

**Role and Overview**

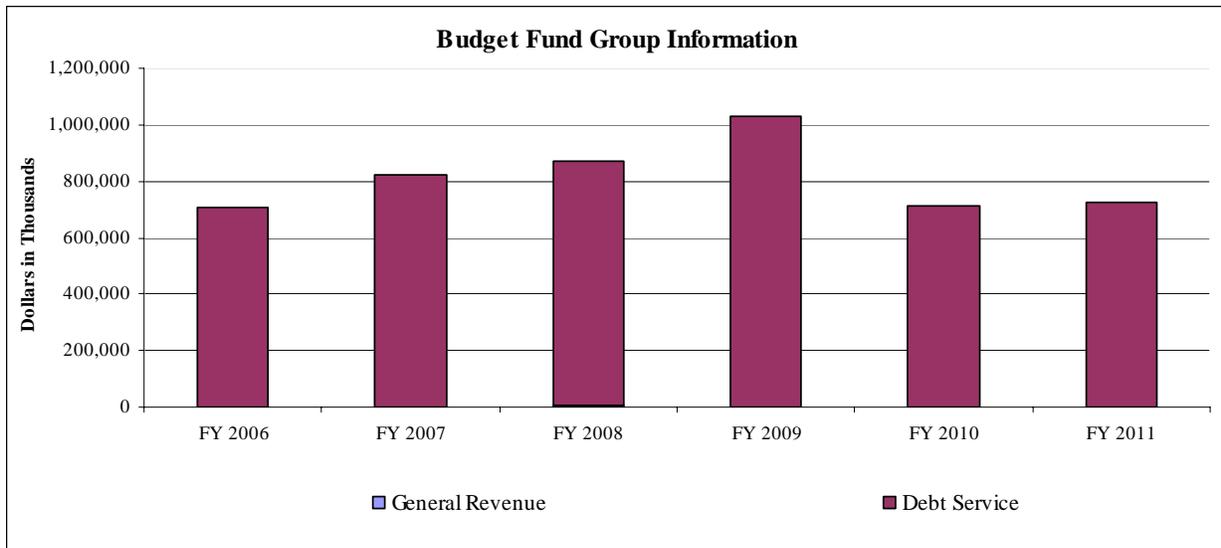
The Commissioners of the Sinking Fund (CSF) facilitate the payment of debt service on fixed rate, variable rate, and derivative products for state general obligation bonds, including bonds issued for highway, coal research and development, local infrastructure, parks and natural resources, higher education, primary and secondary education, Third Frontier research and development, site development, and conservation purposes. Additional duties include the management and payment of financing costs and administrative expenses associated with the issuance and payment of state general obligation bonds. These costs are paid from the Office of Debt Management appropriation located in the Treasurer of State’s budget.

Pursuant to Section 11 of Article VIII of the Ohio Constitution and Section 129.22 of the Revised Code, the Sinking Fund also is required to submit to the Governor and the General Assembly a semi-annual report detailing the status of all general obligation debt of the state.

**Agency Priorities**

- Facilitate the payment of debt service on state general obligation bonds.
- Pay financing and administrative costs associated with the issuance of general obligation bonds.

