State of Ohio

Executive Budget

Fiscal Years 2006 and 2007

Book One

Prepared by the Office of Budget and Management
and Submitted to the 126th General Assembly
By Governor Bob Taft
February 2005

STATE OF OHIO

EXECUTIVE BUDGET

Fiscal Years 2006 and 2007

Thomas W. Johnson
Director
Office of Budget and Management

Timothy S. Keen
Assistant Director

The preparation of the Executive Budget is a team effort by the budget analysts, computer programmers, and support staff of the Office of Budget and Management, and also the budget, program, and support staffs of state agencies. Questions about the Executive Budget should be directed to the Office of Budget and Management, 30 East Broad Street, Columbus OH 43215-3457, Telephone 614.466.4034 or FAX 614.466.3813. Budget information also may be accessed via the Internet at http://www.obm.ohio.gov.

BOB TAFT
GOVERNOR
STATE OF OHIO

February 10, 2005

Dear Fellow Ohioans and Members of the General Assembly:

I am pleased to present my recommendations for the fiscal years 2006-2007 biennial budget. This is my fourth and final operating budget as governor of the State of Ohio. My recommendations for the upcoming biennium reflect values and priorities I have emphasized throughout the time I have held this office:

- Advancing tax reform that reduces the tax burden on families while enhancing Ohio's business climate;
- Supporting programs and activities that create jobs and spur economic development;
- Setting the stage for academic success for Ohio's children; and
- Creating a more efficient government.

Comprehensive Tax Reform

The Ohio economy is growing slowly relative to the rest of the nation. Our tax system is contributing to this slow growth, and we must do something about it. Our current tax system is archaic, uncompetitive, and unfair. Ohio's high taxes on personal income and on business equipment and inventory are its primary competitive disadvantages. I believe comprehensive tax reform is the major piece of unfinished business of my Administration. We must ensure that Ohio has a tax structure that is fair and supports our economic development goals. The tax reform included in my budget proposal will:

- Encourage capital investment and job creation;
- Slow out-migration of highly educated, high-income households;
- Reduce the need for tax abatement and level the playing field;
- Have business and individuals pay their "fair share" of tax;
- Create a tax structure whose revenue growth keeps pace with the economy; and
- Provide adequate revenue to fund essential state and local government services.

Encouraging Economic Development

A key priority of this administration is to strengthen Ohio's economy and create more, good-paying jobs. In addition to tax reform proposals, this budget supports a number of initiatives that foster economic growth.

We continue to support the Third Frontier Project, and in recent months launched the Third Frontier Network, a statewide, fiber-optic network for education, research and economic development. This budget recommends over $134 million for Third Frontier programs. It provides funding for the Third Frontier Action Fund, and for Innovation Ohio and research and development programs that began in the current biennium.

77 SOUTH HIGH STREET - 30TH FLOOR - COLUMBUS, OHIO 43215-6117 - 614.466.3555 - FAX: 614.466.9354

Last February, we won the prestigious Governor's Cup, awarded by *Site Selection Magazine* to the state with the most new and expanded business facilities in 2003. We are proud of this award, and this budget builds on this recognition by increasing business development funding. These grants assisted in securing more than $1.3 billion in new investments in fiscal years 2003 and 2004, creating more than 6,600 new jobs and retaining more than 22,600 existing jobs. We continue to work to assure that we have a workforce that can meet the demands of our businesses. In the 2004 Jobs Bill, we began the Worker Guarantee Program to assess, screen, and train employees for companies creating 100 or more new jobs. This budget continues this initiative and provides substantial resources to ensure that customized training is available to new and expanding businesses. Finally, we continue to work to market Ohio to the nation and the world as a great place to do business. This budget provides funding to the Ohio Business Development Coalition, created in 2004 to promote and market Ohio's tremendous economic assets.

Education, the Cornerstone of Success

Reforming education in the State of Ohio has been a top priority of this administration. The first two steps toward that reform were the creation of the Governor's Commissions for Student Success and on Teaching Success. Implementation of the recommendations from these commissions has created an aligned educational system that holds students, teachers, and schools accountable. The final step toward this reform was ensuring that districts have the resources necessary to give all students the opportunity to succeed. For this purpose I called for the creation of the Governor's Blue Ribbon Task Force on Financing Student Success. The Task Force, made up of leaders from the education and business community and policy makers from the legislative and executive branches, began its work in August 2003 and issued its recommendations after 17 months of deliberation.

