

**Summary of the FY12-13 State Operating Budget  
Am. Sub. HB 153 (As Enacted, with vetoes) - July 10, 2011**

- Total State GRF funding is \$7.5 billion for FY12 (3.1% increase from FY11) and \$7.6 billion for FY13 (1.2% increase from FY12). State GRF funding does not include federal State Fiscal Stabilization Funding (SFSF) provided through the American Recovery and Reinvestment Act (ARRA), but does include homestead and rollback payments to school districts. SFSF funding accounted for about 8% of each district's foundation funding in FY11.
- Lottery funding totals \$717.5 million for FY12 (0.9% increase from FY11) and \$680.5 million for FY13 (5.2% decrease from FY12).
- **State Support to Schools**
  - School districts/community schools
    - School districts/community schools will receive a 4.7% increase in State GRF/Lottery funding in FY12 and a 0.7% increase in FY13. These increases backfill part of the one-time federal SFSF funding provided to states to fill budgetary shortfalls in FY10-11. (Note: state GRF formula funding to schools is called "foundation funding" in this document.) The foundation funding increases include the following:
      - A temporary bridge funding formula allocates foundation funding for FY12-13. The bridge formula's calculation begins with the per-pupil level of funding for each district derived from overall FY11 funding levels. The FY11 per-pupil funding levels are then adjusted by a new property tax index to help account for the loss of State Fiscal Stabilization Funding (SFSF). The index allows more state funding to flow to districts with less local capacity to generate revenue.
      - A supplemental payment to the bridge formula is included to ensure that each school district receives as much state foundation aid (minus federal stimulus SFSF funding) as they received in FY11.
      - An additional payment for high performing schools provides \$17 per pupil to school districts and community schools rated excellent or excellent with distinction in the prior academic year.
    - Funding continues to be based on an average daily membership (ADM) count of where students reside (rather than where they are educated). The ADM count for districts uses the current fiscal year count taken during the first week of October (rather than a prior fiscal year or current fiscal year count, depending on enrollment growth).
    - The deduction and transfer mechanism for funding community schools, other choice programs, and open enrollment is continued, similar to FY11. Funding and policy-related changes in these other areas are discussed later in this document.
    - The Evidence-Based Model for school funding is repealed, and the School Funding Advisory Council is eliminated.
    - \$5.0 million per year is available to reimburse districts for payments school districts make to parents in lieu of transporting students.
    - *Note: The Governor has indicated he plans to develop a new funding formula for FY13.*
  - Tangible Personal Property (TPP) and Electric Deregulation Property Tax Reimbursement (Not GRF/Lottery)
    - These reimbursements are restructured such that, for FY12 and FY13, the reduction in a district's phase-out for each reimbursement (TPP and electric deregulation) is limited to no more than 2% per year of its total resources (state + local funding) as compared to the base year. Any reimbursement a district is still receiving in FY13 continues to be received at that level in the future.
    - Reimbursement for nonoperating fixed rate levies is reduced by 25% per year in FY12-13 and the district continues to receive the remaining 50% after this biennium.
    - There are no changes to the phase-out schedule for fixed sum levies (emergency and bond levies).