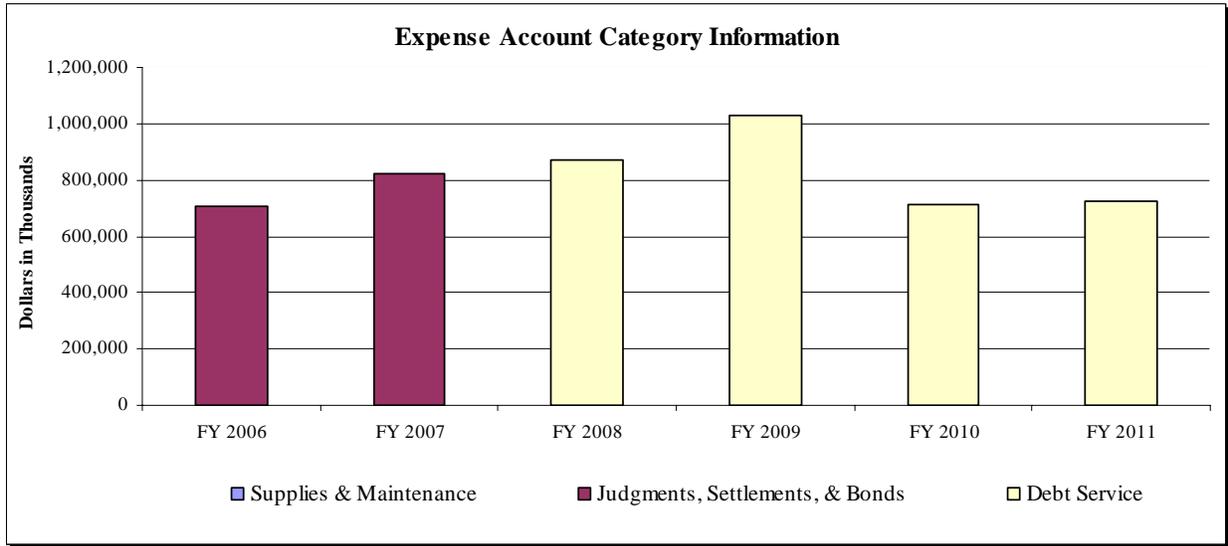
**Summary of Budget History and Recommendations**



- Decrease in funding in fiscal years 2010 and 2011 due to debt restructuring proposal (outlined in the Special Analysis section) designed to help provide funding for core state services and investments in a time of constrained resources.

(In Thousands)	ACTUAL			EST.	%	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	%	FY 2011	%
General Revenue	0	0	3,080	0	-100.0	0	0.0	0	0.0
Debt Service	704,194	819,497	867,552	1,028,682	18.6	711,930	-30.8	724,663	1.8
<b>TOTAL</b>	<b>704,194</b>	<b>819,497</b>	<b>870,632</b>	<b>1,028,682</b>	<b>18.2</b>	<b>711,930</b>	<b>-30.8</b>	<b>724,663</b>	<b>1.8</b>

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- Due to changes in the method of coding transactions in the state accounting system, the Transfers & Non-Expense category and Debt Service category expenditures have been aggregated and reported as the Judgments, Settlements and Bonds category in fiscal years 2006 and 2007.

(In Thousands) EXPENSE ACCOUNT CATEGORY	ACTUAL			EST.	% CHANGE	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	% CHANGE	FY 2011	% CHANGE
Supplies & Maintenance	349	483	304	0	-100.0	0	0.0	0	0.0
Judgments, Settlements, & Bonds	703,846	819,014	0	0	0.0	0	0.0	0	0.0
Debt Service	0	0	870,328	1,028,682	18.2	711,930	-30.8	724,663	1.8
<b>TOTAL</b>	<b>704,194</b>	<b>819,497</b>	<b>870,632</b>	<b>1,028,682</b>	<b>18.2</b>	<b>711,930</b>	<b>-30.8</b>	<b>724,663</b>	<b>1.8</b>

**PROGRAM SERIES 01: General Obligation Debt Retirement**

This program series facilitates the payment of debt service on the state's general obligation debt.

**Program 01.01: General Obligation Debt Retirement**

This single program facilitates the payment of debt service on the state's general obligation debt.

**The Executive Recommendation will fund the following objectives:**

- Support debt service payments for general obligation bonds issued for highway, coal research and development, local infrastructure, parks and natural resources, conservation, higher education, primary and secondary education, Third Frontier research and development, and job ready site development purposes.
- Provide \$711.9 million in fiscal year 2010 and \$724.7 million in fiscal year 2011 to fund general obligation debt service.

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**Commissioners of the Sinking Fund**

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2010	FY 2011
DSF	7070	155905	Third Frontier Research & Development Projects	20,948,300	29,011,600
DSF	7072	155902	Highway Capital Improvement Bond Retirement	202,074,000	203,434,200
DSF	7073	155903	Natural Resources Bond Retirement	26,334,400	26,549,400
DSF	7074	155904	Conservation Projects Bond Service	20,711,100	25,684,900
DSF	7076	155906	Coal R&D Bond Retirement Fund	9,968,400	10,947,000
DSF	7077	155907	State Capital Improvement Bond Retirement	148,331,900	163,443,500
DSF	7078	155908	Common Schools Cap Facility Bond Retirement	192,559,200	165,510,500
DSF	7079	155909	Higher Education Cap Facility Bond Retirement	85,317,700	89,480,300
DSF	7090	155912	Job Ready Site Development	5,685,400	10,601,900
<b>TOTAL FOR PROGRAM</b>				<b>711,930,400</b>	<b>724,663,300</b>

