training for educators and online safety skills for students. Prior to FY 2016, these activities were funded in GRF line item 200464, General Technology Operations. The executive proposal recommends eliminating the funding to for the eTranscript system and internet safety training for educators and online safety skills for students. The executive proposal recommends funding to support the development, maintenance, and operation of a network of computer-based information and instructional systems.

GRF	200478	Industry-Recognized Credentials High School Students				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$0	\$0	\$0	\$0	\$25,000,000	\$25,000,000	
% change	N/A	N/A	N/A	N/A	0.0%	

Source: General Revenue Fund

Legal Basis: As proposed in H.B. 166 of the 133rd G.A.

Purpose: This line will be used to provide (1) up to \$8.0 million each fiscal year to support payments to school districts whose students earn an industry-recognized credential or receive an equivalent certification, (2) up to \$12.5 million each fiscal year for the Innovative Workforce Incentive Program, which will provide payments of \$1,250 for each credential a student earns from a list of priority credentials to be determined by the Superintendent of Public Instruction; and (3) up to \$4.5 million each fiscal year to assist school districts in establishing programs that offer credentials qualifying for the incentive under the Innovative Workforce Incentive Program.

Department of Education

GRF	200502	Pupil Transportation				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$570,751,647	\$592,304,753	\$546,738,751	\$527,129,809	\$527,129,809	\$527,129,809	
% change	3.8%	-7.7%	-3.6%	0.0%	0.0%	

Source: General Revenue Fund

Legal Basis: ORC 3314.091, 3317.024, and 3317.0212; Sections 265.10 and 265.150 of H.B. 49 of the 132nd G.A. (originally established by H.B. 191 of the 112th G.A.)

Purpose: This line item partially reimburses school districts and county boards of developmental disabilities for the operating costs of transporting public and nonpublic school students to and from school. Funding for transporting special education students is distributed based on rules and formulas adopted by the State Board of Education. Funding for transporting non-special education students is provided as part of the school foundation program and is allocated through a formula that uses prior year costs and either current year ridership or miles driven to determine funding levels. This line item also funds a transportation supplement for certain low density school districts and supports bus driver training.

GRF	200505	School Lunch Match				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$9,100,000	\$9,100,000	\$8,963,500	\$8,963,500	\$8,963,500	\$8,963,500	
% change	0.0%	-1.5%	0.0%	0.0%	0.0%	

Source: General Revenue Fund

Legal Basis: ORC 3313.81 and 3317.024; Sections 265.10 and 265.160 of H.B. 49 of the 132nd G.A. (originally established by H.B. 191 of the 112th G.A.)

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

Department of Education

GRF 200511 Auxiliary Services

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$143,093,651	\$149,111,078	\$148,438,542	\$150,594,178	\$150,594,178	\$150,594,178
% change	4.2%	-0.5%	1.5%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.024, 3317.06, and 3317.062; Sections 265.10 and 265.170 of H.B. 49 of the 132nd G.A. (originally established by H.B. 191 of the 112th G.A.)

Purpose: This line item provides assistance to chartered nonpublic schools 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. H.B. 49 permits the funds to also pay for security services and to provide language and academic support services to English language learners attending nonpublic schools. Moneys may not be expended for any religious activities. 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. Prior to FY 2018, all auxiliary services funds were distributed to school districts on a per-nonpublic pupil basis to provide eligible services to chartered nonpublic school students. Also, funds in this line item are earmarked for payment of the College Credit Plus Program for nonpublic students.

GRF 200532 Nonpublic Administrative Cost Reimbursement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$65,165,374	\$67,723,900	\$67,916,304	\$68,034,790	\$68,034,790	\$68,034,790
% change	3.9%	0.3%	0.2%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 3317.063; Sections 265.10 and 265.180 of H.B. 49 of the 132nd G.A. (originally established by H.B. 694 of the 114th G.A.)

Purpose: This line item reimburses chartered nonpublic schools for mandated administrative and clerical costs incurred during the previous year. Mandated activities include the preparation, filing, and maintenance of forms, reports, or records related to state chartering or approval of the school, pupil attendance, transportation of pupils, teacher certification and licensure, and other education-related data. H.B. 49 caps the reimbursement payments at \$405 per pupil in FY 2018 and FY 2019, notwithstanding the \$360 maximum reimbursement rate in the Revised Code. Reimbursement payments are the lesser of mandated service costs and the amount based on the maximum reimbursement rate.

Department of Education

GRF 200540 Special Education Enhancements

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$157,230,021	\$159,751,744	\$158,255,414	\$152,350,000	\$152,600,000	\$152,850,000
% change	1.6%	-0.9%	-3.7%	0.2%	0.2%

Source: General Revenue Fund

Legal Basis: ORC 3317.0213, 3317.20, and 3317.201; Sections 265.10 and 265.190 of H.B. 49 of the 132nd G.A. (originally established by H.B. 650 of the 122nd G.A.)

Purpose: This line item primarily funds preschool special education and related services at school districts, educational service centers, and county boards of developmental disabilities and special education and related services for school-aged students at county boards of developmental disabilities and state institutions. This line item also funds school psychology interns, parent mentoring programs, matching dollars for the Opportunities for Ohioans with Disabilities Agency to draw down federal funding for vocational rehabilitation services, and secondary transition services.

GRF 200545 Career-Technical Education Enhancements

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$10,470,110	\$11,052,040	\$10,609,786	\$9,762,892	\$9,400,892	\$9,400,892
% change	5.6%	-4.0%	-8.0%	-3.7%	0.0%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.200 of H.B. 49 of the 132nd G.A. (originally established by H.B. 650 of the 122nd G.A.)

Purpose: This line item supports several career-technical education programs and initiatives, including High Schools that Work, tech prep program expansion, career-technical education at state institutions, and career planning and reporting through the Ohio Means Jobs website, the Agriculture 5th Quarter Project, and reimbursements for industry recognized credentials and certifications earned by economically disadvantaged students. It also supports the following programs for which the executive proposal discontinues funding: VoAg programs in the Cleveland Municipal and Cincinnati City school districts, the Jobs for Ohio's Graduates (JOGS) program, and the Ohio ProStart school restaurant program. The executive proposal expands the industry-recognized reimbursements program and shifts funding for it to GRF line item 200478, Industry-Recognized Credentials High School Students.

Department of Education

GRF	200550	Foundation Funding				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$6,384,256,884	\$6,637,364,628	\$6,803,079,806	\$6,937,228,845	\$7,196,280,845	\$7,195,518,845	
% change	4.0%	2.5%	2.0%	3.7%	0.0%	

Source: General Revenue Fund

Legal Basis: ORC 3317; Sections 265.10, 265.210, 265.220, 265.230, and 265.233 of H.B. 49 of the 132nd G.A. (originally established by H.B. 66 of the 126th G.A.)

Purpose: This line item, combined with 200502, Pupil Transportation, and 200612, Foundation Funding (Lottery), is the main source of state foundation payments to all school districts in the state. Allocations are based on the school foundation formulas, and are administered by ODE, with the approval of the Controlling Board. In addition to foundation funding for school districts, moneys in this line item include funding for educational service centers, catastrophic costs for special education, school choice programs, College Credit Plus for home schooled students, the private treatment facility pilot project, Bright New Leaders for Ohio Schools Program, and ODE duties and support related to academic distress commissions, among other purposes. The executive budget proposes to move funds for Bright New Leaders for Ohio Schools Program to GRF line item 200448, Educator Preparation, and provides a new earmark to support student success and wellness funding for traditional and joint vocational school districts, community schools, and STEM schools.

GRF	200566	Literacy Improvement				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$443,410	\$834,047	\$599,614	\$1,253,744	\$1,352,876	\$1,352,172	
% change	88.1%	-28.1%	109.1%	7.9%	-0.1%	

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.240 of H.B. 49 of the 132nd G.A. (originally established by H.B. 1 and modified by H.B. 282 of the 123rd G.A.)

Purpose: This line item provides funding for educational service centers (ESC) or consortia of ESCs to establish and support regional literacy professional development teams to align state, local, and federal efforts to bolster early literacy activities and all students' reading success. Funds may also be used for administration, technical assistance, research, monitoring, and evaluation. Between FY 2014 and FY 2017, this line item also supported the Read, Baby, Read! Program.

Department of Education

GRF	200572	Adult Education Programs				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$1,393,924	\$2,493,560	\$5,373,738	\$8,707,674	\$8,707,674	\$8,707,674	
% change	78.9%	115.5%	62.0%	0.0%	0.0%	

Source: General Revenue Fund

Legal Basis: ORC 3313.902, 3314.38, 3317.23, 3317.24, 3345.86; Sections 265.10 and 265.250 of H.B. 49 of the 132nd G.A. (originally established by H.B. 282 of the 123rd G.A.)

Purpose: Since FY 2018, this line item has supported various programs that assist individuals who dropped out of school with obtaining a high school diploma or equivalence certificate. These programs include (1) the Adult Diploma Program, which offers a pathway to obtain a state-issued high school diploma as well as an industry-recognized credential in an in-demand field, (2) the Adult 22+ High School Diploma Program, which provides a locally-issued high school diploma (formerly funded by GRF line item 200421, Alternative Education Programs), (3) a program that provides vouchers to lower the cost of high school equivalency exams for first-time test takers (formerly funded by GRF line item 200550, Foundation Funding), and (4) ODE's High School Equivalence Office (formerly funded by GRF line item 200447, High School Equivalency Testing (née GED Testing)). A portion of item 200572 may be also used for program administration, technical assistance, support, research, and evaluation of adult education programs, including high school equivalency examinations approved by ODE. In FY 2016 and FY 2017, this line item funded only the Adult Diploma Program. In FY 2015, funding for this program's initial planning grants was provided by DPF Fund 5JC0 line item 200654, Adult Career Opportunity Pilot Program.