- The reimbursements for TPP will be made twice a year (May and November) rather than three times per year.
- **Community Schools**
  - Funding formula:
    - The funding formula for community schools is essentially the same as the one that was used in FY11, except that the formula amount (basic aid per-pupil amount) is \$5,653, a reduction of \$50.
    - The FY09 formula amount of \$5,732 is used for calculating special education weighted funding and career-technical education weighted funding. The special education funding calculation is based on the use of the weights (at 90%) and categories used for funding in FY09.
    - Community schools also continue to receive parity aid and poverty-based assistance based on FY09 per-pupil amounts of the resident districts.
    - Note that e-schools only receive basic aid funding and special education weighted funding.
    - As mentioned previously, community schools rated excellent or excellent with distinction will receive \$17 per pupil (which will be paid by the state directly rather than as a deduction from the student's district of residence).
  - The cap on the number of schools a sponsor can authorize is increased from 50 to 100.
  - The Ohio School Sponsorship Program is established and ODE is required to create an Office of Ohio School Sponsorship. ODE is limited to approving 20 total applications per year for the first five years of the program and of those 20 only up to five may be for new schools.
  - A sponsor's notice of termination or nonrenewal of a community school's contract is required to be submitted to the school by February 1 of the year in which the sponsor intends to terminate or take actions not to renew the contract.
  - The bill repeals the "operator provision" which only permits new start-up community schools to open if they contract with an operator that currently manages schools that perform at a level higher than academic watch. Instead, the bill allows community school sponsors to sponsor new schools if the sponsor is in compliance with all sponsor reporting requirements and is not ranked in the lowest 20% on an annual ranking of all sponsors by their composite performance index score, which measures the academic performance of community schools sponsored by the same entity. Community schools that operate dropout prevention programs and that have a majority of their students identified as special education are excluded until January 1, 2013, at which point they will be included unless the General Assembly enacts separate performance standards for these schools.
  - The moratorium on new e-schools is repealed beginning January 1, 2013 and five new e-schools will be allowed to open each year after the moratorium ends. The State Superintendent and Director of the Governor's Office of 21<sup>st</sup> Century Education must develop standards for the operation of e-schools by July 1, 2012 and submit them to the Speaker of the House and President of the Senate. E-schools will be required to comply with the new e-school standards (if enacted). Otherwise, e-schools will have to comply with the standards from the International Association for K-12 Online Learning.
  - The State Board is required by July 1, 2012 to review its March 2008 legislative recommendations for performance standards for community schools that operate dropout prevention programs and to issue new recommendations.
  - The requirement that a community school sponsor have a representative located within 50 miles of each school it sponsors is repealed. Also, a representative of a community school is required to meet monthly with school officials to review financial and enrollment records (rather than every two months to review financial records only).
  - The amount of compensation that a member of a governing authority may receive is limited to \$5,000 per year.

- A governing board member, or immediate relative, is prohibited from being an owner, employee, or consultant of a community school sponsor for one year after the conclusion of the member's term.
  - School district boards with real property that has been used for classroom operations since July 1, 1998, but not for two years, will be required to offer the property for sale or lease to the community schools that are located within the district.
  - A community school is permitted to be located in multiple facilities under the same contract and to assign students in the same grade level to multiple facilities (under certain circumstances). Two or more separate community schools are permitted to be located in the same facility.
  - Prohibits the employees of a community school from collectively bargaining if the community school is a conversion community school sponsored by a "municipal school district" where the district board is appointed by the mayor (Cleveland Municipal School District) and the mayor submits a statement to the district board and the State Employment Relations Board requesting that the employees be removed from their collective bargaining units.
  - The following changes are made to the mandatory closure provisions for poorly performing schools:
    - A school will be designated to close if it does not offer a grade level higher than 3 and has been in Academic Emergency for 2 out of the last 3 years (current law is 3 out of the last 4 years).
    - A school will be designated to close if the school offers any of grade levels 10-12 and has been in Academic Emergency for 2 out of the last 3 years (current law is 3 out of the last 4 years).
    - No changes are made to criteria for schools that offer grades 4-8.
  - The statutory deadlines are waived for adoption and signing of contracts for new conversion community schools that open in the 2011-2012 school year.
  - The definition of a "challenged school district," in which new start-up community schools are permitted to open, is expanded to include districts ranked in the lowest 5% of all school districts according to Performance Index score.
- **Scholarship Programs**
    - Educational Choice (EdChoice) Scholarships
      - The number of EdChoice scholarships is increased from 14,000 to 30,000 for the 2011-12 school year and to 60,000 thereafter.
      - The amount deducted from school districts for EdChoice scholarships is reduced from \$5,200 to the actual amount paid for the scholarship, with a maximum of \$4,250 for grades K-8 and \$5,000 for grades 9-12.
      - New eligibility criteria, in addition to what is currently in law, are added to include school buildings ranked in the bottom 10% of schools based on the Performance Index for two of the three preceding years and not rated as excellent or effective in the third year. Students receiving scholarships under the current eligibility criteria are priority. A second EdChoice application period is required for 45 days starting July 1, 2011.
    - Cleveland Scholarships
      - The scholarship amounts are increased to be equal to that used for the EdChoice Scholarship Program (\$4,250 for grades K-8 and \$5,000 for high school) and \$5.0 million per year is added to pay for these scholarship increases.
      - The amount paid by the state continues to be the lesser of the actual amount of the tuition or 75% or 90% of the scholarship amount depending on whether the student is low income.
      - New students may enroll in the program in high school regardless of whether they participated in the program in grades K-8.
    - Autism Scholarships – No changes are made to the payment methodology.