**Appropriation Line Item Analyses for Fiscal Years 2010 and 2011**

**Line Item Notes**

155907, State Capital Improvement Bond Retirement Fund: Funding reductions for this line item result from the Debt Restructuring proposal detailed in the Special Analysis section of this Executive Budget. The approximately \$400 million combined reduction in fiscal years 2010 and 2011 for debt service line items for higher education, common schools, and infrastructure bonds will help to provide funding for core state services and investments in a time of constrained resources.

155908, Common Schools Bond Retirement Fund: Funding reductions for this line item result from the Debt Restructuring proposal detailed in the Special Analysis section of this Executive Budget. The approximately \$400 million combined reduction in fiscal years 2010 and 2011 for debt service line items for higher education, common schools, and infrastructure bonds will help to provide funding for core state services and investments in a time of constrained resources.

155909, Higher Education Bond Retirement Fund: Funding reductions for this line item result from the Debt Restructuring proposal detailed in the Special Analysis section of this Executive Budget. The approximately \$400 million combined reduction in fiscal years 2010 and 2011 for debt service line items for higher education, common schools, and infrastructure bonds will help to provide funding for core state services and investments in a time of constrained resources.

**LINE ITEM SUMMARY - Commissioners Of The Sinking Fund**

FUND	ALI	ALI NAME	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 RECOMMENDED	% CHANGE	FY 2011 RECOMMENDED	% CHANGE
GRF	155912	Job Ready Site Development	0	0	3,080,341	0	0	.0	0	.0
<b>TOTAL General Revenue</b>			<b>0</b>	<b>0</b>	<b>3,080,341</b>	<b>0</b>	<b>0</b>	<b>.0</b>	<b>0</b>	<b>.0</b>
7070	155905	Third Frontier Research & Development Projects	0	11,457,941	11,749,792	24,523,400	20,948,300	-14.6	29,011,600	38.5
7072	155902	Highway Capital Improvement Bond Retirement	181,163,642	198,794,291	206,078,646	205,139,500	202,074,000	-1.5	203,434,200	0.7
7073	155903	Natural Resources Bond Retirement	25,373,565	21,771,967	22,740,318	25,723,000	26,334,400	2.4	26,549,400	0.8
7074	155904	Conservation Projects Bond Service	9,916,551	14,160,769	15,705,563	19,779,200	20,711,100	4.7	25,684,900	24.0
7076	155906	Coal R&D Bond Retirement Fund	7,053,193	7,015,212	7,132,604	8,192,500	9,968,400	21.7	10,947,000	9.8
7077	155907	State Capital Improvement Bond Retirement	157,571,484	175,664,187	177,931,614	188,696,300	148,331,900	-21.4	163,443,500	10.2
7078	155908	Common Schools Cap Facility Bond Retirement	188,885,689	232,753,821	265,094,567	339,648,300	192,559,200	-43.3	165,510,500	-14.0
7079	155909	Higher Education Cap Facility Bond Retire	134,230,210	154,433,290	160,613,532	208,747,200	85,317,700	-59.1	89,480,300	4.9
7090	155912	Job Ready Site Development	0	3,445,759	505,152	8,232,500	5,685,400	-30.9	10,601,900	86.5
<b>TOTAL Debt Service</b>			<b>704,194,334</b>	<b>819,497,236</b>	<b>867,551,788</b>	<b>1,028,681,900</b>	<b>711,930,400</b>	<b>-30.8</b>	<b>724,663,300</b>	<b>1.8</b>
<b>TOTAL Commissioners Of The Sinking Fund</b>			<b>704,194,334</b>	<b>819,497,236</b>	<b>870,632,129</b>	<b>1,028,681,900</b>	<b>711,930,400</b>	<b>-30.8</b>	<b>724,663,300</b>	<b>1.8</b>