



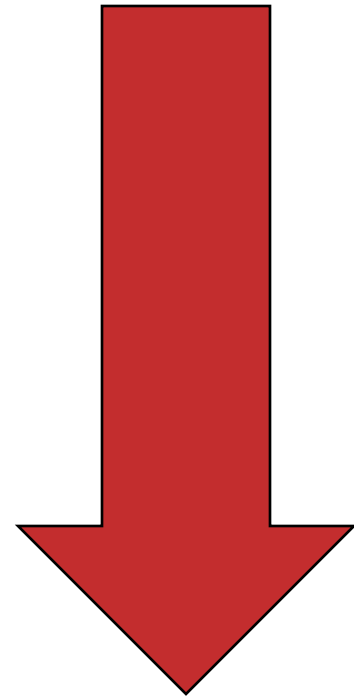
MCOECN

State Financial Update

January 2009

Cuts in FY 08-09

- 1) January '08 cut to ODE's budget:
\$51.8M from FY 08 ODE budget
\$49.7M from FY 09 ODE budget
- 2) September '08 \$25.9M (FY 09)
- 3) December '08 \$30.4M (FY 09)



September Reductions

Second Round:

The Department of Education was asked to reduce their budget by \$25.9M.

92% of ODE program areas were exempt from the reductions.

Some areas received a larger percentage cut because they were not targeted during the first round of cuts (January 2008).

Line Item	Program	FY 09 Budget	\$ Reduction	% Reduction
200-426	OECN	\$28,975,646	\$1,564,621	5.4%
200-446	EMIS	\$16,202,475	\$ 581,340	3.59%

2nd Cut Impact on OECON Programs

Program	Original FY 09	\$ Cut	% Cut
INFOhio	\$ 2,469,223	\$305,566	12.37%
Building Connectivity	\$16,666,140	\$791,642	4.75%
OECON ITC Subsidy	\$ 8,338,468	\$396,077	4.75%
SSDT Contract	\$ 1,501,801	\$71,336	4.75%
EMIS District Subsidy	\$ 8,267,235	\$392,694	4.75%
EMIS ITC Subsidy	\$ 1,340,348	\$ 63,667	4.75%
EMIS Data Exchange	\$ 6,594,892	\$124,979	1.90%

2nd Cut's Impact on INFOhio

- INFOhio's share appeared more severe because the program was held harmless for earlier cuts.
- In response INFOhio planned to cut SIRS Discoverer.
- The eTech Ohio Commission has provided a one-time grant to INFOhio.
- This grant will enable INFOhio to maintain their current menu of electronic resources.

December Reductions

Third Round:

The Department of Education was asked to reduce their budget by an additional \$30.4M.

Line Item	Program	FY 09 Budget	\$ Reduction	% Reduction
200-426	OECN	\$27,411,025	\$1,576,134	5.75%
200-446	EMIS	\$15,621,135	\$ 744,462	4.77%

3rd Cut Impact on OECN Programs

Program	Revised '09	\$ Cut	% Cut
INFOhio	\$2,469,223	\$141,980	5.75%
OECN ITC Subsidy	\$8,338,468	\$1,011,279	12.13%
SSDT Contract	\$1,501,801	\$300,000	19.97%
Other Programs (DR, PD, Site Reviews)	\$800,017	\$125,875	15.73%
EMIS District Subsidy	\$ 8,267,235	\$452,786	5.48%
EMIS ITC Subsidy	\$ 1,340,348	\$ 73,409	5.48%
EMIS ODE Operations and Data Exchange	\$ 6,594,892	\$218,267	3.31%

FY 09 Appropriation Changes

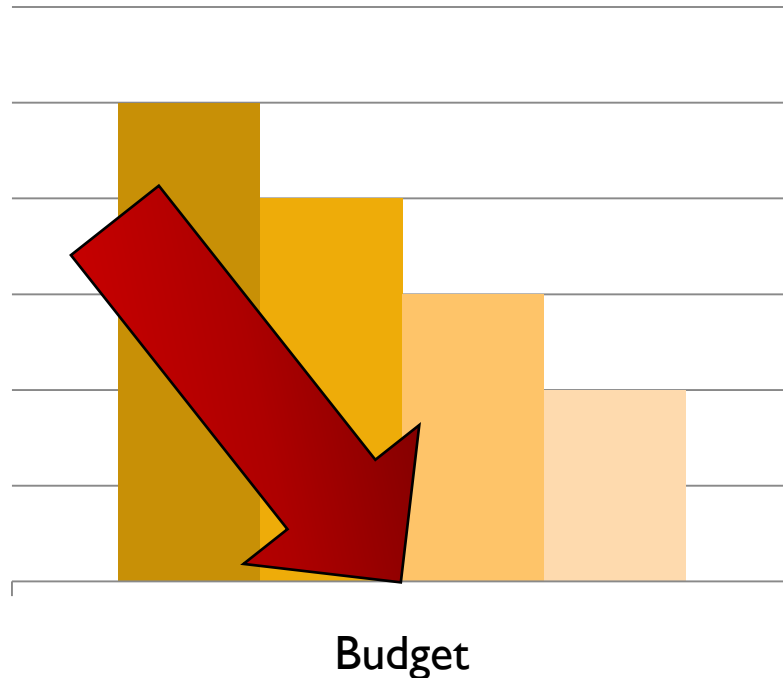
OECN 200-426

Program	Original	Current	% Change
INFOhio	\$2,469,223	\$2,021,677	18.1%
Connectivity	\$18,136,691	\$15,748,623	13.2%
SSDT	\$1,501,805	\$1,130,479	24.7%
ITC Subsidy	\$8,338,468	\$6,934,112	16.8%
Total	\$30,446,197	\$25,834,891	15.2%

EMIS 200-446

Program	Original	Current	% Change
District Subsidy	\$8,462,984	\$7,421,755	12.3%
ITC Subsidy	\$1,372,085	\$1,203,272	12.3%
ODE Operations	\$6,751,013	\$6,251,646	7.4%
Total	\$16,586,082	\$14,876,673	10.3%

Impact on FY 10 and FY 11?



