The Governor's Proposed FY12-13 Budget for the Department of Education March 17, 2011

- State GRF funding totals \$6.3 billion for FY12 (1.0% increase from FY11) and \$6.4 billion for FY13 (1.4% increase from FY12). State GRF funding does not include federal State Fiscal Stabilization Funding (SFSF) provided through the American Recovery Reinvestment Act (ARRA). SFSF funding currently accounts for about 7% of each district's foundation funding in FY11.
- State support to schools
 - School districts/community schools
 - School districts/community schools would receive a slight increase in State GRF funding in each year backfilling part of the one-time federal SFSF funding. (Note that this will be called "general state support to schools" throughout this document.)
 - Funding will still be based on a resident ADM count with community school funding and choice programs being deducted. Open enrollment adjustments will also still be made between districts.
 - While details are still forthcoming, the funding formula will be based on FY11 per pupil funding levels (GRF plus SFSF) adjusted to account for the loss of SFSF dollars. This adjustment will be an index-adjusted per pupil amount. A district's index would account for a district's property wealth and student population.
 - Community school funding would still be deducted using the same deduct and transfer mechanism.
 - According to the Dispatch, the Governor's budget would remove the current cap on community schools (both the e-school cap and the sponsor cap).
 - According to Gongwer, the Evidence-Based Model for school funding will be repealed.
 - Tangible Personal Property (TPP) and electric deregulation property tax reimbursement
 - These reimbursements will begin to be phased out in this biennium. The phase-out schedule is modified from what was previously in statute. The phase-out will be accelerated for districts not as reliant on the reimbursement and extended for those that are more reliant.
 - There are no changes to Homestead and Rollback (tax relief) reimbursements. (Note that Homestead and Rollback funding is not included in the overall State GRF funding totals provided at the beginning of this document.)
- Early Childhood Education
 - Funding for early childhood education (previously known as public preschool) is flat funded in FY12-13.
 - o Funding for child care licensing, which is used by ODE to license and monitor preschool and schoolage child care programs to ensure basic safety and health standards is flat funded in FY12-13.

- Special education: Overall special education funding to schools is flat-funded. This allows for maintenance of effort for the federal IDEA grant to be met. Following are the specifics known at this time:
 - Out of the general state support to schools, school districts would have to spend at the same special education weighted funding level as was provided to them in FY11.
 - The Special Education Enhancements line item is flat-funded in FY12-13. The supplements included in this line item are:
 - Home instruction
 - School psychologist interns
 - Parent mentoring
 - Unit funding for preschool special education students
 - Special education funding to County Boards of Departmental Disabilities
 - The funding levels for catastrophic special education and special education transportation will likely be at least flat funded in FY12-13.
- Career-technical education: Overall career-technical education funding to schools is flat-funded. This allows
 for maintenance of effort for the federal Perkins grant to be met. Following are the specifics known at this
 time:
 - Out of the general state support to schools, school districts would have to spend the same level of career-technical education weighted as was provided to them in FY11.
 - o All JVSDs would be provided the same level of funding as was provided in FY11.
 - Tech Prep Consortia funding is reduced by \$1.0 million and reallocated to the High Schools that
 Works program and to Tech Prep grants within the Career-Technical Education Enhancements line
 item. It is likely that the \$1.0 million increase to the Career-Technical Education Enhancements line
 item is due to this reallocation. Other supplements within this line item are Voc Ag 5th Quarter
 funding and career-technical education funding for incarcerated youth.

Gifted Education

- Gifted education funding in the FY 12-13 biennium is included in the general state support for school districts.
- The spending requirements for gifted education are eliminated.
- Gifted funding continues to be provided for ESCs.

Regional Services

- It is not yet clear what is being proposed for supplemental per pupil funding to ESCs.
- The school improvement line item within ODE's budget that currently totals almost \$7.4 million in FY11 is eliminated, but 50% of this funding (which is mostly provided to ESCs) is moved to the Foundation Funding line item to continue to be provided to ESCs as part of Ohio's State System of Support. The remaining 50% is also redirected to the Foundation Funding line item to support general state support for schools.
- According to OBM's blue book, the Governor's budget would promote school district operational
 efficiencies by encouraging creating of regional shared services models.
- The OECN line item, which includes support for connectivity funding, ITC funding, and INFOhio, is reduced by 10% in FY12 and flat-funded in FY13.
- Funding for the EMIS line item is reduced by 42.7% in FY12 and flat-funded in FY13. Most of this
 reduction is likely due to the redirection of EMIS subsidy to districts, JVSDs, community schools and

ESCs to general state support to schools. Other funding within this line item includes funding for ITCs and ODE to help fulfill EMIS requirements.

Nonpublic schools

- Funding for Auxiliary Services and Nonpublic Administrative Cost reimbursement are both increased by 1.4% in FY12 and 1.5% in FY13.
- According to the Columbus Dispatch, the Governor's budget will increase the EdChoice program to 28,000 voucher-eligible children.

Teachers

- Funding for Educator Preparation (which mostly supports the Education Standards Board at this time) is decreased by 40.8% in FY12 and flat-funded in FY13.
- Teach-for-America educators would be allowed to operate in Ohio, as mentioned in the Governor's State of the State address.
- Other reform items mentioned in Gongwer yesterday:
 - Teacher effectiveness, not seniority, to drive employment decisions
 - Testing teachers in failing schools
 - Streamlining the dismissal process for poorly performing educators
 - Rewarding successful teachers with bonuses based on gains in student learning

Content standards, assessments and accountability

- Funding for content standards is decreased by 16.7% in FY12 and decreased by an additional 15.0% in FY13.
- Funding for student assessments is decreased by 1.3% in FY12 and flat-funded in FY13. It appears
 that the social studies and writing assessments in the pre-high school grades will continue to not be
 administered.
- o GRF funding for the GED is reduced by 11.0% in FY12 and flat-funded in FY13.
- Funding for development of the local report card is decreased by 0.9% in FY12 and flat-funded in FY13.

Other

- State match reimbursement funding for school lunches is flat-funded in FY12-13. Any funding not needed for the match must currently be used for school breakfast reimbursements. It is not clear whether this requirement is continued.
- o Alternative Education funding is decreased by 6.5% in FY12 and flat-funded in FY13.
- The following funding is eliminated:
 - Funding for safe school center in Cincinnati.
 - STEM grants
 - School Employee Health Care Board
- Other reform areas mentioned (as reported in Gongwer)
 - Giving parents and teachers the ability to "take over failing schools" and reconstitute them to better meet students' needs following a vote to do so by 50% of parents
 - Enhancing access to affordable online courses
 - Allowing remediation in college to be reduced