

STATE FISCAL STABILIZATION FUND APPLICATION

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

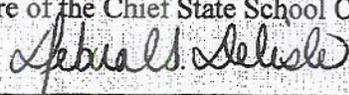
<p>Legal Name of Applicant (Office of the Governor): Governor Ted Strickland</p>	<p>Applicant's Mailing Address: Office of the Governor 77 S. High St., 30th Floor Columbus, OH 43215</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)</p> <p>Name: John Childs</p> <p>Position and Office: Chief Financial Officer</p> <p>Contact's Mailing Address: Ohio Department of Education 25 South Front Street, G01 Columbus, Ohio 43215</p> <p>Telephone: 614-466-2791 Fax: 614-728-5097 E-mail address: john.childs@ode.state.oh.us</p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i></p> <p>Name: David Ellis</p> <p>Position and Office: Assistant Director</p> <p>Contact's Mailing Address: Ohio Office of Budget and Management 30 E. Broad St. / 34th Floor Columbus, Ohio 43215</p> <p>Telephone: 614-466-4034 Fax: 614-995-1871 E-mail address: david.a.ellis@obm.state.oh.us</p>

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

<p>Governor or Authorized Representative of the Governor (Printed Name): Ted Strickland</p>	<p>Telephone: (614) 466-3555</p>
<p>Signature of Governor or Authorized Representative of the Governor: </p>	<p>Date: June 4, 2009</p>

Recommended Statement of Support from the Chief State School Officer (Optional):

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

<p>Chief State School Officer (Printed Name): Deborah S. Delisle</p>	<p>Telephone: (614) 995-1985</p>
<p>Signature of the Chief State School Officer: </p>	<p>Date: June 4, 2009</p>

STATE FISCAL STABILIZATION FUND APPLICATION

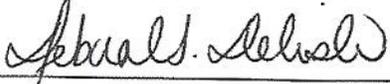
PART 1: APPLICATION COVER SHEET

(CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Governor Ted Strickland	Applicant's Mailing Address: Office of the Governor 77 S High St, 30 th Floor Columbus, OH 43215
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: John Childs Position and Office: Chief Financial Officer Contact's Mailing Address: Ohio Department of Education 25 South Front Street, G01 Columbus, Ohio 43215 Telephone: 614-466-2791 Fax: 614-728-5097 E-mail address: john.childs@ode.state.oh.us	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: David Ellis Position and Office: Assistant Director Contact's Mailing Address: Ohio Office of Budget and Management 30 E. Broad St. / 34 th Floor Columbus, Ohio 43215 Telephone: 614-466-4034 Fax: 614-995-1871 E-mail address: david.a.ellis@obm.state.oh.us

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Ted Strickland	Telephone: 614-466-3555
Signature of Governor or Authorized Representative of the Governor: 	Date: 6-01-2009

Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i> :	
The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): Deborah Delisle	Telephone: 614-995-1985
Signature of the Chief State School Officer: 	Date: 6-01-2009

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

- (1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)
- (2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)
- (3) The State will –
 - (3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)
 - (3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and
 - (3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)
- (4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name):
Ted Strickland

Signature:

Ted Strickland

Date:

6-01-2009

PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State's current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application (*check only those assurances for which the State accepts the data described in Appendix B*):

- Achieving Equity in Teacher Distribution Assurance.
- Improving Collection and Use of Data Assurance.
- Improving Standards Assurance.
- Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name):
Ted Strickland

Signature:

Ted Strickland

Date:

6-01-2009

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (*check appropriate assurances that apply*):

- In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

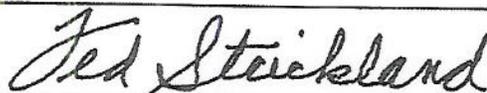
--OR--

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name):

Ted Strickland

Signature:



Date:

6-01-2009

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.*
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name):

Signature:

Date:

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See Appendix C – Instructions for Part 4: Maintenance of Effort.*

1. Levels of State support for elementary and secondary education *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

FY 2006	<u>\$7,505,633,924</u>
FY 2009*	<u>\$8,001,790,927</u>
FY 2010*	<u>\$7,590,336,909</u>
FY 2011*	<u>\$7,533,890,415</u>

(* Provide data to the extent that data are currently available.)

