

State of Ohio

---

# Executive Budget

Fiscal Years 2010 and 2011



## Book One

**Prepared by the Office of Budget and Management  
and Submitted to the 128th General Assembly  
By Governor Ted Strickland  
February 2009**



TED STRICKLAND  
GOVERNOR  
STATE OF OHIO

February 2, 2009

My Fellow Ohioans and Members of the General Assembly,

I am honored to present the Executive Budget, totaling \$119.8 billion for fiscal years 2010 and 2011. This budget has been crafted in the exceptional economic circumstances of the past year that has so seriously impacted our nation's economy. In making the difficult choices required to fund key priorities, we have kept foremost in our minds the needs of Ohio's most vulnerable citizens, as well as the need to invest in life long education that will bring jobs and growth to our economy.

Over the past two years, Ohio's economy has been buffeted by a severe national recession, and projected revenues for the fiscal year 2010-2011 biennium will require us to operate state programs at the resource level we enjoyed in fiscal year 2004. With the Obama Administration and Congress working to enact a stimulus bill for economic recovery, Ohio stands to benefit in significant ways in the short term. Amounts the state can expect to receive from that legislation are accounted for in the Executive Budget as submitted. However, while grateful for the Federal support, we have remained conservative in our use of resources and have limited agency funding accordingly.

Despite the economic setbacks we have experienced in the past two years, this budget continues the momentum in key investments that are critical to rebuilding Ohio's economy and positioning it for recovery:

- Reforming Ohio's primary and secondary education system to ensure that every Ohio child learns the skills needed to be successful in the 21<sup>st</sup> century, and establishing an unprecedented level of accountability to achieve results;
- Creating anew Ohio's education finance system in a manner that is simple, equitable and sustainable;
- Increasing affordability through sustained tuition limits for the University System of Ohio;
- Implementing a Unified Long-term Care Budget to assure that Ohioans have access to a broad range of choices in long term care settings in every community;
- Providing access to health care for every Ohio child;
- Extending access to health care for over 110,000 uninsured Ohioans;
- Advancing an accountability and efficiency agenda to lower the cost of government;
- Fully implementing the tax reforms enacted in Amended Substitute House Bill 66; and
- Proposing new and better tools to get and keep good jobs.

**Balancing Strategy for 2010-2011**

As a result of the national recession, projections of tax collections declined at an increasing rate throughout the fiscal year 2008-2009 biennium, necessitating three rounds of budget adjustments in February 2008, September 2008, and December 2008. General Revenue Fund tax receipts are projected to decline by \$825.8 million from fiscal year 2009 to fiscal year 2010 (4.5 percent) and then increase by \$59.2 million in fiscal year 2011. The Executive Budget assumes the use of \$3.4 billion from the Federal stimulus package in order to balance the General Revenue Fund and avoid additional funding reductions. For the biennium, total growth in the budget is 6.3 percent.

The State Appropriation Limitation, or SAL, has no impact on the Executive Budget since proposed spending is well below allowable spending under the SAL. The SAL allows appropriation increases of 3.5 percent in each year and 7.1 percent over the biennium. Aggregate GRF appropriations to which the SAL applies, decrease by 7.5 percent in fiscal year 2010 and increase by 8.5 percent in fiscal year 2011. For the biennium, aggregate GRF appropriations increase by less than 0.1 percent over fiscal year 2009 levels. As a result, the state will be \$4.5 billion under the SAL in the first year and \$3.8 billion under the SAL in the second year.

Using a variety of management strategies, the Executive Budget targets all available resources into programs vital to our state's success. Thus, choices made to target resources to key administration priorities results in a disparate impact on state agencies. Of the 60 agencies receiving General Revenue Fund appropriations for fiscal year 2010, 33 will receive a reduction from H.B. 119 appropriations levels, six will be flat funded, nine will receive an increase of between 0 and 3 percent, and 12 will receive an increase of more than 3 percent. In fiscal year 2011, seven agencies will receive a reduction in comparison to fiscal year 2010, while 37 will be flat funded, eight will receive an increase of 0 to 3 percent, and eight will receive increases of 3 percent or more.