GRF	200573	EdChoice Expansion				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$22,451,777	\$31,021,124	\$38,245,328	\$47,700,000	\$57,223,340	\$71,017,418	
% change	38.2%	23.3%	24.7%	20.0%	24.1%	

Source: General Revenue Fund

Legal Basis: ORC 3310.032; Sections 265.10 and 265.260 of H.B. 49 of the 132nd G.A. (originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item provides funding for EdChoice scholarships for students whose family income is at or below 200% of the federal poverty guidelines to attend chartered nonpublic schools. Students meeting the income requirements qualify for the program regardless of the academic rating of the school they would otherwise attend. Prior to FY 2016, these scholarships were paid from lottery profits using Fund 7017 line item 200666, EdChoice Expansion. In FY 2020 and FY 2021, income-based scholarships will be extended to sixth and seventh grade students, respectively, in addition to students in grades K-5. Scholarship amounts are the lesser of the cost of tuition and \$4,650. The number of scholarships awarded is limited to the appropriation.

Department of Education

GRF 200574 Half-Mill Maintenance Equalization

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$18,027,918	\$18,108,761	\$18,627,794	\$18,652,000	\$18,849,207	\$18,128,526
% change	0.4%	2.9%	0.1%	1.1%	-3.8%

Source: General Revenue Fund

Legal Basis: ORC 3318.18; Sections 265.10 and 265.260 of H.B. 49 of the 132nd G.A.

Purpose: This line item equalizes the half-mill maintenance levy required of school districts participating in the Facilities Construction Commission’s School Building Assistance Program. Districts with per-pupil valuations less than the state average receive funds to equalize this half-mill levy to the state average. Funding can be used only to maintain school buildings constructed with state assistance. Prior to FY 2016, these payments were supported by the transfer of excess funds from the School District Property Tax Replacement Fund (7053) and were paid out of DPF Fund 5BJ0 line item 200626, Half-Mill Maintenance Equalization.

GRF 200576 Adaptive Sports Program

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0
% change	0.0%	0.0%	0.0%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.260 of H.B. 49 of the 132nd G.A. (originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item is used by ODE, in collaboration with the Adaptive Sports Program of Ohio, to fund adaptive sports programs in school districts across the state. The executive proposal discontinues this line item.

Department of Education

GRF 200578 Violence Prevention and School Safety

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$219,538	\$250,000	\$0	\$0
% change	N/A	N/A	13.9%	-100%	N/A

Source: General Revenue Fund

Legal Basis: Sections 265.10, 265.260, and 265.263 of H.B. 49 of the 132nd G.A. (originally established by H.B. 1 of the 128th G.A.)

Purpose: This line item provides competitive grants to chartered nonpublic schools and educational or childcare centers to assist the school or center in preventing, preparing for, or responding to acts of terrorism, including by acquiring the services of a resource officer. Grant recipients were generally required to provide a local matching contribution at a ratio of one-to-one. ODE may use up to 2.5% of the total amount appropriated for the grant program for program administrative costs. The executive proposal discontinues this line item.

GRF 200588 Competency Based Education Pilot

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$501,110	\$1,238,876	\$71,541	\$0	\$0	\$0
% change	147.2%	-94.2%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item provided funding for up to five districts, schools, or consortia of districts and schools led by educational service centers to implement a competency-based pilot system allowing students to progress through classes at their own pace. Subject to certain specified program requirements, pilot sites received up to \$200,000 in each fiscal year to plan for program implementation from FY 2017 to FY 2019. A portion of the line item was used to provide technical assistance and program administration.

Department of Education

GRF 200597 Education Program Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,750,000	\$2,500,000	\$0	\$0	\$0	\$0
% change	-9.1%	-100%	N/A	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item consisted of earmarks funding various education-related programs, including Teach For America for corps member recruitment, teacher training, and program development; and the Supporting Partnerships to Assure Ready Kids (SPARK) program. A small portion in FY 2016 was distributed to Artsin Stark to support the SmArts Program and the Genius Project. In FY 2018 and FY 2019, funds for Teach For America are appropriated in GRF line item 200448, Educator Preparation.

GRF 200598 Innovative Shared Services at Schools

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
% change	N/A	N/A	N/A	N/A	0.0%

Source: General Revenue Fund

Legal Basis: As proposed in H.B. 166 of the 133rd G.A.

Purpose: This line item will be used to provide competitive grants of up to \$100,000 in each fiscal year to traditional school districts, JVSDs, community schools, STEM schools, or education consortia for projects that aim to achieve significant advancement in the use of a shared services delivery model that demonstrates increased efficiency and effectiveness, long-term sustainability, and scalability.

Department of Education

GRF 657401 Medicaid in Schools

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$267,666	\$297,978	\$297,978	\$297,978
% change	N/A	N/A	11.3%	0.0%	0.0%

Source: General Revenue Fund

Legal Basis: Sections 265.10 and 265.280 of H.B. 49 of the 132nd G.A.

Purpose: This line item is used to administer the Medicaid Schools Program, which provides districts and schools with reimbursement for services to Medicaid-eligible students, including the costs of enrolling eligible children in the Medicaid Program and assisting children who are already enrolled to access the benefits available to them. ODE receives claims and financial reports from local education agencies and then submits the claims to the Ohio Department of Medicaid for reimbursement. Further, ODE provides technical assistance and program monitoring to verify federal program mandates and assure compliance and accountability. ODE also receives federal funding for this purpose. Beginning in FY 2018, this federal funding is appropriated in FED Fund 3AF0 line item 657601. Formerly, it was appropriated in line item 200603, Schools Medicaid Administrative Claims.

Dedicated Purpose Fund Group

4520 200638 Charges and Reimbursements

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$477,647	\$792,805	\$644,178	\$1,000,000	\$1,000,000	\$1,000,000
% change	66.0%	-18.7%	55.2%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Registration fees for conferences sponsored by ODE, sale of publications, gifts and bequests; any remaining assets of permanently closed community schools after certain obligations are satisfied

Legal Basis: ORC 3314.074; Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on April 13, 1972)

Purpose: This line item is used for materials and facilities for conferences and for the purposes specified by gifts and bequests. This line item is also used to redistribute assets of permanently closed community schools to the students' resident school districts after the retirement funds of employees of the school, employees of the school, and private creditors are paid the compensation due them. The funds are distributed to resident school districts in proportion to each district's share of the total enrollment of the community school.

Department of Education

4540 200610 High School Equivalency

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$1,187,064	\$0	\$0	\$0
% change	N/A	N/A	-100%	N/A	N/A

Source: Dedicated Purpose Fund Group: Sales of tests and test services; fees for transcripts and duplicate diplomas

Legal Basis: Section 265.290 of H.B. 49 of the 132nd G.A. (originally established in 1929)

Purpose: In FY 2018, this line item was used in conjunction with GRF line item 200572, Adult Education Programs, to fund subsidy payments to providers of the 22+ Adult High School Diploma Program. These payments exhausted the cash balance of Fund 4540, which consisted of leftover fees the state formerly collected in connection with its administration and oversight of GED tests. Prior to FY 2015, this line item was used primarily for reimbursements to GED testing centers. The funds were provided through a fee charged for taking the test. In 2014, GED test administration and credentialing transitioned from the state to the national testing entity, GED Testing Service. Under this arrangement, the national testing entity centrally collects testing fees, reimburses the testing centers, and operates an electronic transcript system.

4550 200608 Commodity Foods

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$8,287,518	\$6,723,355	\$4,251,617	\$1,025,000	\$1,000,000	\$1,000,000
% change	-18.9%	-36.8%	-75.9%	-2.4%	0.0%

Source: Dedicated Purpose Fund Group: Food processing and handling charges

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board in September 1978)

Purpose: This line item is used to distribute food products to school districts and various other agencies participating in the National School Lunch Program or the Summer Food Service Program.

Department of Education

4L20 200681 Teacher Certification and Licensure

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$13,541,931	\$15,321,714	\$13,811,995	\$12,853,104	\$13,795,827	\$14,000,000
% change	13.1%	-9.9%	-6.9%	7.3%	1.5%

Source: Dedicated Purpose Fund Group: Fees set by the State Board of Education for teacher, principal, superintendent, school district treasurer, and business manager licenses

Legal Basis: ORC 3319.51; Sections 265.10 and 265.300 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

Purpose: These funds cover the costs of processing licensure applications, technical assistance related to licensure, the administration of the educator disciplinary process, and providing the Resident Educator Summative Assessment to teachers. In FY 2018 and FY 2019, a portion of this line item may be used for the teacher and principal evaluation systems and teacher value-added reports.

5960 200656 Ohio Career Information System

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$22,917	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

Source: Dedicated Purpose Fund Group: Service fees

Legal Basis: Discontinued line item (originally established by H.B. 238 of the 116th G.A.)

Purpose: This line item provided funding for a computer-based career information system, which contained national and state information on occupations, education, and financial aid for use by students, counselors, and the public. Educational institutions, libraries, agencies, and others paid for their use of the system on a fee-for-service basis, with all fees paid into Fund 5960. Beginning in FY 2016, this system was replaced by the OhioMeansJobs K-12 student portal, access to which is provided free of charge. Funding for the K-12 student portal is provided through an earmark of GRF line item 200545, Career-Technical Education Enhancements.