2. Levels of State support for public institutions of higher education *(enter amounts for each year):*

FY 2006	<u>\$1,774,042,156</u>
FY 2009*	<u>\$2,087,134,229</u>
FY 2010*	<u>\$1,778,565,127</u>
FY 2011*	<u>\$1,779,636,491</u>

(* Provide data to the extent that data are currently available.)

3. Additional Submission Requirements: In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. *See* instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | |
|---|----------------------|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | \$6,605,606,460_____ |
| (b) Level of State support for public IHEs in FY 2008 | \$1,944,967,656_____ |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | \$6,742,961,893_____ |
| (d) Level of State support for public IHEs in FY 2009 | \$2,087,134,229_____ |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | \$6,343,587,656_____ |
| (f) Level of State support for public IHEs in FY 2010 | \$1,778,565,127_____ |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* *See* Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009

\$0 _____

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009

\$0 _____

Restoration Amounts (continued)

- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$399,374,237

- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$308,569,102

- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$755,766,624

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

**PART 5, SECTION B: STATE USES OF THE
GOVERNMENT SERVICES FUND**

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

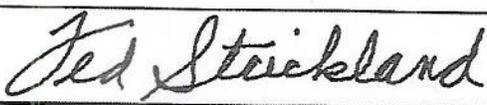
Category	Estimated Percentage of Funds to Be Used
Public Safety	11.7%
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	0.0%
Public IHEs (excluding modernization, renovation, or repair of IHEs)	58.7%
Modernization, renovation, or repair of public school facilities	0.0%
Modernization, renovation, or repair of IHEs	0.0%
Medicaid	0.0%
Public assistance	6.9%
Transportation	0.8%
Other (Aging, Agriculture, Alcohol & Drug Addiction Services, Health, Mental Health, Mental Retardation, and Natural Resources)	21.9%
Undetermined	0.0%
TOTAL	100.0%

*DAE
6/4/09*

**PART 6: ACCOUNTABILITY, TRANSPARENCY, AND
REPORTING ASSURANCES**

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
 - the uses of funds within the State;
 - how the State distributed the funds it received;
 - the number of jobs that the Governor estimates were saved or created with the funds;
 - tax increases that the Governor estimates were averted because of the funds;
 - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
 - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
 - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
 - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)
- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)
- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)
- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))
- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

Governor or Authorized Representative of the Governor (Printed Name): Ted Strickland	
Signature: 	Date: 6-01-2009

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 *et seq.*) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act-Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name):

Ted Strickland

Signature:



Date:

6-1-2009.

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

Additional Submission Requirements: In an attachment to the application –

- a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education

The data sources for maintenance of effort include funding supplements distributed broadly to Ohio's primary local educational providers, which include school districts, charter schools, joint vocational school districts, county boards of mental retardation and developmental disabilities, department of youth service institutions, and educational service centers. Funding supplements for FY09 and before include base cost per pupil funding, special education weighted funding, career-technical education funding, poverty-based assistance, gifted unit funding, and transportation funding. Also included is guarantee funding, parity aid funding that helps equalize funding to districts, and supplements that help ensure districts have enough funding to meet their locally required contribution or ensure that no district is contributing too much for their locally required contribution. The funding supplements outlined so far that are provided to school districts and charter schools are proposed to be replaced in FY10-11 with a new Evidence-Based Model. The components of the Evidence-Based Model address the same needs as the funding components in the current system, but through a series of new formulae. Other funding supplements included in the maintenance of effort calculation are:

- Funding to partially reimburse districts for particularly high-cost special education students, as well as to reimburse districts for the costs of certain special education students that must be educated at home;
- Special education transportation funding and preschool special education unit funding;
- Funding that reimburses districts for tuition paid for students placed in the Department of Youth Service institutions, but who did not generate funding for the district through the main formula;
- Funding for the identification of gifted students;
- Funding adjustments due to the property valuation changes after official certifications are made; and
- State payments in lieu of property taxes at the local level.