Today's exceptional economic circumstances require exceptional action. Payroll reductions for all staff within the executive branch are included as a balancing strategy. The economic challenges facing the state require us to use a number of financing tools to meet the state's obligations, including the use of the state's rainy day fund balance, resources borrowed from the Ohio School Facilities Commission, and gains expected from restructuring debt obligations. Additionally, we have made conservative assumptions regarding the receipt of Federal funds from the stimulus proposal being enacted in Congress. We believe the state may receive in excess of this amount, once the bill terms are clarified.

### **Life Long Learning to Create the Most Competitive Workforce in the World**

Understanding the critical link between education and a vibrant economy, the Executive Budget makes investments and improvements in each level of our state's education and training system. We are creating one comprehensive early care and education system focusing on the whole child by uniting programs at the Department of Education. The Executive Budget also includes our comprehensive proposal to reform education and restructure funding for primary and secondary education. Additionally, the budget focuses almost all higher education resources towards one principal goal: making Ohio's higher education system affordable for all Ohioans. It proposes continuation of a compact with our institutions of higher education. If four-year public institutions keep tuition flat in fiscal year 2010, voluntarily limit increases to amounts up to 3.5 percent in the second year, and identify new efficiencies, we match their improvements with a 12.3 percent increase in the state share of instruction in fiscal year 2010 and a 0.8 percent in fiscal year 2011.

### **Health Care Access for More Uninsured Ohioans and All Ohio's Children**

The Executive Budget provides access to health care coverage for every child in Ohio. The Executive Budget fully implements health care coverage for Ohio children from 200 percent to 300 percent of the federal poverty level. Many hard-working Ohioans do not have access to affordable health insurance. This budget also takes the first steps recommended by the State Coverage Initiative by extending coverage for Ohioans in a variety of ways: allowing uninsured Ohioans to purchase coverage with pre-tax dollars; enabling young adults age 18 to 29 to maintain coverage through their parents; and modifying regulations to help those with pre-existing medical conditions to purchase more affordable coverage. In all, these initiatives will expand coverage to 110,000 Ohioans. Finally, we move forward on the implementation of the unified long term care budget, a tool designed to control the long term costs of Medicaid and healthcare for our most vulnerable citizens and expand options for care.

### **Investments in Ohio's Strengths**

The Executive Budget implements a number of key initiatives proposed in the comprehensive strategic plan for the Ohio Department of Development, including targeted industry development, initiating the new Ohio Hubs of Innovation and Opportunity Program and implementing the first component of the Ohio Means Home initiative. New tools to help Ohio attract and retain jobs, such as the Film Tax Credit, New Markets Tax Credit, renewed commitments to the Technology Investment Tax Credit, and broadened Job Creation Tax Credits and Job Retention Tax Credits, are proposed. Finally, the

budget also provides resources for full implementation of the bipartisan Jobs Stimulus Plan passed in the 127<sup>th</sup> General Assembly.

### **A Government that is Accountable**

The fiscal year 2010-2011 budget initiatives are part of the ongoing Strickland Administration's leadership agenda. Concrete progress on these goals is documented online and updated regularly at <http://results.ohio.gov/PerformanceGoalsGraphs/tabid/64/Default.aspx>. Each agency has suggested initiatives within their organizations designed to lower costs and boost efficiencies. This budget continues those initiatives, and accelerates three specific programs. First, the budget consolidates all fiscal and administrative operations of 28 Boards and Commissions. Second, it also moves forward on an aggressive implementation of shared services for travel reimbursements, invoice processing and bill payment, expected to avoid operating expenses for state agencies. Third, it provides resources to continue implementation of a government-wide strategic sourcing program which will coordinate purchasing across state government. While none of these expected savings are included in the budget projections, we expect that these investments will result in reductions in the cost of government for Ohio's taxpayers.

I look forward to working with the members of the General Assembly to enact this budget in these challenging times.

Sincerely,

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

Ted Strickland  
Governor

## **State Appropriation Limitation**

This narrative provides a detailed examination of the State Appropriations Limitation (SAL) and satisfies the requirements of ORC 107.33 which requires the following:

“As part of the state budget the governor submits to the general assembly under section 107.33 of the Revised Code, the governor shall include the state appropriation limitations the general assembly shall not exceed when making aggregate general revenue fund appropriations for each respective fiscal year of the biennium covered by that budget.”