Department of Education

5980 200659 Auxiliary Services Reimbursement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$973,530	\$1,276,336	\$449,114	\$2,000,000	\$1,300,000	\$1,300,000
% change	31.1%	-64.8%	345.3%	-35.0%	0.0%

Source: Dedicated Purpose Fund Group: Funds from the Auxiliary Services Personnel Unemployment Compensation Fund deemed to be in excess of the amount needed to pay unemployment claims

Legal Basis: ORC 3317.064; Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 238 of the 116th G.A.)

Purpose: This line item is used to relocate, replace, or repair mobile units used in providing auxiliary services to chartered nonpublic schools. The funds may also be used to fund early retirement or severance pay for employees paid from auxiliary services GRF funding. Beginning in FY 2017, a portion of the funds may be used to make payments for chartered nonpublic school students participating in the College Credit Plus Program

5H30 200687 School District Solvency Assistance

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,838,000	\$0	\$0	\$0	\$2,000,000	\$2,000,000
% change	-100%	N/A	N/A	N/A	0.0%

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

Legal Basis: ORC 3316.20; Sections 265.10 and 265.320 of H.B. 49 of the 132nd G.A. (originally established by H.B. 650 of the 122nd G.A.)

Purpose: This line item supports two accounts: (1) the shared resource account, which is used to make interest-free advances to school districts in a state of fiscal emergency to enable them to remain solvent; and (2) the catastrophic expenditures account, which is used to make grants to districts for unforeseen catastrophic events that severely depletes the financial resources of the district. The catastrophic expenditures account may also be used for solvency assistance in the event that all funds in the shared resources account are used. Solvency assistance advances made to districts must be repaid by the end of the second year following the fiscal year in which the advance was made unless the Superintendent of Public Instruction and Director of Budget and Management approve an alternative payment schedule of up to 10 years. Grants from the catastrophic expenditures account do not need to be repaid, unless reimbursed by a third party. H.B. 650 of the 122nd G.A. originally transferred \$30 million from FY 1998 surplus GRF revenue to Fund 5H30.

Department of Education

5JC0 200654 Adult Career Opportunity Pilot Program

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,421,206	\$66,754	\$0	\$0	\$0	\$0
% change	-95.3%	-100%	N/A	N/A	N/A

Source: Dedicated Purpose Fund Group: Casino licensing revenue

Legal Basis: Discontinued line item (originally established by H.B. 483 of the 130th G.A.)

Purpose: This line item supported grants of up to \$500,000 to not more than five community colleges, technical colleges, or technical centers to plan and implement the Adult Career Opportunity Pilot Program beginning in the 2015-2016 school year. This program, now called the Adult Diploma Program, permits such an institution to develop and offer a program of study that allows individuals who are at least 22 years old and have not received a high school diploma or certificate of high school equivalence to obtain a high school diploma. Since FY 2016, this program has been funded by GRF line item 200572, Adult Education Programs (formerly named Adult Diploma).

5KX0 200691 Ohio School Sponsorship Program

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$612,990	\$582,994	\$909,809	\$1,250,000	\$1,250,000	\$1,250,000
% change	-4.9%	56.1%	37.4%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Sponsorship fees of up to 3% of each sponsored school's operating revenue

Legal Basis: ORC 3314.029; Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on November 14, 2011)

Purpose: This line item supports ODE's administrative duties for sponsoring certain community schools under the Ohio School Sponsorship Program. 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 is sponsoring 31 community schools under the program.

Department of Education

5MM0 200677 Child Nutrition Refunds

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$5,196	\$0	\$550,000	\$550,000
% change	N/A	N/A	-100%	N/A	0.0%

Source: Dedicated Purpose Fund Group: Unused funds returned by program sponsors and funds received due to audit findings

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board on October 29, 2012)

Purpose: This line item repays the U.S. Department of Agriculture (USDA) for child nutrition grant funds returned by program sponsors after the federal fiscal year ends and for funds received due to audit findings.

5RB0 200644 Straight A Fund

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,238,803	\$24,594,679	\$8,987,395	\$0	\$0	\$0
% change	480.2%	-63.5%	-100%	N/A	N/A

Source: Dedicated Purpose Fund Group: Transfer from FY 2015 GRF surplus revenues

Legal Basis: Discontinued line item (Originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item funded competitive grants for projects that aimed to achieve significant advancement in one or more of the following goals: (1) increased student achievement, (2) spending reduction in the five-year fiscal forecast, (3) utilization of a greater share of classroom resources, or (4) use of shared services delivery models. Eligible entities included public districts and schools, educational service centers, institutions of higher education, education consortia, and private entities partnering with educational entities. This line item also contained earmarks supporting graduate coursework for high school teachers to receive credentialing to teach College Credit Plus courses, particularly in economically disadvantaged high schools; competitive grants to universities to provide free or reduced-cost courses for teachers to become credentialed for the College Credit Plus Program; funding for the Ohio-West Virginia Youth Leadership Association's Cave Lake Center for Community Leadership; and funding for the We Can Code IT organization. Prior to FY 2016, Straight A grants were funded by lottery profits in Fund 7017 line item 200648, Straight A Fund.

Department of Education

5RE0 200697 School District TPP Supplement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$39,290,230	\$44,208,587	\$9,467,328	\$0	\$0	\$0
% change	12.5%	-78.6%	-100%	N/A	N/A

Source: Dedicated Purpose Fund Group: Transfers from the Medicaid Reserve Fund (Fund 5Y80) and FY 2015 GRF surplus revenues

Legal Basis: Discontinued line item (originally established by H.B. 64 of the 131st G.A.)

Purpose: This line item provided supplemental funding to traditional school districts to guarantee that a district's state foundation funding plus fixed-rate operating direct reimbursements for TPP tax losses did not fall below 100% of its FY 2015 level in FY 2016 and 96% of its FY 2015 level in FY 2017.

5U20 200685 National Education Statistics

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$152,747	\$153,808	\$136,094	\$150,000	\$170,675	\$175,000
% change	0.7%	-11.5%	10.2%	13.8%	2.5%

Source: Dedicated Purpose Fund Group: Grant for the NAEP

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on May 6, 2002)

Purpose: This line item funds the position of National Assessment of Educational Progress (NAEP) state administrator as well as other specific data collection tasks associated with the NAEP. The state administrator position provides technical assistance to state and local education agencies on the collection of education statistics. The federal Elementary and Secondary Education Act requires states to participate in the NAEP.

Department of Education

5UC0 200662 Accountability/Report Cards

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$4,720,672	\$5,000,000	\$0	\$0
% change	N/A	N/A	5.9%	-100%	N/A

Source: Dedicated Purpose Fund Group: Transfers of \$5 million cash in both FY 2018 and FY 2019 from the State Board of Education Licensure Fund (Fund 4L20)

Legal Basis: ORC 3302.03, 3302.031, and 3302.26; Sections 265.10 and 265.323 of H.B. 49 of the 132nd G.A.

Purpose: For FY 2018 and FY 2019, this line item provides the primary source of funds for the development and distribution of local and state report cards, funding and expenditure accountability reports, the development and maintenance of teacher value-added reports, the teacher student linkage/roster verification process, and a performance management section on ODE's website. Funds also provide for training district and regional specialists and district educators in the use of the value-added progress dimension and in the use of data as it relates to improving student achievement. A portion of these funds are provided to ESCs to support training and professional development. The funds in this line item are supplemented with GRF funds appropriated in line item 200439, Accountability/Report Cards, which, prior to FY 2018, primarily supported such costs. Fund 5UC0 line item 200662 also includes an earmark of \$500,000 in both FY 2018 and FY 2019 for matching funds to support the Accelerate Great Schools public-private partnership. The executive proposal discontinues this line item and, instead, funds accountability and report card expenditures solely through GRF line item 200439.

6200 200615 Educational Improvement Grants

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$51,799	\$243,771	\$587,063	\$1,599,999	\$594,443	\$600,000
% change	370.6%	140.8%	172.5%	-62.8%	0.9%

Source: Dedicated Purpose Fund Group: Miscellaneous education grants; FY 2018 cash transfer of \$400,000 from the OhioMeansJobs Workforce Development Revolving Loan Fund (Fund 5NH0)

Legal Basis: Sections 265.10 and 265.325 of H.B. 49 of the 132nd G.A. (originally established by H.B. 282 of the 123rd G.A.)

Purpose: This line item disburses funds from miscellaneous educational grants from private foundations for the purposes for which the grants were received. In FY 2018 and FY 2019, it earmarked funds to (1) the Lake County Educational Service Center for the Lake and Geauga Counties Manufacturing K-12 Partnership, (2) the Trumbull County Educational Service Center to support the creation of a STEAM program, and (3) the Trumbull Career and Technical Center to support the creation of an additional welding laboratory.

Department of Education

Internal Service Activity Fund Group

1380 200606 Information Technology Development and Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$6,387,751	\$5,102,342	\$5,746,669	\$7,047,645	\$7,939,104	\$8,047,645
% change	-20.1%	12.6%	22.6%	12.6%	1.4%

Source: Internal Service Activity Fund Group: Proceeds from a payroll charge assessed to ODE offices and the sale of education directories and labels

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 20, 1961)

Purpose: This line item funds information technology services and support for various ODE programs. This support includes development and maintenance of network infrastructure and software, purchase of computer hardware, project management, and programming services.

4R70 200695 Indirect Operational Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$6,678,604	\$6,018,089	\$6,038,362	\$6,256,766	\$7,856,766	\$7,856,766
% change	-9.9%	0.3%	3.6%	25.6%	0.0%

Source: Internal Service Activity Fund Group: Federally-approved indirect cost payments from all ODE GRF and federal line items that spend funds on personnel and maintenance

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board in December 1993)

Purpose: These funds are used for a variety of administrative purposes not directly tied to a specific funding source, including accounting, human resources, grants management, and internal auditing functions. The indirect cost rate is approved annually by the U.S. Department of Education.