In determining the levels of state support for elementary and secondary education, the state uses actual spending amounts in FY06 and FY08, while the state uses projected spending figures for FY09. In FY10 and FY11, the state uses estimated spending figures as detailed in the House Passed version of HB1, the Ohio operating budget.

- b) Identify and describe the data sources used in determining the levels of State support for public IHEs

In determining the levels of state support for public IHEs, the state includes all GRF appropriation line items in the Ohio Board of Regents budget for FY06-FY11 that are

considered to be "state support" as reported in the annual survey conducted by the State Higher Education Executive Officers (SHEEO) association. The state excludes line items that fund capital projects, research and development, or financial aid. For the years FY06 and FY08, the state uses actual spending amounts; while in FY09, the state uses projected spending figures. In FY10 and FY11, the state uses estimated spending figures as detailed in the House Passed version of HB1, the Ohio operating budget.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

For the State's primary elementary and secondary education funding formulae only the main funding supplements that are provided to educational entities were included. For FY09 these supplements include: base cost per pupil funding, special education weighted funding, career-technical education funding, gifted unit funding, poverty-based assistance, transportation funding, guarantee funding, parity aid, and supplements that help ensure districts have enough funding to meet their locally required contribution or ensure that no district is contributing too much for their locally required contribution. For FY10-11, these supplements are being proposed to be replaced in school districts and charter schools by a new Evidence-Based Model. The components of the Evidence-Based Model address the same activities as the funding components in the current system, but through a series of new formulae.

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6/24/09

In determining the levels of state support for elementary and secondary education, the state uses projected spending amounts in FY09 and estimated spending figures as detailed in the House Passed version of HB1, the Ohio operating budget, in FY10 and FY11.

Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

In determining the levels of state support for public IHEs, the state includes all GRF appropriation line items in the Ohio Board of Regents budget for FY06-FY11 that are considered to be "state support" as reported in the annual survey conducted by the State Higher Education Executive Officers (SHEEO) association. The state excludes line items that fund capital projects, research and development, or financial aid. For the years FY06 and FY08, the state uses actual spending amounts; while in FY09, the state uses projected spending figures. In FY10 and FY11, the state uses estimated spending figures as detailed in the House Passed version of HB1, the Ohio operating budget.

Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

Individual public IHEs will receive funding according to the Ohio Board of Regents' State Share of Instruction (SSI) formula, which provides core operating support for the University System of Ohio institutions. The SSI consists of three funding components that separately distribute operating support for the following three sectors: (1) university main campuses; (2) regional campuses; and (3) community colleges.



TED STRICKLAND
GOVERNOR
STATE OF OHIO

June 1, 2009

Arne Duncan, Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan,

It is my privilege to present to you the State of Ohio's "Application for Initial Funding under the State Fiscal Stabilization Fund Program" for both the Education Stabilization Fund and the Government Services Fund, made available through the American Recovery and Reinvestment Act (ARRA) of 2009. I request your approval of the application so that the state may commence using the funds to pursue our shared goals: investing in primary and secondary education, preserving critical government services, protecting jobs, and stimulating economic growth.

I believe that a high quality educational system is of critical importance in improving the lives of Ohio's children. Abundant research also demonstrates that a strong educational system is a powerful component of economic growth. For these reasons, the stabilization funds have been primarily allocated to the Ohio Department of Education and the Ohio Board of Regents in FY10 and FY11 to support K-12 education, freeze tuition at public institutions of higher education in FY10, and limit tuition growth to 3.5% in FY11 for four-year university main campuses. In FY 11 tuition will again be frozen for community, state community, and technical colleges and for university regional campuses.

The State of Ohio thanks President Obama and the U.S. Department of Education for this commitment of funding at a time of great need and looks forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Ted Strickland". The signature is written in a cursive, flowing style.