The SAL was enacted in the spring of 2006 with the intent of limiting growth in General Revenue Fund (GRF) spending by imposing the following restrictions:

- Limits the growth of most GRF appropriations to the greater of 3.5 percent or the sum of the inflation rate plus rate of population change (Combination Rate).
- Permits exceptions to the limitation only in response to specifically eligible emergencies declared by the Governor.
- Requires the approval of at least three-fifths of the General Assembly to exceed the limitation in any year.
- Recasts the limitation every fourth year to prevent the build up of excess capacity that could result in large appropriation increases in certain years.

As outlined above, among the several non-tobacco budget related items contained in Amended Substitute Senate Bill 321 of the 126<sup>th</sup> General Assembly (the tobacco budget bill), was a provision setting a limitation on the amount of GRF appropriations that can be recommended to and enacted by the General Assembly. This restriction, referred to as the SAL has the potential to limit the discretion of future administrations by imposing a limit on the annual growth of most GRF appropriations to the greater of 3.5 percent or the sum of the rate of inflation plus the rate of population change, referred to in this special analysis as the Combination Rate. The intent of this analysis is to provide a general overview of the provisions of the SAL and identify and establish the SAL for the fiscal year 2010-2011 biennium.

### **What the SAL Covers**

While most GRF appropriations are governed under the restrictions imposed by the SAL (approximately 68% in fiscal year 2009), there are three specific categories exempted from the limitation. While one of these exempted categories (appropriation of moneys received as gifts) is insignificant in terms of the amount of money involved, the other categories represent approximately 31 percent of total GRF appropriations and have been growing more rapidly than the GRF as a whole in recent years. These categories are the appropriations of moneys received from the federal government and appropriations made for tax relief, tax refunds, or refunds of other overpayments. These three exempted categories are significant in that in fiscal year 2009, they represent an estimated \$8.3 billion, or 32 percent of all fiscal year 2009 GRF appropriations.

After accounting for the exempted categories identified above, the GRF appropriations to which the SAL will apply are defined in statute as “aggregate General Revenue Fund appropriations.” In order to prevent exempting aggregate GRF appropriations from the limitation in future years by shifting them from the GRF to non-GRF funding, any item identified as comprising part of the aggregate GRF appropriations either at the setting of the SAL in fiscal year 2007 or at any point in the future, will always be considered as counting toward the SAL, a label that will apply even if the item is eventually moved to a non-GRF fund.

### **The Role of the Governor and the Office of Budget and Management**

As part of the responsibility of submitting the Executive Budget Recommendations to the General Assembly, the laws governing the SAL require the Governor to identify and set the limitation for each year of the biennium. Once the limitation is set, the General Assembly is generally prohibited from exceeding it in the appropriations it makes during the course of the biennium. As a result, when preparing recommendations for the fiscal year 2008 – 2009 biennium, the Office of Budget and Management (OBM), under direction from the Governor, calculated the limitation by estimating the total fiscal year 2007 GRF appropriations and deducting estimated fiscal year 2007 appropriations for the exempted categories identified above. Once the fiscal year 2007 aggregate GRF appropriation amount was identified, thereby establishing the base, OBM determined the inflation factor that should be applied for fiscal year 2008. This inflation factor was selected after determining whether 3.5 percent or the Combination Rate of inflation plus population growth was greater. The calculation of the SAL for the second year of the current biennium, in this case, fiscal year 2009,

was then made by increasing the fiscal year 2008 SAL by the greater amount of either 3.5 percent or the Combination Rate as estimated by OBM, using forecast data from Global Insight.

**Calculating the SAL: Establishing the Original Limitation and updating for FY 2010 – 2011**

Under direction from the Governor, OBM applied the statutory framework discussed above and calculated the SAL for both fiscal years 2008 and 2009 at the time the budget for those years was introduced. Assuming GRF appropriations for fiscal year 2007 had remained unchanged at \$26.1 billion, plus \$107.3 million in contingent Medicaid appropriations that are authorized in Amended Substitute H.B. 66, total GRF appropriations for the base year were estimated at \$26.2 billion. OBM’s next step in carrying out this calculation was to deduct from the total appropriations, those appropriations that are specifically exempt from the SAL – appropriation of federal grant moneys, tax relief and refund payments, and appropriation of moneys received as gifts. Assuming that current appropriation levels for those items remain unchanged at just under \$7.1 billion, the estimated aggregate GRF appropriations amount for fiscal year 2007 that will serve as the base for fiscal years 2008 and 2009 are set at \$19.1 billion.