Department of Education

4V70 200633 Interagency Program Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$122,833	\$82,753	\$119,258	\$500,000	\$5,497,938	\$5,500,000
% change	-32.6%	44.1%	319.3%	999.6%	0.0%

- Source:** Internal Service Activity Fund Group: Funds received from other agencies for specific purposes
- Legal Basis:** Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board in June 1995)
- Purpose:** This line item supports joint initiatives or collaborations for specific programs that require ODE's assistance. The executive proposal 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 will be received from the Department of Job and Family Services through an intrastate transfer voucher (ISTV) from Fund 5KT0 line item 600696, Early Childhood Education, which is supported by casino operator settlement fund moneys.

State Lottery Fund Group

7017 200602 School Climate Grants

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
% change	N/A	N/A	N/A	0.0%	0.0%

- Source:** State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)
- Legal Basis:** Section 5 of H.B. 318 of the 132nd G.A.
- Purpose:** This line item supports competitive grants to traditional school districts and community and STEM schools for implementation of positive behavioral interventions and support frameworks or research-based social and emotional learning initiatives in buildings serving any of grades K-3. Grants are awarded according to the following priority: (1) applicants whose proposal serves school buildings with a larger than average percentage of economically disadvantaged students and (2) applicants whose proposal serves buildings with high student suspension rates. Other applicants are awarded funding in the order in the application was received. Grant awards may not to exceed \$5,000 per school building served, up to a maximum of \$50,000 for each applicant.

Department of Education

7017 200612 Foundation Funding

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$987,650,000	\$1,042,700,000	\$1,086,030,000	\$1,087,030,000	\$1,077,400,000	\$1,128,400,000
% change	5.6%	4.2%	0.1%	-0.9%	4.7%

Source: State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)

Legal Basis: ORC 3770.06; Sections 265.10 and 265.330 of H.B. 49 of the 132nd G.A. (originally established by H.B. 650 of the 122nd G.A.)

Purpose: This line item is used in conjunction with GRF line item 200550, Foundation Funding, to fund state foundation payments to school districts. See the description for line item 200550 for more details.

7017 200629 Community Connectors

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$5,458,033	\$8,844,196	\$8,946,457	\$8,000,000	\$0	\$0
% change	62.0%	1.2%	-10.6%	-100%	N/A

Source: State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)

Legal Basis: ORC 3770.06; Sections 265.10 and 265.330 of H.B. 49 of the 132nd G.A. (originally established in H.B. 483 of the 130th G.A.)

Purpose: This line item funds competitive matching grants to eligible school districts to provide funding for local networks of volunteers and organizations to sponsor career advising and mentoring for students. Eligible school districts are those with a high percentage of students in poverty, a high number of students not graduating on time, and other criteria determined by the Superintendent of Public Instruction. These districts must partner with members of the business community, civic organizations, or the faith-based community to provide sustainable career advising and mentoring services. Grant awards match up to three times the funds allocated to the project by the local network. However, in FY 2018 and FY 2019, the Superintendent may prescribe a maximum grant award, which must be at least \$150,000. Also in FY 2018 and FY 2019, priority is given to grant applicants that deliver volunteer-based K-12 programs that foster financial literacy, career readiness, and entrepreneurship skills through experiential learning opportunities in classroom settings. The executive proposal discontinues this line item.

Department of Education

7017 200631 Quality Community Schools Support

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$0	\$30,000,000	\$30,000,000
% change	N/A	N/A	N/A	N/A	0.0%

Source: State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)

Legal Basis: As proposed in H.B. 166 of the 133rd G.A.

Purpose: This line will be used to provide funds to community and STEM schools that are designated as a Community School of Quality based on certain criteria, which include report card grades and sponsor ratings. 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.

7017 200648 Straight A Fund

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$42,608,671	\$8,574,742	\$0	\$0	\$0	\$0
% change	-79.9%	-100%	N/A	N/A	N/A

Source: State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)

Legal Basis: Discontinued line item (originally established by H.B. 59 of the 130th G.A.)

Purpose: This line item provided competitive grant funding for projects that aimed to achieve significant advancement in one or more of the following goals: (1) increased student achievement, (2) spending reduction in the five-year fiscal forecast, or (3) use of shared services delivery models. In FY 2016 and FY 2017, funding for these grants was appropriated through DPF Fund 5R80 line item 200644, Straight A Fund, using a portion of the FY 2015 GRF surplus. Line item 200648's expenditures in FY 2016 and FY 2017 were made from funds appropriated prior to FY 2016.

Department of Education

7017 200684 Community School Facilities

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$13,144,849	\$17,084,751	\$16,560,599	\$16,600,000	\$16,600,000	\$16,600,000
% change	30.0%	-3.1%	0.2%	0.0%	0.0%

Source: State Lottery Fund Group: Net profits from lottery ticket sales and revenue from video lottery terminals (VLTs) at Ohio horse racetracks (racinos)

Legal Basis: ORC 3770.06; Sections 265.10 and 265.330 of H.B. 49 of the 132nd G.A. (originally established by H.B. 59 of the 130th G.A.)

Purpose: This line item provides funds to community and STEM schools to assist with the costs of facilities. Since FY 2017, each brick-and-mortar school has received per-pupil funding of \$200, increased from \$150 in FY 2016 and \$100 in FY 2014 and FY 2015. E-schools receive \$25 per full-time equivalent student, the same per-pupil amount since FY 2016, which was the first year such schools qualified for this funding. The per-pupil amounts are to be prorated if the appropriation is not sufficient to cover the full amount of the payments.

Federal Fund Group

3090 200601 Neglected and Delinquent Children Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,090,633	\$1,022,020	\$0	\$0	\$0	\$0
% change	-6.3%	-100%	N/A	N/A	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on March 28, 1966)

Purpose: This line item funded supplementary education services for children and youths in state institutions, in community day programs for neglected and delinquent children and youths, and in adult correctional institutions so that they can make successful transitions to school or employment once they are released. Beginning in FY 2018, funds for these purposes are provided by Fund 3HF0 line item 200649, Federal Education Grants.

Department of Education

3670 200607 School Food Services

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$8,262,194	\$9,952,607	\$7,327,034	\$11,884,132	\$11,469,730	\$11,897,473
% change	20.5%	-26.4%	62.2%	-3.5%	3.7%

Source: Federal Fund Group: CFDA 10.560, State Administrative Expenses for Child Nutrition; CFDA 10.574, Team Nutrition Grants; CFDA 10.579, Child Nutrition Discretionary Grants

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on October 27, 1967)

Purpose: This line item supports the state administration and monitoring of child nutrition programs. State funds needed to comply with federal maintenance of effort requirements associated with this grant are expended from GRF line item 200321, Operating Expenses. Beginning in FY 2018, this line item also distributes federal funding under various nutrition grant programs. These include Team Nutrition grants that encourage nutritious meals and nutrition education and equipment grants to improve school food services. From FY 2013 to FY 2017, these grants were disbursed from Fund 3GF0 line item 200675, Miscellaneous Nutrition Grants.

3700 200624 Education of Exceptional Children

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,459,570	\$1,535,674	\$301,250	\$2,000,000	\$2,000,000	\$2,000,000
% change	-37.6%	-80.4%	563.9%	0.0%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on May 9, 1968)

Purpose: This line item funds 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 State Personnel Development grant that supports evidence-based professional development to improve early language and literacy skills for all students, but particularly those with disabilities, English language learners, and other at-risk students.

Department of Education

3AF0 200603 Schools Medicaid Administrative Claims

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$255,925	\$204,676	\$0	\$0	\$0	\$0
% change	-20.0%	-100%	N/A	N/A	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on September 22, 2003)

Purpose: This line item was used to administer the Ohio Medicaid Schools Program, which provides districts and schools with reimbursement for providing services to Medicaid-eligible students, including the costs of enrolling eligible children in the Medicaid Program and assisting children who are already enrolled to access the benefits available to them. ODE receives claims and financial reports from local education agencies and then submits the claims to the Ohio Department of Medicaid for reimbursement. ODE also provides technical assistance and program monitoring to verify federal program mandates and assure compliance and accountability. ODE receives federal reimbursement for these activities. Beginning in FY 2018, these functions are funded in Fund 3AF0 line item 657601, Schools Medicaid Administrative Claims, to better enable the identification of Medicaid spending.

3AF0 657601 Schools Medicaid Administrative Claims

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$8,688	\$297,978	\$295,500	\$295,500
% change	N/A	N/A	3,329.9%	-0.8%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item is used to administer the Ohio Medicaid Schools Program, which provides districts and schools with reimbursement for providing services to Medicaid-eligible students, including the costs of enrolling eligible children in the Medicaid Program and assisting children who are already enrolled to access the benefits available to them. ODE receives claims and financial reports from local education agencies and then submits the claims to the Ohio Department of Medicaid for reimbursement. ODE also provides technical assistance and program monitoring to verify federal program mandates and assure compliance and accountability. ODE receives federal reimbursement for these activities. Prior to FY 2018, federal funds for this purpose were disbursed from Fund 3AF0 line item 200603, Schools Medicaid Administrative Claims. Beginning in FY 2018, the GRF provides additional funding to administer the program in line item 657401, Medicaid in Schools.