My budget begins phasing in the recommendations of the Task Force supporting a new building-blocks approach to allocating funds. It funds those activities, like teacher training, that research tells us make a difference in student achievement. It also recognizes that different children have different needs to achieve the same standards.

A More Efficient Government

As good stewards of the public treasury, we have an obligation to become more efficient and maintain the state's financial stability. Through common sense tax reform and spending constraints, we're returning the budget to structural balance and leaving the state on a solid financial footing.

Over the course of the last several years, my administration has worked very hard to balance the budget in very difficult economic times.

- We've cut $1.4 billion in spending from authorized spending levels.
- We've closed six state institutions.
- We've reduced the state workforce by more than 3,000 employees.
- We've reduced the state vehicle fleet by 12 percent.
- We negotiated the most conservative contract ever with state employee unions under which state employees received no cost of living adjustments for two years; and,
- We've worked to control the growth of Medicaid – implementing cost containment initiatives that will reduce spending by $863 million in the current biennium alone.

This budget continues that conservative management of state government. It reduces or holds flat spending for most agencies; consolidates functions and activities of several state agencies and holds the line on our biggest spender – the Medicaid program.

I am pleased to present to you a budget that is balanced, demonstrates good stewardship of taxpayer dollars and fosters the economic development so important to our great State.

Sincerely,

Bob Taft

Bob Taft
Governor

77 SOUTH HIGH STREET - 30TH FLOOR - COLUMBUS, OHIO 43215-6117 - 614.466.3555 - FAX: 614.466.9354

Table of Contents

MESSAGE FROM GOVERNOR BOB TAFT

Table of Contents
State of Ohio Organization Chart

Tab A	**Reader's Guide**	**Page**
	Introduction to the Executive Budget	A-1
	Demographic Information	A-2
	Glossary of Key Terms	A-4
	Basis of Budgeting	A-7
	The Budget Process	A-9
	Budget Calendar	A-12
	Funds of the State	A-13
	How the Executive Budget is Organized	A-18
	Frequently Asked Questions	A-20
	Guide to Reading the Budget Tables	A-23
Tab B	**Summaries of Budget Information**	
	Revenue Summaries	B-1
	Spending Summaries	B-5
	Fund Balance Summaries	B-12
	Capital Improvements and Long-Term Financing	B-17
	Tobacco Revenue Budget	B-26
Tab C	**Economic Forecast and Income Estimates**	
	Economic Overview and Forecast	C-1
	Revenue Estimates and Methodology	C-10
	Actual and Estimated Revenues	C-32
Tab D	**Special Analyses**	
	Tax Reform	D-1
	Education, the Cornerstone of Success	D-15
	Economic Development	D-27
	Ohio Children's Budget	D-38
	Ohio Medicaid	D-65
	Fee Increases	D-69

Tab E **Agency Budget Recommendations (Organized Alphabetically)**

Accountancy Board of Ohio*
Accrued Leave Liability Fund Group
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*

Table of Contents

Attorney General
Auditor of State

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

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
Criminal Justice Services, Office of
Cultural Facilities Commission, Ohio

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

Education, Department of
Educational Telecommunications Network Commission, Ohio
Elections Commission, Ohio
Embalmers and Funeral Directors, State Board of*
Employment Relations Board, State
Engineers and Surveyors, State Board of*
Environmental Protection Agency
Environmental Review Appeals Commission
Ethics Commission, Ohio
Expositions Commission, Ohio

Governor, Office of the

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

Industrial Commission, Ohio
Inspector General, Office of the
Insurance, Department of

Job and Family Services, Department of
Joint Committee on Agency Rule Review
Joint Legislative Ethics Committee, Joint

Table of Contents

Judicial Conference of Ohio
Judiciary/Supreme Court, The

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

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*

Natural Resources, Department of
Nursing, State Board of*

Occupational Therapy, Physical Therapy and Athletic Trainers Board*
Ohioana Library Association
Optical Dispensers Board, Ohio*
Optometry, State Board of*