- The Jon Peterson Special Needs Scholarship Program is established starting in the 2012-13 school year to provide scholarships for children with disabilities in grades K-12 to attend alternative public or private special education programs. The number of scholarships awarded is limited to not more than 5% of the number of identified special education student residing in the state in the previous year.
- **Early Childhood Education**
  - Support for early childhood education (previously known as public preschool) is flat-funded in FY12-13.
  - Funding for child care licensing, which is used by ODE to license and monitor preschool and school-age child care programs to ensure basic safety and health standards, receives a \$50,000 reduction in FY12 and is flat-funded in FY13.
  - There are no references to the creation of an early childhood center at the Department, which was proposed in 2009 in HB 1.
- **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.
  - Out of foundation funding, every school district is allocated the same amount of special education funding as was provided to them in weighted funding in FY11.
  - Each of the supplements within the Special Education Enhancements line item is flat-funded in FY12-13. These supplements include:
    - Home instruction
    - School psychologist interns
    - Parent mentoring
    - Unit funding for preschool special education students
    - Special education funding to County Boards of Developmental Disabilities
  - The funding levels for catastrophic special education and special education transportation are also flat-funded in FY12-13.
  - An individualized education program (IEP) now must specify the manner in which the student will participate in the state assessments.
- **Career-Technical Education**
  - Overall career-technical education funding to schools is flat-funded for FY12-13.
    - Out of foundation funding, school districts are allocated and must spend the same level of career-technical education funding as was provided to them in FY11. This allows for maintenance of effort for the federal Perkins grant to be met. ODE may reallocate unexpended career-technical education amounts through foundation funding to growing districts within the career-technical planning districts or to other growing districts statewide.
    - All JVSDs are provided in FY12-13 the same level of funding as was provided in FY11.
    - Tech Prep Consortia funding is reduced by \$1.0 million and reallocated to High Schools That Work (increased by \$300,000 in FY12 and flat-funded in FY13) and Tech Prep Expansion Grants (increased by \$700,000 in FY12 and flat-funded in FY13).
    - The other career-technical education supplements (Voc Ag 5<sup>th</sup> Quarter funding and career-technical education funding for incarcerated youth) are both flat-funded over the biennium.
  - The funding methodology of secondary career-technical education at correctional institutions is changed to a grant-based methodology (rather than unit-based).

- The State Board's rules pertaining to professional career-technical teaching licenses are required to include standards for life experience, professional certification, and practical ability, and the State Board may not require as a condition for this license completion of a degree.
  - School districts are permitted to charge all students fees for any tools, equipment, and materials that are necessary for workforce-readiness training within a career-technical education program that may be retained by the student after course completion.
  - Townships, counties, or municipals corporations that enter into agreements for tax increment financing (TIF) or payments in lieu of taxes are required to compensate the JVSD within which the parcel or district is located at the same rate, under the same terms and with the same notice requirements received by the school district.
- **Gifted Education**
    - Out of foundation funding, districts are allocated and must spend in FY12-13 at the levels received in FY09 from the state for gifted unit and identification funding.
    - Gifted funding to ESCs is proposed to be flat over the biennium at \$8.1 million per year, and will be allocated based on the unit funding mechanism in place in FY09.
    - A qualified school principal or any other staff member assigned to a school will be able to serve as a gifted coordinator if qualified to do so.
    - Performance of students identified as gifted is included as one of the measures required to be used by ODE for an annual rank ordering of school districts, community schools, and STEM schools regarding their performance and expenditures.
- **Regional Services**
    - Educational Service Centers (ESCs)
      - Supplemental funding for ESCs totals \$41.8 million in FY12 (a 10% reduction) and \$35.5 million in FY13 (a 15% reduction). Funding would be combined for ESCs that merge, and funding for ESCs which close would be redistributed to other ESCs.
      - School improvement funding, which is distributed to ESCs through performance agreements, is funded at \$3.5 million in FY12 (a 50% reduction) and flat-funded in FY13.
      - Every district with 16,000 students or less (based on the Report Card enrollment count) must enter into a service agreement with an ESC. Districts with more than 16,000 students are permitted to enter into such service agreements. Districts with agreements have funds automatically deducted and transferred to the ESC.
      - *Note: Gifted funding for ESCs is outlined under the Gifted Education section.*
      - The current process that a local district must follow to leave the territory of its current ESC and be annexed to an adjacent ESC is repealed. Instead, districts are permitted to terminate agreements with their current ESC by January 1, 2012 and January 1 every odd-numbered year thereafter, and the change of membership to the new ESC becomes effective in the next fiscal year.
      - ESCs are authorized to enter into service contracts with other political subdivisions besides school districts.
      - A process is established for dissolving an ESC if all the local school districts that make up the territory of an ESC sever their agreement with the ESC.
      - An ESC governing board may appoint additional members representative of the city and exempted village school districts that have service agreements with the ESC, and the ESC governing board is permitted to appoint an executive committee (rather than the board) to organize its electoral territory into subdistricts when two or more ESCs merge into one larger ESC.