Department of Education

3AN0 200671 School Improvement Grants

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$11,344,492	\$9,246,388	\$11,052,359	\$17,000,000	\$17,000,000	\$17,000,000
% change	-18.5%	19.5%	53.8%	0.0%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on April 7, 2008)

Purpose: This line item supports grants to the lowest performing schools in the state to implement evidence based strategies in one of several priority areas designated by ODE. The federal Every Student Succeeds Act of 2015 (ESSA), the most recent reauthorization of the federal Elementary and Secondary Education Act, eliminated the School Improvement Grants (SIG) program. The last SIG awards were made in December 2016, providing funding for up to three or four years (depending on the cohort) and ending in FY 2022. ODE may use up to 5% of these funds for administration, evaluation, and technical assistance expenses. In place of the grant program, ESSA requires a state to reserve 7% or more of its federal Title I, Part A funding allocation for sub grants to support schools identified for comprehensive support and accountability.

3BK0 200628 Longitudinal Data Systems

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$194	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on January 9, 2006)

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

Department of Education

3C50 200661 Early Childhood Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$11,205,896	\$12,220,230	\$11,550,134	\$12,555,000	\$12,555,000	\$12,555,000
% change	9.1%	-5.5%	8.7%	0.0%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on November 11, 1986)

Purpose: This line item provides federal formula funding for special education and related services to districts and other providers that serve preschool-aged children with disabilities. A portion of the funding may be used for state-level activities and administration.

3CG0 200646 Teacher Incentive

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$10,688,930	\$1,441,033	\$0	\$0	\$0	\$0
% change	-86.5%	-100%	N/A	N/A	N/A

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

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

Purpose: This line item was used to develop and implement performance-based teacher and principal compensation systems, based primarily on increases in student achievement in high-needs schools. The Ohio Teacher Incentive Fund was a partnership of ODE, Battelle for Kids, and 24 participating school districts.

3D10 200664 Drug Free Schools

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$475,334	\$443,400	\$500	\$0	\$0	\$0
% change	-6.7%	-99.9%	-100%	N/A	N/A

Source: Federal Fund Group: CFDA 84.184Q, Safe and Drug Free Schools and Communities National Programs

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

Purpose: This line item most recently supported emergency management services to school districts. Specifically, ODE provided training, resources, tools, and information to support school safety and security, including emergency management planning.

Department of Education

3D20 200667 Math Science Partnerships

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$5,998,133	\$6,132,431	\$4,531,599	\$1,385,120	\$0	\$0
% change	2.2%	-26.1%	-69.4%	-100%	N/A

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

Legal Basis: Discontinued line item. (originally established by Controlling Board on April 20, 1987)

Purpose: This line item distributed federal funding for Mathematics and Science Partnerships (MSP) competitive grants to improve student achievement in mathematics and science through projects that involve, at a minimum, high-need school districts and higher education. These projects promoted strong teaching skills for elementary and secondary school math and science teachers and integrate teaching methods based on scientifically-based research and technology into the curriculum. The federal Every Student Succeeds Act of 2015 (ESSA) eliminated funding for MSP grants. The 2016-2017 school year was the last year for which MSP funds were awarded. According to the U.S. Department of Education, all MSP funds were required to be obligated and expended by September 30, 2018.

3EH0 200620 Migrant Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,260,900	\$2,596,697	\$2,507,898	\$2,700,000	\$2,700,000	\$2,700,000
% change	14.9%	-3.4%	7.7%	0.0%	0.0%

Source: Federal Fund Group: CFDA 84.011, Migrant Education State Grants; CFDA 84.144, Migrant Education Coordination Program

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 19, 2010)

Purpose: This line item provides federal funding to help ensure that migrant children are provided with appropriate educational services. 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. In recent years, a small portion of this line item has been used to spend the proceeds of a separate federal grant to implement the electronic exchange of migrant children's student records between the states through the Migrant Student Information Exchange.

Department of Education

3EJ0 200622 Homeless Children Education

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,473,514	\$2,503,999	\$2,147,696	\$2,600,000	\$3,295,203	\$3,300,000
% change	1.2%	-14.2%	21.1%	26.7%	0.1%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board on July 19, 2010)

Purpose: The bulk of this line item provides competitive grants to school districts to help ensure access to a free and appropriate education for homeless children and youth through such services as enriched supplemental instruction, transportation, health care referral services, and professional development for teachers. ODE may use up to 25% of the state's federal formula allocation for administration of the state plan for educating homeless children and youth and other state-level activities.

3EK0 200637 Advanced Placement

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$431,421	\$453,488	\$0	\$0	\$0	\$0
% change	5.1%	-100%	N/A	N/A	N/A

Source: Federal Fund Group: CFDA 84.330, Advanced Placement Program

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

Purpose: This line item was used to cover all or part of the cost of Advanced Placement tests and International Baccalaureate registration and exam fees for low income students. The federal Every Student Succeeds Act of 2015 eliminated separate federal funding for this purpose and instead permits local education agencies (LEAs) to use Title IV-A Student Support and Academic Enrichment (SSAE) block grant dollars to support these activities. Ohio's SSAE block grant funds are appropriated in Fund 3H10 line item 200634, Student Support and Enrichment. LEAs may also allocate a portion of their Title I, Part A funds for this purpose.

Department of Education

3EN0 200655 State Data Systems - Federal Stimulus

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$53,029	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

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

Legal Basis: Discontinued line item (originally established by Controlling Board on October 25, 2010)

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

3FD0 200665 Race to the Top

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$16,521,499	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

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

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

Purpose: This line item provided grants to schools and districts and for state level activities related to school improvement. A little over half of the grant was passed through to 424 Race to the Top (RttT) participating schools and districts. These schools and districts used the funds for specific school improvement activities that were outlined in their applications. The remaining funds were used at the state level. Projects were focused on ensuring that participating schools and districts had the capacity to sustain reforms, standards and assessments, data systems to support instruction, great teachers and leaders, turning around low-achieving schools, and STEM initiatives.

Department of Education

3FEO	200669	Striving Readers				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$0	\$0	\$448,486	\$9,978,263	\$12,507,905	\$12,511,000	
% change	N/A	N/A	2,124.9%	25.4%	0.0%	

Source: Federal Fund Group: CFDA 84.371B, Striving Readers

Legal Basis: Established by the Controlling Board on October 30, 2017 (originally established by Controlling Board on December 13, 2010)

Purpose: This line item supports 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, targeted interventions for students reading below grade level, and other research-based methods of improving classroom instruction and practice. Priority is given to providers serving large numbers of students in poverty, students with disabilities, and English language learners. In accordance with federal requirements, ODE will distribute 95% of the federal grant to local education providers. ODE may use up to 5% for administrative costs.

3FN0	200672	Early Learning Challenge - Race to the Top				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$5,973,223	\$8,700,600	\$0	\$0	\$0	\$0	
% change	45.7%	-100%	N/A	N/A	N/A	

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

Legal Basis: Discontinued line item (originally established by Controlling Board on February 27, 2012)

Purpose: This line item provided funds designed to improve early learning and development programs for young children (from birth through kindergarten) by (1) increasing the number and percentage of low-income and disadvantaged kids who are enrolled in high quality early learning programs, (2) implementing a common tiered quality rating and improvement system for all types of early childhood programs, and (3) implementing a comprehensive assessment system, including pre-kindergarten to kindergarten formative assessments and a kindergarten readiness assessment. The total grant award was about \$70 million and originally covered the four-year period from January 2012 to December 2015. However, the federal government granted Ohio a one-year extension to December 2016 to continue implementation of certain projects funded by the grant. In addition to ODE, the Department of Job and Family Services, the Ohio Department of Health, and the Ohio Department of Mental Health and Addiction Services used portions of the award to implement other components of the grant program.

Department of Education

3GE0 200674 Summer Food Service Program

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$11,247,128	\$12,370,768	\$13,107,197	\$14,856,635	\$15,599,467	\$16,342,299
% change	10.0%	6.0%	13.3%	5.0%	4.8%

Source: Federal Fund Group: CFDA: 10.559, Summer Food Service Program for Children

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on October 29, 2012)

Purpose: This line item reimburses eligible service institutions that serve free meals to children up to the age of 18 during the summer months and other approved times when school is not in session. 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.

3GF0 200675 Miscellaneous Nutrition Grants

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$489,690	\$742,442	\$1,115,260	\$0	\$0	\$0
% change	51.6%	50.2%	-100%	N/A	N/A

Source: Federal Fund Group: CFDA 10.574, Team Nutrition Grants; CFDA 10.579, Child Nutrition Discretionary Grants

Legal Basis: Discontinued line item (originally established by the Controlling Board on October 29, 2012)

Purpose: This line item distributed federal funding under various USDA nutrition grant programs. Examples include the Team Nutrition grant program, which encourages nutritious school meals and nutrition education for children, and the Equipment Assistance grant program, which provides funds for equipment to improve school food services. Beginning in FY 2018, these grants are supported by Fund 3670 line item 200607, School Food Services, which was used for these purposes prior to the creation of this line item in FY 2013.

Department of Education

3GG0 200676 Fresh Fruit and Vegetable Program

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,091,490	\$5,109,361	\$3,737,620	\$4,677,340	\$4,911,207	\$5,145,074
% change	24.9%	-26.8%	25.1%	5.0%	4.8%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by the Controlling Board on October 29, 2012)

Purpose: This line item distributes federal funding under the USDA's Fresh Fruit and Vegetable Program, which reimburses participating public and nonprofit private elementary schools for costs incurred in providing students with free, fresh produce outside of National School Lunch Program and School Breakfast Program food service times. The program is offered on a competitive basis to elementary schools where at least 50% of the students qualify for free or reduced price school meals. Federal guidelines require priority to be given to elementary schools with the highest percentages of such students.