Ted Strickland
Governor



Board of Regents

Ted Strickland, Governor
Eric D. Fingerhut, Chancellor

University System of Ohio

June 1, 2009

Arne Duncan, Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan,

I am pleased to provide this letter on behalf of the University System of Ohio and the Ohio Board of Regents committing our fullest support to Ohio's application for the State Fiscal Stabilization Funds (SFSF) of the American Recovery and Reinvestment Act (ARRA) of 2009. Further, we pledge our fullest cooperation with Governor Ted Strickland and his administration in ensuring that the funds made available in support of higher education in Ohio are used appropriately, effectively, and in the furtherance of the goals of the ARRA – and in furtherance of the goal of strengthening and preserving higher education as a key to economic recovery for our state and nation and to prosperity for all Ohioans.

In Ohio, we applaud and echo President Obama's recent emphasis on higher education's role in driving the nation's economic future. In his May 8th remarks announcing his New Foundation for Growth, he said, "In a twenty-first century economy where the most valuable skill you can sell is your knowledge, education is the single best bet we can make – not just for our individual success; but for the success of our nation as a whole." Ohio's own *Strategic Plan for Higher Education* makes a commitment to increasing the educational attainment of the state's citizenry by enrolling and graduating more students across all sectors.

To advance these critical ideas, we must make the necessary efforts to keep our higher education system strong in these difficult economic times – a goal that can be advanced by the funding made available through the ARRA. Governor Strickland and the Ohio General Assembly have been unwavering in their support for higher education over the past two years, and in the budget currently under consideration for the upcoming fiscal year. With the availability of SFSF monies, the momentum for improving educational attainment can continue and strengthen.

Your prompt approval of Ohio's application will help to assure that Ohio's colleges and universities are ready to meet the challenge of the upcoming academic year. The future hopes of many Ohioans are pinned to the opportunities offered by Ohio's colleges and universities. With projected record enrollment we must not back away from our obligation to provide access to high quality educational services for Ohioans who seek it – and who need it.

Thank you for your diligent consideration of Ohio's application and for your commitment to excellence in education.

Sincerely,

Eric D. Fingerhut, Chancellor
Ohio Board of Regents



Department
of Education

Ted Strickland, Governor
Deborah S. Delisle, Superintendent of Public Instruction

June 1, 2009

Arne Duncan, Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Duncan,

Despite the challenging economic times which our country is facing, there is a glimmer of hope with the release of stimulus funds to support and enhance education. I wholeheartedly support Ohio's application for the State Fiscal Stabilization Funds (SFSF) as provided in the American Recovery and Reinvestment Act of 2009 (ARRA). Most assuredly, these funds will have a tremendous impact on the children of Ohio.

Similar to most states, Ohio is experiencing unprecedented economic struggles. Our schools are facing increasingly tight budgets. Simultaneously they are trying to remain optimistic as they work tirelessly to prepare all students for an increasingly competitive global marketplace.

The SFSF are critical to continuing the progress Ohio's education system has made during the past decade. Ohio is on the verge of launching some bold education reform initiatives made possible by the vision of Governor Ted Strickland. These innovative programs will prepare our students for the 21st century. State leaders are committed to ensuring all students are taught by high-quality teachers, continuing to enhance Ohio's longitudinal data system, and integrating technology into learning activities. The Governor's education reform plan will ensure that the quality of a student's educational experience will not be predetermined by his zip code. By improving all students' access to world-class educational opportunities, Ohio will position itself for a brighter future.

Your prompt review and approval of Ohio's application will allow our schools to begin planning effectively to enhance the educational opportunities for all children and provide optimism during this time of great uncertainty. These funds will definitely provide incredible opportunities for our children.

Ohio is developing a comprehensive system of accountability for these and other ARRA funds. This historic financial assistance will allow schools and districts to create and maintain jobs and implement innovative reforms that otherwise may not have been possible.

Sincerely,

Deborah S. Delisle
Superintendent of Public Instruction