- The following requirements are removed: 1) that local districts adopt their textbooks from lists provided by ESCs; 2) permissive language that allows an ESC superintendent to be the designee of a local district superintendent within the ESC's service territory in issuing age and schooling certificates; and 3) that ESCs maintain membership records of pupils attending local school districts.
  - Regional Shared Service Model Study
    - The bill requires that the Governor's Director of 21<sup>st</sup> Century Education develop a plan for the integration and consolidation of the publicly supported regional shared services, including ESCs and other educational support organizations, to serve Ohio's public and chartered nonpublic schools. The plan is due by January 1, 2012 and the recommendations are to be implemented by July 1, 2012. The Director must also conduct a shared services survey by October 15, 2011 to gather baseline data on the current status of shared services and to determine where opportunities for additional shared services exist.
    - Funding of \$250,000 per year is provided for the creation of a shared services pilot project involving at least two ESCs to focus on the design, implementation and evaluation of a shared service delivery model.
    - The Governor's Director of 21<sup>st</sup> Century Education is required to develop a plan to encourage communities and school districts to create regional P-16 councils.
  - The Ohio Education Computer Network (OECN) line item, which includes support for connectivity funding, ITC funding, state software support, and INFOhio, is reduced by 12% in FY12 and flat-funded in FY13.
  - EMIS funding to support ITCs in their efforts to support districts with submitting EMIS data is decreased by 10% in FY12 and flat-funded in FY13. EMIS subsidy to districts, JVSs, community schools and ESCs is eliminated.
- **Nonpublic Schools**
  - Funding for Auxiliary Services is increased by 10.9% in FY12 and 1.6% in FY13, and Nonpublic Administrative Cost reimbursement is increased by 10.5% in FY12 and 1.5% in FY13.
  - *Note: Nonpublic schools also receive funding through the EdChoice and Cleveland Scholarship program, which are outlined under the Scholarship Programs section.*
  - The allowable uses of Auxiliary Services funding are updated to include such items as electronic textbooks and other hardware, software, and electronic devices.
  - The bill permits the certification of teachers without a bachelor's degree for chartered nonpublic schools in the subject areas of foreign language, music, religion, computer technology, and fine arts if the person 1) shows specialized knowledge, skills, or expertise, 2) has three or more years of teaching experience, or 3) has completed a teacher training program.
  - Chartered nonpublic schools are exempt from a permanent law provision that requires high schools to comply with a State Board of Education credit flexibility plan.
- **Teachers and Other Educators**
  - Funding for Educator Preparation (which mostly supported the Education Standards Board prior to FY12) is decreased by 40.8% in FY12 and flat-funded in FY13.
  - The State Board must approve by July 1, 2013 a list of states with licensure standards that are inadequate to ensure that a person with five years of licensure and teaching experience in that state is qualified to receive a professional educator license in Ohio. Reciprocity agreements with states on the list are prohibited.