3GP0 200600 School Climate Transformation

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$220,941	\$248,268	\$3,055	\$0	\$0	\$0
% change	12.4%	-98.8%	-100%	N/A	N/A

Source: Federal Fund Group: CFDA 84.184F, School Climate Transformation Grant - State Educational Agency Grants

Legal Basis: Discontinued line item (originally established by the Controlling Board on December 15, 2014)

Purpose: This line item was used to build and expand the statewide resources and local implementation of a multi-tiered behavioral framework to improve school climate. The ODE-sponsored framework, known as the 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 (SSTs). 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. Beginning in FY 2018, funds for these purposes are disbursed from Fund 3HF0 line item 200649, Federal Education Grants.

Department of Education

3GQ0 200679 Project Aware

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,170,676	\$1,662,900	\$0	\$0	\$0	\$0
% change	42.0%	-100%	N/A	N/A	N/A

- Source:** Federal Fund Group: CFDA 93.243, Substance Abuse and Mental Health Services - Projects of Regional and National Significance
- Legal Basis:** Discontinued line item (originally established by the Controlling Board on December 15, 2014)
- Purpose:** This line item supported student, teacher, and community involvement in mental health awareness and advocacy within school settings. The initiative focuses on 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. Beginning in FY 2018, funds for these purposes are disbursed from Fund 3HF0 line item 200649, Federal Education Grants.

3GZ0 200609 JAVITS

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$24,467	\$428,648	\$174,848	\$0	\$0	\$0
% change	1,651.9%	-59.2%	-100%	N/A	N/A

- Source:** Federal Fund Group: CFDA 84.206A, Jacob K. Javits Gifted and Talented Students Education Program
- Legal Basis:** Discontinued line item (originally established by Controlling Board on January 11, 2016)
- Purpose:** This line item supported activities intended to improve the ability of schools to meet the educational needs of gifted and talented students, particularly those from economically disadvantaged backgrounds. Ohio's program, called Online Curriculum Consortium for Accelerating Middle School, supports demonstration projects, innovative strategies, research, and similar activities in five diverse school districts with large populations of economically disadvantaged students. Grant funds are also used to study methods and techniques for identifying and teaching gifted and talented students, provide high-level, online course work for such students, and provide professional development to train teachers and coordinators in effective online instruction and student support. Beginning in FY 2018, funds for these purposes are disbursed from Fund 3HF0 line item 200649, Federal Education Grants.

Department of Education

3H90 200605 Head Start Collaboration Project

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$181,365	\$224,287	\$13,269	\$0	\$0	\$0
% change	23.7%	-94.1%	-100%	N/A	N/A

Source: Federal Fund Group: CFDA 93.600, Head Start

Legal Basis: Discontinued line item (originally established by the Controlling Board on January 24, 1994)

Purpose: This line item provided funds to create partnerships that provide better coordination of Head Start programs for disadvantaged children and their families. Beginning in FY 2018, funds for this purpose are disbursed from Fund 3HF0 line item 200649, Federal Education Grants.

3HF0 200649 Federal Education Grants

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$3,706,276	\$11,364,327	\$7,049,677	\$7,056,327
% change	N/A	N/A	206.6%	-38.0%	0.1%

Source: Federal Fund Group: CFDA 84.013, Title I Program for Neglected and Delinquent Children and Youth; CFDA 84.184F, School Climate Transformation Grant - State Educational Agency Grants; CFDA 84.206A, Jacob K. Javits Gifted and Talented Students Education Program; CFDA 84.938C, Temporary Emergency Impact Aid for Displaced Students; CFDA 93.243; Substance Abuse and Mental Health Services - Projects of Regional and National Significance; CFDA 93.600, Head Start

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A.

Purpose: This line item provides consolidated funding for the activities of various federal grants. These grants are used to: (1) build and expand the statewide resources and local implementation of a multi-tiered behavioral framework to improve school climate; (2) provide financial assistance to state or local institutions that serve neglected and delinquent children to help meet their needs; (3) create partnerships that provide better coordination of Head Start programs for disadvantaged children and their families; (4) support activities intended to improve the ability of schools to meet the educational needs of gifted and talented students, particularly those from economically disadvantaged backgrounds; (5) support student, teacher, and community engagement with mental health awareness and advocacy in order to create safe and healthy schools. Prior to FY 2018, these activities were separately funded in federal line items 200600, School Climate Transformation; 200601, Neglected and Delinquent Education; 200605, Head Start Collaboration Project; 200609, JAVITS Gifted and Talented Students; and 200679, Project Aware, respectively. In FY 2019, this line item also is used to distribute federal funding to reimburse school districts for expenses incurred to provide educational services for students displaced by natural disasters during the prior school year.

Department of Education

3H10 200634 Student Support and Academic Enrichment

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$7,224,333	\$38,792,614	\$40,042,720	\$40,042,720
% change	N/A	N/A	437.0%	3.2%	0.0%

Source: Federal Fund Group: CFDA 84.424A, Student Support and Academic Enrichment Program

Legal Basis: Established by the Controlling Board on August 21, 2017

Purpose: This line item provides federal block grant dollars to school districts to improve academic achievement. These funds, distributed by federal formula, may be used by school districts for a wide range of activities in three broad categories: (1) well-rounded educational opportunities, (2) safe 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) according to each LEA's share of the state's prior year Title I, Part A allocation, provided that no LEA receives less than \$10,000. LEAs receiving \$30,000 or more must perform a comprehensive needs assessment focusing on the three broad areas in which the grant funds may be used. 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. Activities may include piloting of school climate surveys, identifying evidence-based strategies on the effective use of technology, supporting schools with activities and resources related to curriculum alignment, and reimbursement of AP and IB test fees for economically disadvantaged students.

3L60 200617 Federal School Lunch

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$367,815,633	\$372,900,886	\$367,669,699	\$406,450,000	\$418,643,500	\$430,837,000
% change	1.4%	-1.4%	10.5%	3.0%	2.9%

Source: Federal Fund Group: CFDA 10.555, National School Lunch Program; CFDA 10.556 Special Milk Program for Children

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

Purpose: This line item provides federal reimbursements to school districts to assist them in operating school lunch programs. State matching funds are provided by GRF line item 200505, School Lunch Match. The line item also supports special milk programs, which provide free milk to qualifying children when school lunch and school breakfast programs are not available.

Department of Education

3L70 200618 Federal School Breakfast

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$122,326,885	\$129,617,528	\$126,629,925	\$154,103,850	\$158,726,966	\$163,350,081
% change	6.0%	-2.3%	21.7%	3.0%	2.9%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

Purpose: This line item provides federal reimbursements to school districts to assist them in operating school breakfast programs.

3L80 200619 Child/Adult Food Programs

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$90,222,587	\$98,433,033	\$95,184,631	\$106,913,755	\$110,121,168	\$113,328,580
% change	9.1%	-3.3%	12.3%	3.0%	2.9%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

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

3L90 200621 Career-Technical Education Basic Grant

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$43,296,767	\$44,180,699	\$41,379,875	\$44,663,900	\$45,946,927	\$46,000,000
% change	2.0%	-6.3%	7.9%	2.9%	0.1%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

Purpose: A majority of the funds in this line item provides formula grants to districts and postsecondary institutions administering career-technical education programs. 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. State matching funds for this item are provided by GRF line item 200321, Operating Expenses.

Department of Education

3M00 200623 ESEA Title 1A

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$563,201,086	\$572,681,788	\$538,279,362	\$600,000,000	\$600,000,000	\$600,000,000
% change	1.7%	-6.0%	11.5%	0.0%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

Purpose: This line item provides federal formula dollars to school districts for additional academic support and learning opportunities to help disadvantaged children meet state standards in core academic subjects. Nearly all districts receive basic grants, but three other types of grants are targeted to schools with high concentrations of students from low-income families. ODE may use up to 1% of the state's federal allocation for administration. The federal Every Student Succeeds Act of 2015 (ESSA), the most recent reauthorization on the federal Elementary and Secondary Education Act, requires a state to set aside 7% or more of its Title I, Part A allocation for school improvement activities. In addition, ESSA permits, but does not require, a state to reserve up to 3% of its federal allocation to provide subgrants to local education agencies for various direct student services, subject to certain requirements.

3M20 200680 Individuals with Disabilities Education Act

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$417,334,349	\$439,730,377	\$441,201,594	\$445,000,000	\$454,770,591	\$455,000,000
% change	5.4%	0.3%	0.9%	2.2%	0.1%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by H.B. 152 of the 120th G.A.)

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

Department of Education

3T40 200613 Public Charter Schools

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$638,271	\$2,031,000	\$7,000,000	\$7,000,000
% change	N/A	N/A	218.2%	244.7%	0.0%

Source: Federal Fund Group: CFDA 84.282, Charter Schools

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on December 7, 1998)

Purpose: This line item provides federal funds to assist in the planning and initial implementation of high-quality charter schools, known in Ohio as community schools. Only site-based community schools whose sponsor received a rating of effective or exemplary on its most recent sponsor evaluation qualify. The grant provides up to \$100,000 for planning, up to \$350,000 for the first year of implementation, and up to \$250,000 for the second year of implementation. In 2015, Ohio was awarded a new five-year, \$71 million competitive federal grant for these purposes. However, in April 2017, ODE reduced its grant budget to \$49.4 million, owing to a smaller number of eligible schools due to the results of recent sponsor evaluations.