Having established the base of \$19.1 billion, the next step in calculating the SAL was to determine the growth rate that would be applied in both fiscal years 2008 and 2009. Per statutory requirements, OBM determined whether an increase of 3.5 percent or the combination rate would be greater for fiscal year 2008. Using the required data from the Consumer Price Index and population growth data available for Ohio, OBM estimated that the combination rate for fiscal year 2008 would be 2.5 percent, thus the 3.5 percent increase was applied to the fiscal year 2007 base amount, thereby setting fiscal year 2008 SAL at \$19.8 billion. In estimating the increase in order to set the SAL for fiscal year 2009, OBM relied on forecasts provided by Global Insight which estimates that the combination rate of inflation and population growth for Ohio in that year will be 2.06 percent, thus a 3.5 percent increase was again applied in setting the SAL for fiscal year 2009 at \$20.5 billion (see Table 1).

<b>Table 1 – State Appropriations Limitation FY 2007 – 2011</b>	
<b>FY 2007 Estimated Total GRF Appropriations</b>	<b>\$26,189,419,046</b>
<i>Minus Adjustments</i>	<b>\$7,091,425,064</b>
Tax Relief & Refunds Adjustment	\$1,243,753,516
Other Refunds Adjustment	\$15,493,049
Gifts Adjustment	\$28,726
Federal Grants Adjustment	\$5,832,149,774
<b>FY 2007 Aggregate GRF Appropriations (Base)</b>	<b>\$19,097,993,982</b>
<b>FY 2008 State Appropriations Limitation</b>	<b>\$19,766,423,771</b>
<b>FY 2009 State Appropriations Limitation</b>	<b>\$20,458,248,603</b>
<b>FY 2010 State Appropriations Limitation</b>	<b>\$21,174,287,304</b>
<b>FY 2011 State Appropriations Limitation</b>	<b>\$21,915,387,360</b>

**Reset Year Two and Set SAL for Second Biennium**

While the above process set the SAL for the first biennium of its effect, during the second year of the biennium (fiscal year 2009), OBM was required to do a new set of calculations in order to determine the SAL for the fiscal year 2010-2011 biennium. In carrying out these calculations, the statute required reexamining the estimate originally used to set the SAL for fiscal year 2009. This reexamination using the most recently published data on inflation and population growth was required in order to determine whether the SAL established for the second year of the biennium should have been set using an alternative method. For example, it was possible that in fiscal year 2007, the Combination Rate identified for fiscal year 2009 may have been estimated to be too low (due most likely to inflation) and as a result the SAL for fiscal year 2009 would have been set assuming a 3.5 percent increase. If in the reexamination, it was determined that the Combination Rate was in excess of 3.5 percent, the Governor would be required to recalibrate the SAL by adjusting the base of 2009 to reflect an increase greater than 3.5 percent and this base would serve as the estimated aggregate GRF appropriation level used to set the SAL for fiscal years 2010 and 2011, regardless of the actual fiscal year 2009 appropriations. Since however, the most recent data on the Consumer Price Index – Midwest Region available from the Bureau of Labor Statistics indicates an increase of 0.5 percent and the Census Bureau estimates annual population growth of 0.1 percent, the assumptions used in calculating the aggregate GRF appropriation level for fiscal year 2009 was correct and the original estimate shall serve as the basis for calculating the SAL for fiscal years 2010 and 2011.