Personnel Board of Review, State
Pharmacy, State Board of*
Professional and Occupational Regulatory Boards
Psychology, State Board of*
Public Defender Commission, Ohio
Public Safety, Department of
Public Utilities Commission of Ohio
Public Works Commission

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

Sanitarian Registration, State Board of*
School Facilities Commission, Ohio
School for the Blind, Ohio State
School for the Deaf, Ohio State
School Net Commission, Ohio
Secretary of State
Senate
Sinking Fund, Commissioners of the
Speech-Language Pathology & Audiology, Board of*
State and Local Government Commission of Ohio**

Tax Appeals, Board of

Table of Contents

Tax Relief Programs
Taxation, Department of
Transportation, Department of
Treasurer of State
Tuition Trust Authority, Ohio

Underground Storage Tank Release Compensation Board, Petroleum

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
  37th Division Veterans' Association
  Veterans of Foreign Wars
  Army and Navy Union, U.S.A.
  Veterans of World War I
  American Ex-Prisoners of War
Veterinary Medical Board, State*

Women's Policy and Research Commission**
Workers' Compensation, Bureau of

Youth Services, Department of

*Please see Professional and Occupational Regulatory Boards
**These former agencies/commissions are displayed to meet the requirements of Revised Code 107.03. Please see the former state agencies/commissions narrative for more information.