3Y20 200688 21st Century Community Learning Centers

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$46,377,981	\$45,693,574	\$41,220,911	\$47,500,000	\$47,500,000	\$47,500,000
% change	-1.5%	-9.8%	15.2%	0.0%	0.0%

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

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item provides grants to school districts and community and faith-based organizations to create community learning centers that provide academic enrichment opportunities and a broad array of additional services for children, particularly students who attend high-poverty and low-performing schools. The grants may be used for tutorial and mentor services, after school activities emphasizing language skills, recreation activities for limited English proficient students, technology programs, and activities that promote parental involvement, drug prevention, arts and music education, mathematics and science education, violence prevention, and character education. Funds are distributed competitively to grantees for a five-year period, with a maximum of \$200,000 per year in the first three years and gradually reduced maximum amounts for the last two years as recipients must transition to other resources to sustain the program. ODE may use up to 2% of the funds for administrative expenses and up to 5% of the funds for state-level activities.

Department of Education

3Y60 200635 Improving Teacher Quality

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$79,548,046	\$83,869,366	\$73,008,367	\$85,000,000	\$85,000,000	\$85,000,000
% change	5.4%	-12.9%	16.4%	0.0%	0.0%

Source: Federal Fund Group: CFDA 84.367, Supporting Effective Instruction State Grants

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on August 12, 2002)

Purpose: This line item supports teacher quality. The bulk of the funds are distributed to school districts for a wide variety of activities related to recruitment and retention of highly qualified teachers and professional development. District allocations are based on a federal formula that takes into account a district's enrollment and poverty rate. 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. Formerly, the Department of Higher Education (DHE) shared a portion of the grant for state administration and planning and for competitive grants that supported partnerships between districts and higher education institutions. Under the federal Every Student Succeeds Act of 2015, state higher education agencies are no longer eligible for the grants beginning in federal FY 2017. DHE's share of funds under former federal law are appropriated within its budget in Fund 3120 line item 235617, Improving Teacher Quality Grant.

3Y70 200689 English Language Acquisition

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$9,367,795	\$9,922,453	\$10,109,403	\$10,101,411	\$10,500,000	\$10,500,000
% change	5.9%	1.9%	-0.1%	3.9%	0.0%

Source: Federal Fund Group: CFDA 84.365, English Language Acquisition State Grants

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item provides funds to school districts to assist children designated as English learners in learning English and in meeting the state's academic content and student achievement standards. ODE may use up to 5% of the funds for planning, evaluation, administration, professional development activities, technical assistance to school districts, and establishing and implementing standardized statewide entrance and exit procedures for English learner status.

Department of Education

3Y80 200639 Rural and Low Income Technical Assistance

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,857,753	\$3,298,395	\$3,297,713	\$3,300,000	\$3,600,000	\$3,600,000
% change	15.4%	0.0%	0.1%	9.1%	0.0%

Source: Federal Fund Group: CFDA 84.358, Rural Education

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 21, 2003)

Purpose: This line item provides supplemental 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 authorized under the federal Elementary and Secondary Education Act's Title I, Part A (additional support to help disadvantaged students), Title II, Part A (supporting effective instruction), Title III (language instruction for English language learners and migrant students), and Title IV, Part A (student support and academic enrichment block grant), as well as parental involvement activities. ODE may use up to 5% of the grant to administer the program and provide technical assistance to eligible districts.

3Z20 200690 State Assessments

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$7,269,964	\$13,550,272	\$12,749,668	\$11,500,000	\$12,000,000	\$12,000,000
% change	86.4%	-5.9%	-9.8%	4.3%	0.0%

Source: Federal Fund Group: CFDA 84.369, Grants for State Assessments and Related Activities

Legal Basis: Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 29, 2002)

Purpose: This line item supports the development, production, scoring, and reporting of state reading, mathematics, and science achievement assessments in grades three through eight and high school that are mandated by federal law. The funds in this line item are used in conjunction with funds from GRF line item 200437, Student Assessments.

Department of Education

3Z30	200645	Consolidated Federal Grant Administration				
FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Actual	Actual	Actual	Estimate	Introduced	Introduced	
\$9,830,378	\$9,604,336	\$9,497,437	\$10,168,964	\$10,701,635	\$10,900,000	
% change	-2.3%	-1.1%	7.1%	5.2%	1.9%	

- Source:** Federal Fund Group: Various federal grant programs
- Legal Basis:** Section 265.10 of H.B. 49 of the 132nd G.A. (originally established by Controlling Board on July 7, 2003)
- Purpose:** This line item functions as an administrative pool for various federal funds and is used to administer programs, coordinate with other federal programs, establish and operate peer review mechanisms under the federal Elementary and Secondary Education Act, disseminate information regarding model programs and practices, provide technical assistance, engage in state level activities, and train monitoring personnel.

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All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
Report For: Main Operating Appropriations Bill			Version: As Introduced					
EDU Department of Education								
GRF	200321	Operating Expenses	\$ 14,237,772	\$ 14,882,566	\$ 15,078,032	1.31%	\$ 16,490,951	9.37%
GRF	200408	Early Childhood Education	\$ 66,713,910	\$ 68,116,789	\$ 68,116,789	0.00%	\$ 68,116,789	0.00%
GRF	200420	Information Technology Development and Support	\$ 3,697,582	\$ 3,807,492	\$ 4,004,299	5.17%	\$ 4,026,960	0.57%
GRF	200421	Alternative Education Programs	\$ 1,477,545	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200422	School Management Assistance	\$ 2,079,611	\$ 2,131,467	\$ 2,385,580	11.92%	\$ 2,408,711	0.97%
GRF	200424	Policy Analysis	\$ 432,791	\$ 433,861	\$ 458,232	5.62%	\$ 457,676	-0.12%
GRF	200426	Ohio Educational Computer Network	\$ 15,429,257	\$ 15,457,000	\$ 15,457,000	0.00%	\$ 15,457,000	0.00%
GRF	200427	Academic Standards	\$ 3,391,393	\$ 3,894,552	\$ 4,434,215	13.86%	\$ 4,483,525	1.11%
GRF	200437	Student Assessment	\$ 58,657,378	\$ 56,025,042	\$ 56,363,725	0.60%	\$ 56,405,197	0.07%
GRF	200439	Accountability/Report Cards	\$ 520,230	\$ 927,005	\$ 7,517,406	710.93%	\$ 7,565,320	0.64%
GRF	200442	Child Care Licensing	\$ 1,989,245	\$ 1,913,927	\$ 2,156,322	12.66%	\$ 2,227,153	3.28%
GRF	200446	Education Management Information System	\$ 6,998,853	\$ 7,673,848	\$ 8,112,987	5.72%	\$ 8,174,415	0.76%
GRF	200447	High School Equivalency Testing	\$ 20,653	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200448	Educator Preparation	\$ 1,715,238	\$ 1,710,384	\$ 12,260,384	616.82%	\$ 7,760,384	-36.70%
GRF	200455	Community Schools and Choice Programs	\$ 4,053,747	\$ 4,632,602	\$ 4,867,763	5.08%	\$ 4,912,546	0.92%
GRF	200465	Education Technology Resources	\$ 5,178,157	\$ 5,179,664	\$ 5,179,664	0.00%	\$ 5,179,664	0.00%
GRF	200478	Industry-Recognized Credentials High School Students	\$ 0	\$ 0	\$ 25,000,000	N/A	\$ 25,000,000	0.00%
GRF	200502	Pupil Transportation	\$ 546,738,751	\$ 527,129,809	\$ 527,129,809	0.00%	\$ 527,129,809	0.00%
GRF	200505	School Lunch Match	\$ 8,963,500	\$ 8,963,500	\$ 8,963,500	0.00%	\$ 8,963,500	0.00%
GRF	200511	Auxiliary Services	\$ 148,438,542	\$ 150,594,178	\$ 150,594,178	0.00%	\$ 150,594,178	0.00%
GRF	200532	Nonpublic Administrative Cost Reimbursement	\$ 67,916,304	\$ 68,034,790	\$ 68,034,790	0.00%	\$ 68,034,790	0.00%
GRF	200540	Special Education Enhancements	\$ 158,255,414	\$ 152,350,000	\$ 152,600,000	0.16%	\$ 152,850,000	0.16%
GRF	200545	Career-Technical Education Enhancements	\$ 10,609,786	\$ 9,762,892	\$ 9,400,892	-3.71%	\$ 9,400,892	0.00%
GRF	200550	Foundation Funding	\$ 6,803,079,806	\$ 6,937,228,845	\$ 7,196,280,845	3.73%	\$ 7,195,518,845	-0.01%
GRF	200566	Literacy Improvement	\$ 599,614	\$ 1,253,744	\$ 1,352,876	7.91%	\$ 1,352,172	-0.05%
GRF	200572	Adult Education Programs	\$ 5,373,738	\$ 8,707,674	\$ 8,707,674	0.00%	\$ 8,707,674	0.00%
GRF	200573	EdChoice Expansion	\$ 38,245,328	\$ 47,700,000	\$ 57,223,340	19.97%	\$ 71,017,418	24.11%
GRF	200574	Half-Mill Maintenance Equalization	\$ 18,627,794	\$ 18,652,000	\$ 18,849,207	1.06%	\$ 18,128,526	-3.82%
GRF	200576	Adaptive Sports Program	\$ 50,000	\$ 50,000	\$ 0	-100.00%	\$ 0	N/A
GRF	200578	Violence Prevention and School Safety	\$ 219,538	\$ 250,000	\$ 0	-100.00%	\$ 0	N/A