### Estimated Impact of the SAL for Fiscal Years 2010 and 2011

As would have been the case with other budgets enacted in recent years the presence the SAL should have no impact on the Executive Budget Recommendations for either fiscal year 2008 or 2009. Specifically, while the SAL is set at \$21.2 billion in fiscal year 2010 and \$21.9 billion in fiscal year 2011, aggregate GRF appropriations under the Executive Budget Recommendations are \$16.7 billion and \$18.1 billion respectively (see Table 2). As a result, the Executive Recommendations will be \$4.5 billion below the SAL in fiscal year 2010 and \$3.8 billion below in fiscal year 2009. This is due to the fact that while the SAL increases by 3.5 percent in each year and 7.1 percent over the biennium, recommended aggregate GRF appropriations decrease by 7.5 percent in fiscal year 2010, increase by 8.5 percent in fiscal year 2011, a net increase of less than one percent over course of the biennium. Therefore, barring a significant increase in aggregate GRF appropriations during the legislative process, Ohio should end the fiscal year 2010-2011 biennium with considerable capacity under the SAL.

<b>Table 2 - State Appropriations Limitation vs Appropriations FY 2010 – 2011</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Total General Revenue Fund Appropriations</b>	<b>\$26,403,086,293</b>	<b>\$26,068,504,583</b>	<b>\$28,627,753,903</b>
Minus - Tax Relief	\$1,601,888,989	\$1,578,179,783	\$1,598,118,171
Minus - Estimated Refunds	\$0	\$0	\$0
Minus - Estimated Gifts	\$0	\$0	\$0
Minus - Federal Grants	\$6,764,645,621	\$7,773,476,613	\$8,894,787,914
<b>Aggregate GRF Appropriations</b>	<b>\$18,036,551,683</b>	<b>\$16,716,848,187</b>	<b>\$18,134,847,818</b>
<b>State Appropriations Limitation</b>	<b>\$20,458,248,603</b>	<b>\$21,174,287,304</b>	<b>\$21,915,387,360</b>
<b>Over (Under)</b>	<b>(2,421,696,920)</b>	<b>(\$4,457,439,117)</b>	<b>(\$3,780,539,542)</b>

### Limitations and Exceptions Available to the General Assembly

In addition to the discussing the process of establishing the SAL for the current biennium, this special analysis also addresses what happens once the SAL is set. Specifically, once the Governor has set the SAL, the General Assembly, through the appropriations process, may only exceed the limit under certain specified conditions. The first of these conditions would be to respond to a proclamation of emergency issued by the Governor in response to an act of God, pandemic disease, or infestation of destructive organisms, or for repelling invasion, suppressing insurrection, defending the state in time of war, or responding to terrorist attacks. Excess appropriations made for the specified purposes may only be used to respond to the emergency identified. In addition to responding to an emergency declared by the Governor, the General Assembly may also make excess appropriations that are approved by a two-thirds vote in each chamber that specifically identifies the purpose of each excess appropriation and states whether the appropriations are to be included as aggregate GRF appropriations with respect to future determinations of the SAL (i.e. whether they adjust the base).

The implications of the above restrictions on the budgeting process could be considerable in certain years, as once the limitation is set, it cannot be exceeded by the General Assembly without either having to respond to a qualifying declared emergency or mustering a two-thirds majority in each chamber. That being said, while a super majority would be required in order to exceed the limit absent a declared emergency, a simple majority is all that would be needed to remove the limitation by repealing the sections of the Ohio Revised Code that established it. In addition to having the authority to exceed or repeal the SAL, the enforceability of the SAL with respect to the General Assembly exceeding it on its own is also in question. Specifically, in question is whether either the executive or judicial branch would or could enforce its provisions without raising separation of powers issues under the Ohio Constitution.

### Four Year Recast of the SAL

In addition to recalculating or resetting the SAL in the second year of a biennium, as part of the process of setting the limitation for the next biennium, the Governor and OBM will be required to recast the limitation every four years beginning with fiscal year 2012. Specifically, while the SAL in effect for fiscal years 2008-2011 will be increased from the base year of fiscal year 2007 regardless of aggregate GRF appropriation levels, the recast requirement mandates that the SAL for fiscal year 2012 be based on the fiscal year 2011 estimated aggregate GRF appropriations, not on an inflation adjusted figure of the fiscal year 2011 SAL. As a result, barring significant increases in aggregate GRF appropriations levels and based on the current SAL for fiscal year 2011, the SAL for fiscal year 2012 will be recast at a level that would be approximately \$2.0 billion lower than it is in fiscal year 2009.