- The State Board is required to develop a standards-based framework for the evaluation of teachers by December 31, 2011 and districts and ESCs are required to consult with teachers in adopting a local policy that conforms to the framework by July 1, 2013. For purposes of the framework the State Board must also 1) develop specific standards and criteria that distinguish between four levels of performance for teachers and principals (accomplished, proficient, developing and ineffective), and 2) develop a list of student assessments that measure mastery of the course content in grade levels and subjects for which value-added measures do not apply. ODE must serve as a clearinghouse of promising evaluation procedures and models and provide technical assistance to districts in creating evaluation policies.
- Each school district's and ESC's evaluation procedures for principals are required to be based on principles comparable to the teacher evaluation policy but tailored to the duties and responsibilities of principals.
- The bill prohibits giving preference based on seniority in determining the order of layoffs or in rehiring teachers when positions become available again, except when choosing between teachers with comparable evaluations.
- Core-subject teachers in buildings ranked in the lowest 10% according to the Performance Index score are required to retake all written exams needed for licensure in the teacher's subject area and grade level. The provision specifies that a teacher who provides proof of passing the exam to the teacher's employer is not required to retake the exam again for three years and that the teacher is not responsible for the cost of the exam.
- Individuals seeking an alternative educator license are required to complete a pedagogical training institute or a summer training institute operated by a nonprofit organization and approved by the Chancellor of the Board of Regents.
- The State Board is prohibited from establishing additional licensure qualifications for participants in the Teach for America program beyond those enacted in HB 21.
- The Chancellor of the Board of Regents is required to annually report value-added data for graduates of teacher preparation programs who teach English language arts or math in any of grades 4 to 8.
- **Academic Standards, Assessments and Accountability**
  - Funding for academic content standards is decreased by 18.0% in FY12 and decreased by an additional 14.9% in FY13.
  - Funding for student assessments is decreased 3.0% in FY12 and flat-funded in FY13. Suspension of the social studies and writing assessments in the pre-high school grades is extended through FY12 and FY13.
  - GRF funding for the GED program is reduced by 11.0% in FY12 and flat-funded in FY13.
  - Funding for development of the Local Report Card is decreased by 5.9% in FY12 and flat-funded in FY13.
  - The bill repeals the requirements for academic standards to address skills such as creativity and innovation and for assessments to evaluate 21<sup>st</sup> century skills. Also, the senior project is removed from the new graduation assessment and a composite score is no longer required.
  - The guidelines for selecting a nationally standardized test to be part of the new high school graduation assessment system are modified to more generally require the selection of a national test that measures college and career readiness.
  - Permanent law is removed that requires the State Board to adopt statewide academic standards in English, math, science and social students at least once every five years, and instead requires adoption of new statewide academic standards periodically.
  - The achievement assessments administered in grades 3 to 8 in the 2011-12 school year and thereafter are not public records.
  - The State Superintendent and the Chancellor are directed to choose multiple assessments, including nationally recognized subject area assessments, which school districts and chartered nonpublic schools may use as end-of-course exams as part of the new assessment system for high school graduation.

- Individuals from age 16-18 who want to take the GED must have approval from the district superintendent (or principal if the person was last enrolled in a community school or STEM school). ODE may require the person to also submit written approval from the parent or guardian or court official if under the age of 18. Those who gain such approval must be counted as a dropout, for purposes of calculating graduation rates and report cards, in the school the person was last enrolled.

- **School and District Reforms**

- Traditional public school districts may request a single school or a group of schools be designated as an innovation school/zone by the State Board of Education in order to implement an innovation plan designed to improve student performance. The State Board, with certain exceptions, must waive any education laws or administrative rules necessary for implementation of the plan. Any provisions of a collective bargaining agreement can also be waived if 60% of bargaining unit members approve the waiver.
- ODE must develop, and the State Board must adopt, standards for determining operating expenditures for classroom and nonclassroom purposes. These expenditure standards are to be used for various computations, including a ranking of each type of school (traditional district, JVSD, community school, STEM school, e-school) within respective categories based primarily on enrollment. These computations must be posted in a prominent location on ODE's web site and included on each district's, community school's, and STEM school's report card.
- ODE is required to develop a system to annually rank order all traditional districts, JVSDs, community schools, and STEM schools according to the following measures: 1) the Performance Index, 2) student performance growth, 3) career-technical performance measures, 4) expenditures per pupil, 5) percentage of expenditures for classroom instruction, and 6) performance of, and opportunities provided to, gifted students.
- The Performance Index ranking outlined in the previous bullet is to be used for the following reforms:
  - Buildings in the lowest 5% for three consecutive years who are also under academic watch or emergency must undertake one of four specified restructuring actions: 1) close the school; 2) contract with another school district or nonprofit or for-profit entity; 3) replace the principal and all teaching staff of the school; or 4) reopen the school as a conversion community school.
  - For buildings of city, local and exempted village school districts which are in the lowest 5% statewide for three consecutive years, parents of 50% of a school's students can petition the local board for reforms. This program is limited to a pilot project of buildings within Columbus City Schools.
  - Teachers in buildings which are in the bottom 10% must retake licensure tests (see above under Teachers and Other Educators).
  - Buildings of city, local and exempted village school districts which are in the bottom 10% for two out of the three most recent school years and are not rated Effective or better will qualify for the EdChoice Scholarship Program (see above under Scholarship Programs).
- The Governor's Effective and Efficient Schools program will annually recognize the top 10% of all public schools based on student performance and cost effectiveness.