Departments were instructed to submit budgets that are were 95% or 90% of FY 09 budget levels.

After cuts, the FY 10 appropriations could be approximately 80% of original FY 08-09 amounts.

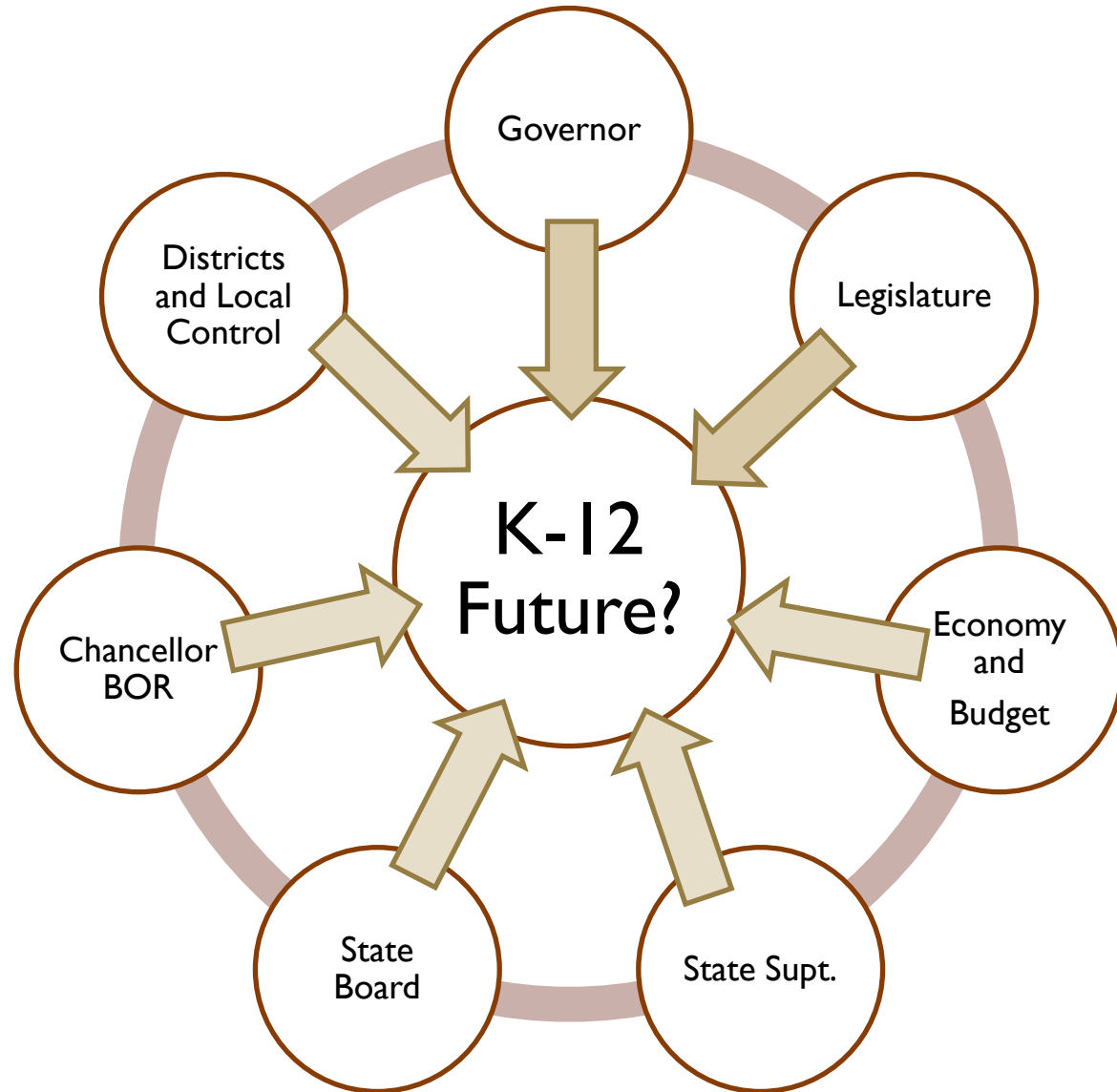
State Board Request

- State Board has developed three requests:
 - 90% budget
 - 95% budget
 - “Flat Plus” budget
- In the Flat-Plus budget the State Board has requested a 3% increase for most OEEN program areas in each year of the biennium.

Budget Process

- Departments submit requests to OBM
- OBM develops recommendations
- Governor's Budget (D)
- Then to the House (D)
- Then to the Senate (R)
- Then to conference committee
- Then back to the Governor for signature

Education: Political Drivers



How Will These Ingredients Mix?

- New Superintendent?
- New State School Board?
- Chancellor and Board of Regents?
- Governor's Plan for School Funding?
- House and Senate are now "D" and "R"?
- Recession and State fiscal concerns?
- Voter resistance to local funding issues?
- Ohio is a local control state?