## **MESSAGE FROM GOVERNOR STRICKLAND**

State Appropriation Limitation  
Table of Contents

<b>Section A</b>	<b>Reader's Guide</b>	<b>Page</b>
	Introduction to the Executive Budget	A-1
	Demographic Information	A-3
	State of Ohio Organization Chart	A-5
	Glossary of Key Terms	A-6
	Basis of Budgeting	A-10
	Budget Calendar	A-12
	The Budget Process	A-13
	Funds of the State	A-15
	Frequently Asked Questions	A-20
	Guide to Reading the Budget Tables	A-23
<b>Section B</b>	<b>Economic Forecast and Income Estimates</b>	
	Economic Overview and Forecast	B-1
	Revenue Estimates and Methodology	B-3
	Actual and Estimated Revenues	B-31
<b>Section C</b>	<b>Budget Overview</b>	
	Revenue Summaries	C-1
	Spending Summaries	C-7
	Fund Balance Summaries	C-12
	Capital Improvements and Long-Term Financing	C-18
	State Personnel Summary	C-29
<b>Section D</b>	<b>Special Analyses</b>	
	School Funding	D-1
	Health Care	D-44
	Jobs and Economic Development	D-58
	Transportation	D-62
	Government Efficiency and Accountability	D-65
	Sentencing Reform	D-70
	Leveraging Existing Resources	D-73
<b>Section E</b>	<b>Agency Budget Recommendations (Organized Alphabetically)</b>	
	<b><u>A</u></b> Accountancy Board of Ohio	
	Adjutant General	
	Administrative Services, Department of	
	African American Males, Commission on*	
	Aging, Department of	

Agriculture, Department of  
Air Quality Development Authority  
Alcohol and Drug Addiction Services, Department of  
Architects, State Board of Examiners of  
Arts Council, Ohio  
Athletic Commission  
Attorney General  
Auditor of State

**B** Ballot Board  
Barber Examiners, Board of  
Budget and Management, Office of

**C** Capitol Square Review and Advisory Board  
Career Colleges and Schools, Board of  
Chemical Dependency Professionals Board  
Chiropractic Examiners, State Board of  
Civil Rights Commission, Ohio  
Commerce, Department of  
Consumers' Counsel, Office of the  
Controlling Board  
Cosmetology, State Board of  
Counselor, Social Worker, and Marriage & Family Therapy Board  
Court of Claims  
Cultural Facilities Commission, Ohio

**D** Defunct Agencies  
Dental Board, State  
Deposit, Board of  
Development, Department of  
Dietetics, Ohio Board of  
Dispute Resolution and Conflict Management, Commission on

**E** Education, Department of  
Elections Commission, Ohio  
Embalmers and Funeral Directors, State Board of  
Employee Benefits Funds  
Employment Relations Board, State  
Engineers and Surveyors, State Board of  
Environmental Protection Agency  
Environmental Review Appeals Commission  
eTech Commission  
Ethics Commission, Ohio  
Expositions Commission, Ohio

**G** Governor, Office of the  
Governor's Office of Veterans Affairs\*

**H** Health, Department of  
Higher Educational Facility Commission  
Hispanic-Latino Affairs, Ohio Commission on  
Historical Society, Ohio  
House of Representatives  
Housing Finance Agency

**I** Industrial Commission, Ohio

Inspector General, Office of the  
Insurance, Department of

**J** Job and Family Services, Department of  
Joint Committee on Agency Rule Review  
Joint Legislative Ethics Committee, Joint  
Judicial Conference of Ohio  
Judiciary/Supreme Court, The

**L** Lake Erie Commission  
Legal Rights Service  
Legislative Service Commission  
Library Board, State  
Liquor Control Commission  
Lottery Commission, Ohio

**M** Manufactured Homes Commission  
Medical Board, State  
Medical Transportation Board  
Mental Health, Department of  
Mental Retardation and Developmental Disabilities, Department of  
Minority Health, Commission on  
Motor Vehicle Collision Repair Registration, Board of

**N** Natural Resources, Department of  
Nursing, State Board of

**O** Occupational Therapy, Physical Therapy and Athletic Trainers Board  
Ohioana Library Association\*  
Optical Dispensers Board, Ohio  
Optometry, State Board of  
Orthotics, Prosthetics and Pedorthics, State Board of