- **Other**

- State match reimbursement for school lunches is flat-funded in FY12-13. Any funding not needed for the match is permitted to be used for school breakfast reimbursements.
- Alternative Education funding is decreased by 6.5% in FY12 and flat-funded in FY13.
- ODE is directed to develop and submit to the Governor and General Assembly a plan and legislative recommendations not later than December 31, 2011 for providing two additional years of instruction for persons age 22 or older through school districts' and community schools' dropout prevention and recovery programs.

- A pilot project using a multiple-track high school curriculum, including college prep and career-tech tracks, will be established in Columbiana County by the Superintendent of Public Instruction. The State Superintendent must solicit districts to participate, and pursue non-state funding for the project. The project will begin in the fall of 2012 and the State Superintendent is required to report to the General Assembly on the progress of the school after three years, but the project can be postponed if adequate resources are unavailable.
- College-preparatory boarding schools are authorized to be established as public schools operated by private nonprofit corporations. Students for the school will have to come from participating districts, be at risk for dropping out, meet academic or behavior criteria and come from a family at or below 200% of the poverty level. The schools may not open prior to the 2013-14 school year.
- Schools are allowed to make up three calamity days through online lessons or “blizzard bags.”
- The Director of the Office of Budget and Management and the State Superintendent are permitted to postpone a district’s reimbursement of Solvency Assistance Funds for up to ten years.
- A school district is authorized to enter a contract exceeding the lesser of \$500,000 or 1% of current year total revenue without a “412 certificate” if an alternative certification is made indicating that the contract 1) is a multi-year contract for materials, equipment, or nonpayroll services essential to the education program of the district, and 2) provides savings compared to a single year contract, allowing the district to reduce the deficit it is currently facing in future years.
- Local or exempted village school districts (non-Civil Service school districts) are permitted to terminate the positions of transportation employees for reasons of economy and efficiency and to contract with an independent agent to provide student transportation services, so long as specified procedures are followed for the consideration of employment of the terminated employees.
- The bill exempts the following positions from the requirement that 15 days of sick leave be provided to each person employed by any board of education: substitutes, adult education instructors who work the equivalent of less than 120 days per school year, and persons employed on an as-needed basis, seasonal, or intermittent basis. Sick leave for employees who render regular part-time, per diem, or hourly service must be granted at a rate of 4.6 hours of sick leave for 80 hours of service.
- Restrictions on the calorie and fat levels of milk sold a la carte in public and chartered nonpublic schools are repealed.
- The standard by which the State Superintendent certifies a special needs district for purposes of allowing the district to exceed the ordinary debt limit of 9% of a district’s tax valuation is modified. Also, the cost of other locally funded initiatives (in an amount of up to 50% of the district’s project cost) is added to the list of improvements that a district may incur debt in excess of the ordinary 9% debt limit if the district is participating in a state-assisted classroom facilities project.
- Students who attend school in Ohio cannot be denied the opportunity to participate in interscholastic athletics solely because the student’s parents do not reside in Ohio if the student resides in Ohio with a grandparent, uncle, aunt, or sibling who has temporary or legal custody or guardianship of the student.
- School district boards of education are permitted to transfer any unencumbered moneys remaining in the district’s textbook and instructional materials fund as of July 1, 2011 to the district’s general fund.
- School districts are authorized to combine, as a single ballot initiative, a property tax for a fixed amount of revenue and an income tax and this combined question can be proposed up to twice a year.
- School districts are authorized to transfer money in a bond fund or bond retirement fund to a specific permanent improvement fund if the county budget commission determines that the money transferred will not be required to meet the obligations payable from these funds.