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
EDU Department of Education								
GRF	200588	Competency Based Education Pilot	\$ 71,541	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	200598	Innovative Shared Services at Schools	\$ 0	\$ 0	\$ 1,000,000	N/A	\$ 1,000,000	0.00%
GRF	657401	Medicaid in Schools	\$ 267,666	\$ 297,978	\$ 297,978	0.00%	\$ 297,978	0.00%
General Revenue Fund Total			\$ 7,994,050,683	\$ 8,117,761,609	\$ 8,431,827,487	3.87%	\$ 8,441,662,073	0.12%
4520	200638	Charges and Reimbursements	\$ 644,178	\$ 1,000,000	\$ 1,000,000	0.00%	\$ 1,000,000	0.00%
4540	200610	High School Equivalency	\$ 1,187,064	\$ 0	\$ 0	N/A	\$ 0	N/A
4550	200608	Commodity Foods	\$ 4,251,617	\$ 1,025,000	\$ 1,000,000	-2.44%	\$ 1,000,000	0.00%
4L20	200681	Teacher Certification and Licensure	\$ 13,811,995	\$ 12,853,104	\$ 13,795,827	7.33%	\$ 14,000,000	1.48%
5980	200659	Auxiliary Services Reimbursement	\$ 449,114	\$ 2,000,000	\$ 1,300,000	-35.00%	\$ 1,300,000	0.00%
5H30	200687	School District Solvency Assistance	\$ 0	\$ 0	\$ 2,000,000	N/A	\$ 2,000,000	0.00%
5KX0	200691	Ohio School Sponsorship Program	\$ 909,809	\$ 1,250,000	\$ 1,250,000	0.00%	\$ 1,250,000	0.00%
5MM0	200677	Child Nutrition Refunds	\$ 5,196	\$ 0	\$ 550,000	N/A	\$ 550,000	0.00%
5RB0	200644	Straight A Fund	\$ 8,987,395	\$ 0	\$ 0	N/A	\$ 0	N/A
5RE0	200697	School District TPP Supplement	\$ 9,467,328	\$ 0	\$ 0	N/A	\$ 0	N/A
5U20	200685	National Education Statistics	\$ 136,094	\$ 150,000	\$ 170,675	13.78%	\$ 175,000	2.53%
5UC0	200662	Accountability/Report Cards	\$ 4,720,672	\$ 5,000,000	\$ 0	-100.00%	\$ 0	N/A
6200	200615	Educational Improvement Grants	\$ 587,063	\$ 1,599,999	\$ 594,443	-62.85%	\$ 600,000	0.93%
Dedicated Purpose Fund Group Total			\$ 45,157,525	\$ 24,878,103	\$ 21,660,945	-12.93%	\$ 21,875,000	0.99%
1380	200606	Information Technology Development and Support	\$ 5,746,669	\$ 7,047,645	\$ 7,939,104	12.65%	\$ 8,047,645	1.37%
4R70	200695	Indirect Operational Support	\$ 6,038,362	\$ 6,256,766	\$ 7,856,766	25.57%	\$ 7,856,766	0.00%
4V70	200633	Interagency Program Support	\$ 119,258	\$ 500,000	\$ 5,497,938	999.59%	\$ 5,500,000	0.04%
Internal Service Activity Fund Group Total			\$ 11,904,289	\$ 13,804,411	\$ 21,293,808	54.25%	\$ 21,404,411	0.52%
7017	200602	School Climate Grants	\$ 0	\$ 2,000,000	\$ 2,000,000	0.00%	\$ 2,000,000	0.00%
7017	200612	Foundation Funding	\$ 1,086,030,000	\$ 1,087,030,000	\$ 1,077,400,000	-0.89%	\$ 1,128,400,000	4.73%
7017	200629	Community Connectors	\$ 8,946,457	\$ 8,000,000	\$ 0	-100.00%	\$ 0	N/A
7017	200631	Quality Community Schools Support	\$ 0	\$ 0	\$ 30,000,000	N/A	\$ 30,000,000	0.00%
7017	200684	Community School Facilities	\$ 16,560,599	\$ 16,600,000	\$ 16,600,000	0.00%	\$ 16,600,000	0.00%
State Lottery Fund Group Total			\$ 1,111,537,056	\$ 1,113,630,000	\$ 1,126,000,000	1.11%	\$ 1,177,000,000	4.53%
3670	200607	School Food Services	\$ 7,327,034	\$ 11,884,132	\$ 11,469,730	-3.49%	\$ 11,897,473	3.73%

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
EDU	Department of Education							
3700	200624	Education of Exceptional Children	\$ 301,250	\$ 2,000,000	\$ 2,000,000	0.00%	\$ 2,000,000	0.00%
3AFO	657601	Schools Medicaid Administrative Claims	\$ 8,688	\$ 297,978	\$ 295,500	-0.83%	\$ 295,500	0.00%
3AN0	200671	School Improvement Grants	\$ 11,052,359	\$ 17,000,000	\$ 17,000,000	0.00%	\$ 17,000,000	0.00%
3C50	200661	Early Childhood Education	\$ 11,550,134	\$ 12,555,000	\$ 12,555,000	0.00%	\$ 12,555,000	0.00%
3D10	200664	Drug Free Schools	\$ 500	\$ 0	\$ 0	N/A	\$ 0	N/A
3D20	200667	Math Science Partnerships	\$ 4,531,599	\$ 1,385,120	\$ 0	-100.00%	\$ 0	N/A
3EH0	200620	Migrant Education	\$ 2,507,898	\$ 2,700,000	\$ 2,700,000	0.00%	\$ 2,700,000	0.00%
3EJ0	200622	Homeless Children Education	\$ 2,147,696	\$ 2,600,000	\$ 3,295,203	26.74%	\$ 3,300,000	0.15%
3FEO	200669	Striving Readers	\$ 448,486	\$ 9,978,263	\$ 12,507,905	25.35%	\$ 12,511,000	0.02%
3GEO	200674	Summer Food Service Program	\$ 13,107,197	\$ 14,856,635	\$ 15,599,467	5.00%	\$ 16,342,299	4.76%
3GF0	200675	Miscellaneous Nutrition Grants	\$ 1,115,260	\$ 0	\$ 0	N/A	\$ 0	N/A
3GG0	200676	Fresh Fruit and Vegetable Program	\$ 3,737,620	\$ 4,677,340	\$ 4,911,207	5.00%	\$ 5,145,074	4.76%
3GP0	200600	School Climate Transformation	\$ 3,055	\$ 0	\$ 0	N/A	\$ 0	N/A
3GZ0	200609	JAVITS	\$ 174,848	\$ 0	\$ 0	N/A	\$ 0	N/A
3H90	200605	Head Start Collaboration Project	\$ 13,269	\$ 0	\$ 0	N/A	\$ 0	N/A
3HF0	200649	Federal Education Grants	\$ 3,706,276	\$ 11,364,327	\$ 7,049,677	-37.97%	\$ 7,056,327	0.09%
3HIO	200634	Student Support and Academic Enrichment	\$ 7,224,333	\$ 38,792,614	\$ 40,042,720	3.22%	\$ 40,042,720	0.00%
3L60	200617	Federal School Lunch	\$ 367,669,699	\$ 406,450,000	\$ 418,643,500	3.00%	\$ 430,837,000	2.91%
3L70	200618	Federal School Breakfast	\$ 126,629,925	\$ 154,103,850	\$ 158,726,966	3.00%	\$ 163,350,081	2.91%
3L80	200619	Child/Adult Food Programs	\$ 95,184,631	\$ 106,913,755	\$ 110,121,168	3.00%	\$ 113,328,580	2.91%
3L90	200621	Career-Technical Education Basic Grant	\$ 41,379,875	\$ 44,663,900	\$ 45,946,927	2.87%	\$ 46,000,000	0.12%
3M00	200623	ESEA Title 1A	\$ 538,279,362	\$ 600,000,000	\$ 600,000,000	0.00%	\$ 600,000,000	0.00%
3M20	200680	Individuals with Disabilities Education Act	\$ 441,201,594	\$ 445,000,000	\$ 454,770,591	2.20%	\$ 455,000,000	0.05%
3T40	200613	Public Charter Schools	\$ 638,271	\$ 2,031,000	\$ 7,000,000	244.66%	\$ 7,000,000	0.00%
3Y20	200688	21st Century Community Learning Centers	\$ 41,220,911	\$ 47,500,000	\$ 47,500,000	0.00%	\$ 47,500,000	0.00%
3Y60	200635	Improving Teacher Quality	\$ 73,008,367	\$ 85,000,000	\$ 85,000,000	0.00%	\$ 85,000,000	0.00%
3Y70	200689	English Language Acquisition	\$ 10,109,403	\$ 10,101,411	\$ 10,500,000	3.95%	\$ 10,500,000	0.00%
3Y80	200639	Rural and Low Income Technical Assistance	\$ 3,297,713	\$ 3,300,000	\$ 3,600,000	9.09%	\$ 3,600,000	0.00%
3Z20	200690	State Assessments	\$ 12,749,668	\$ 11,500,000	\$ 12,000,000	4.35%	\$ 12,000,000	0.00%
3Z30	200645	Consolidated Federal Grant Administration	\$ 9,497,437	\$ 10,168,964	\$ 10,701,635	5.24%	\$ 10,900,000	1.85%
Federal Fund Group Total			\$ 1,829,824,357	\$ 2,056,824,289	\$ 2,093,937,196	1.80%	\$ 2,115,861,054	1.05%

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All Fund Groups

Line Item Detail by Agency	FY 2018	Estimate FY 2019	Introduced FY 2020	FY 2019 to FY 2020 % Change	Introduced FY 2021	FY 2020 to FY 2021 % Change
EDU Department of Education						
Department of Education Total	\$ 10,992,473,910	\$ 11,326,898,412	\$ 11,694,719,436	3.25%	\$ 11,777,802,538	0.71%