**P** Personnel Board of Review, State\*  
Pharmacy, State Board of  
Psychology, State Board of  
Public Defender Commission, Ohio  
Public Safety, Department of  
Public Utilities Commission of Ohio  
Public Works Commission

**R** Racing Commission, State  
Regents, Board of  
Rehabilitation and Correction, Department of  
Rehabilitation Services Commission  
Respiratory Care Board  
Revenue Distribution Funds

**S** Sanitarian Registration, State Board of  
School Facilities Commission, Ohio  
School for the Blind, Ohio State\*  
School for the Deaf, Ohio State\*  
Secretary of State  
Senate  
Sinking Fund, Commissioners of the  
Southern Ohio Agricultural and Community Development Foundation

Speech-Language Pathology & Audiology, Board of

**T** Tax Appeals, Board of  
Tax Relief Programs  
Taxation, Department of  
Tobacco Use Prevention and Control Foundation\*  
Transportation, Department of  
Treasurer of State  
Tuition Trust Authority, Ohio\*

**U** Underground Storage Tank Release Compensation Board, Petroleum

**V** Veterans' Home, Ohio\*  
Veterans Organizations  
    Korean War Veterans  
    Jewish War Veterans  
    Catholic War Veterans  
    Military Order of the Purple Heart  
    Vietnam Veterans of America  
    American Legion of Ohio  
    AMVETS  
    Disabled American Veterans  
    Rainbow Division Veterans' Association, Ohio  
    Marine Corps League  
    37<sup>th</sup> Division Veterans' Association  
    Veterans of Foreign Wars  
    Army and Navy Union, U.S.A.  
    American Ex-Prisoners of War  
Veterans Services, Department of  
Veterinary Medical Board, State

**W** Workers' Compensation, Bureau of

**Y** Youth Services, Department of

\*These former agencies/commissions are displayed to meet the requirements of Revised Code 107.03. Please see the defunct agencies narrative for more information.

## List of Figures in the Executive Budget, Book One

<b>Figure Number and Title</b>	<b>Page</b>
Figure B-1 Estimated Fiscal Impacts of Major Tax Law Changes in House Bill 66 of the 126 <sup>th</sup> General Assembly	B-4
Figure B-2 Proposed Tax Changes in FYs 2010 and 2011 Executive Budget and the impact on State Revenues	B-6
Figure B-3 Sales and Use Tax GRF Revenues	B-7
Figure B-4 Non-Auto Sales Tax	B-8
Figure B-4a Non-Auto Sales and Use Tax GRF Revenues	B-9
Figure B-5 Auto Sales and Tax GRF Revenues	B-9
Figure B-6 Personal Income Tax GRF Revenues	B-10
Figure B-6a Personal Income Tax GRF Revenues	B-11
Figure B-7 Corporation Franchise Tax GRF Revenues	B-12
Figure B-8 Commercial Activity Tax Revenues for All Funds	B-13
Figure B-9 Public Utility Excise Tax GRF Revenues	B-14
Figure B-10 Kilowatt-Hour Tax GRF Revenues	B-15
Figure B-11 Insurance Tax GRF Revenues	B-16
Figure B-12 Foreign Insurance Tax GRF Revenues	B-17
Figure B-13 Domestic Insurance Tax GRF Revenues	B-18
Figure B-13a Domestic Insurance Tax GRF Revenues	B-18
Figure B-14 Business and Property Tax GRF Revenues	B-19
Figure B-15 Cigarette and Other Tobacco Product Tax GRF Revenues	B-20
Figure B-16 Alcohol Beverage Tax GRF Revenues	B-21
Figure B-17 Liquor Gallonage Tax GRF Revenues	B-22
Figure B-18 Estate Tax GRF Revenues	B-23
Figure B-19 OBM Estimates – Federal Stimulus Revenue Deposited to GRF	B-24
Figure B-20 Federal Reimbursement to GRF for ODJFS Expenditures	B-26
Figure B-21 GRF Revenues from Earnings on Investment	B-27
Figure B-21a GRF Revenues from Earnings on Investment	B-27
Figure B-22 License and Fee GRF Revenues	B-28
Figure B-23 Other Income GRF Revenues	B-28
Figure B-24 Intrastate Transfer Vouchers GRF Revenues	B-28
Figure B-25 Liquor Profit Transfer to the GRF	B-29
Figure B-26 Transfers-In to GRF	B-30
Figure B-27 Temporary Transfers-In to GRF	B-30
Figure B-28 Income Sources, Fiscal Years 2006-2011	B-32
Figure C-1 Total GRF – Estimated Revenues for FYs 2010 and 2011	C-3
Figure C-2 State-Only GRF – Estimated Revenues for FYs 2010 and 2011	C-4
Figure C-3 All Funds – Estimated Revenues for FYs 2010 and 2011	C-5
Figure C-4 Total GRF – Recommended Appropriations for FYs 2010 and 2011	C-8
Figure C-5 All Funds – Recommended Appropriations for FYs 2010 and 2011	C-9
Figure C-6 Expense by Object Summary, FYs 2006-2011	C-10
Figure C-7 Ending Fund Balances for the GRF and Budget Stabilization Fund, FYs 2002-2011	C-13
Figure C-8 GRF and BSF Ending Balances as a Share of Annual GRF Revenues, FYs 2002-2011	C-13
Figure C-9 Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2010 and 2011	C-14
Figure C-10 Debt Service Expenses as a Percent of GRF Revenues	C-25
Figure C-11 Changes in General Long-Term Obligations	C-26
Figure C-12 Summary of State Debt as of June 30, 2008	C-27
Figure C-13 GRF Debt Capacity Under the 5 Percent Limit	C-28
Figure C-14 Summary of State of Ohio Personnel, FYs 2008-2011	C-29
Figure C-15 Summary of State of Ohio Personnel – Related Expenditures	C-30
School Funding – Special Analysis	
Figure D-1 State Early Childhood Development System	D-3

Figure D-2	Ohio's 21 <sup>st</sup> Century Student-Centered Learning Environment	D-6
Figure D-3	Comparison of Proposed Ohio Evidence Based Model to Present System	D-16
Figure D-4	State Share Percentage by Fiscal Year	D-23
Figure D-5	Total State Support by Fiscal Year	D-24
Figure D-6	State Funding by District Type	D-24
Figure D-7	Student Enrollment – 10-year Trend	D-26
Figure D-8	Breakdown by Degree Type	D-36
Figure D-9	Highest Enrollment Growth by Ohio Public Campus	D-36
Figure D-10	Top Ten Higher Education Research and Development Expenditures	D-39
Health Care – Special Analysis		
Figure D-11	Ohio's Medicaid Population, 2009	D-44
Figure D-12	Ohio Medicaid Caseload Trends, December 2007 through December 2008	D-45
Figure D-13	Fiscal Years 2010 and 2011 Executive Budget Recommendations	D-47
Figure D-14	Managed Care Pharmacy Programs Nationwide	D-49
Figure D-15	Long Term Care Patients by Site of Care, 2004	D-51
Figure D-16	Number of Persons 60 Years or Older Using Nursing Facility or Waiver Program	D-52
Transportation – Special Analysis		
Figure D-17	Proposed Department of Public Safety Fee Adjustments	D-64
Sentencing Reform – Special Analysis		
Figure D-18	DRC Population	D-70
Figure D-19	Estimated Savings from Increasing Community Correction Diversions	D-71
Figure D-20	Estimated Savings from Raising Felony Theft Threshold	D-71
Figure D-21	Estimated Savings from Non-Payment of Child Support Reform	D-72
Figure D-22	Estimated Savings from Redefining a Portion of Parole Violation Statute	D-72
Figure D-23	Savings from Offering Seven Days Earned Credit	D-72
Leveraging Existing Resources – Special Analysis		
Figure D-24	Annual Cash-Flow Impact of the Debt Restructuring	D-76
Figure D-25	Debt Restructuring, Annual Impact on Total GRF Debt Service	D-77
Figure D-26	Impact of Debt Restructuring on GRF Debt Amortization Rates	D-77
Figure D-27	Unclaimed Funds Trust Fund Transfers and Ending Fund Balance History	D-79