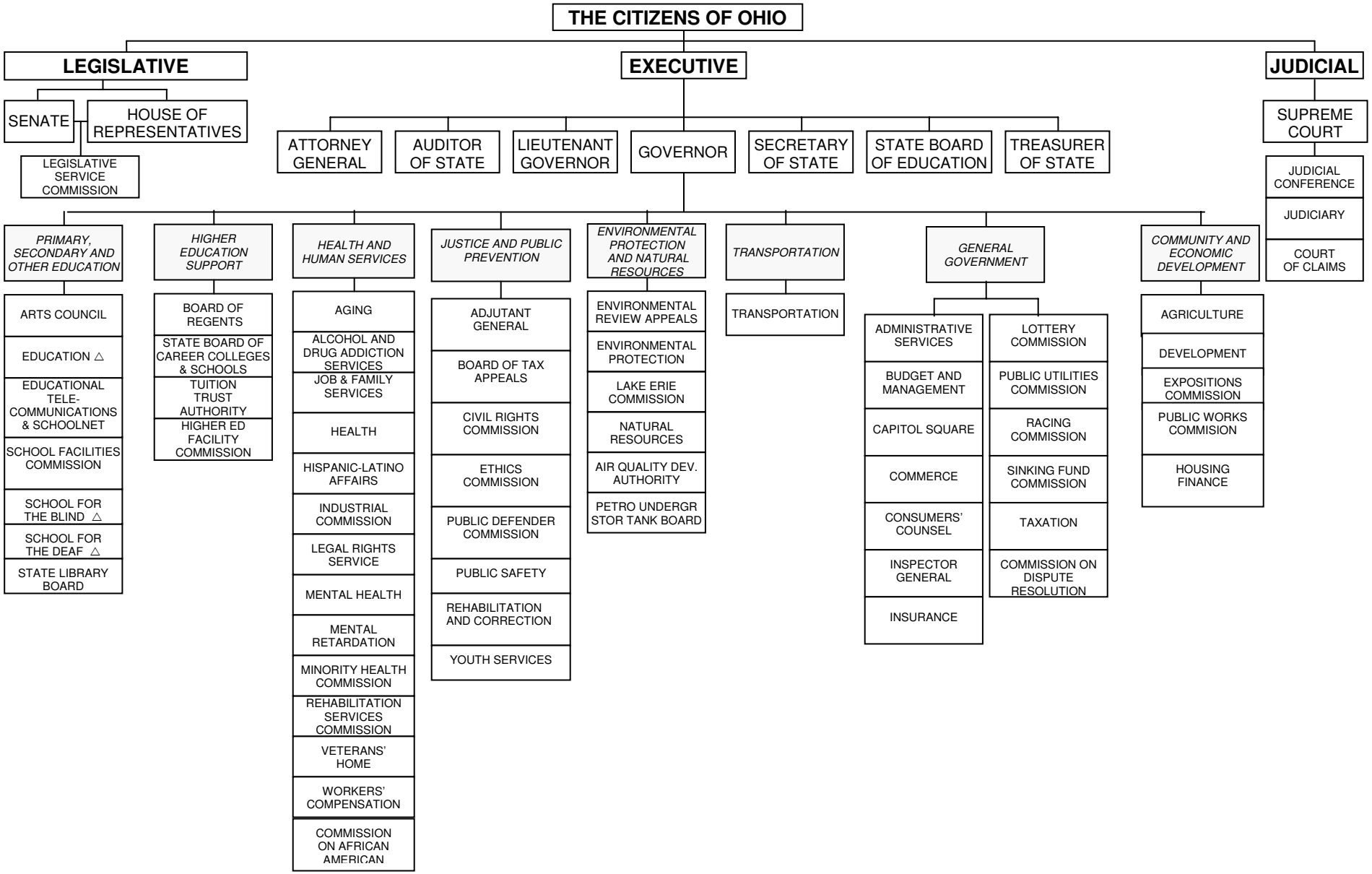
Table of Contents

List of Tables and Figures in the Executive Budget, Book One

Table Number and Title		Page
Table B-1	Expense by Object Summary, Fiscal Years 2002-2007	B-9
Table B-2	GRF Expense by Category, FYs 2002-2007	B-11
Table B-3	History of Ending Fund Balances for GRF and BSF, FYs 1998-2007	B-13
Table B-4	Fund Balance Calculations by GAAP Fund Type and Budget Fund Group For FYs 2006 and 2007	B-14
Table B-5	Debt Service Expenses as a Percent of GRF Revenues	B-23
Table B-6	Changes in General Long-Term Obligations	B-24
Table B-7	Summary of State Debt as of 6-30-04 and FY 2006 and 2007 Estimated Issuance Amounts	B-25
Table C-1	Economic Variables, Historical and Forecast for CYs 1999-2006	C-9
Tables C-2-22	Income Sources for FYs 2002-2007	C-11
Table E-1	Department of Job and Family Services, State and Federal Shares of GRF	JFS-21

Figure Number and Title		
Figure B-1	Total GRF – Estimated Revenues for FYs 2006 and 2007	B-2
Figure B-2	State-Only GRF – Estimated Revenues for FYs 2006 and 2007	B-3
Figure B-3	All Funds – Estimated Revenues for FYs 2006 and 2007	B-4
Figure B-4	Total GRF – Recommended Appropriations for FYs 2006 and 2007	B-6
Figure B-5	State-Only GRF – Recommended Appropriations for FYs 2006 and 2007	B-7
Figure B-6	All Funds – Recommended Appropriations for FYs 2006 and 2007	B-8
Figure B-7	GRF and BSF Ending Balances as a Share of Annual GRF Revenues	B-13

STATE OF OHIO ORGANIZATION CHART*



△ REPORTS TO STATE BOARD OF EDUCATION

* Organization Chart as proposed in fiscal year 2006-2007 Executive Budget

Introduction to the Executive Budget

The Reader's Guide is an introductory section of the Executive Budget that contains general information to help readers understand and use the contents of Governor Taft's budget proposal for fiscal years 2006 and 2007. It contains the following informational sections:

- Demographic information about Ohio
- Glossary of key terms
- Summary of the state's financial accounting method
- Description of the process used to develop the state budget, including a budget calendar
- Description and listing of state funds
- Description of the organization of the Executive Budget, including a brief description of each section in the budget
- Frequently asked questions about the budget
- Guide to reading and understanding the budget tables that are included in the summaries for each agency

Background

The state's first Constitution was adopted in 1802 and Ohio entered the union in 1803. Ohio's present Constitution was modified by a state Constitutional Convention in 1851 and has since been amended on numerous occasions. The Constitution establishes a state governmental structure similar to the federal model, with three separate branches of government–executive, legislative, and judicial.

The executive branch consists of the Governor and Lieutenant Governor, who are jointly elected, and four additional statewide elected officials: the Attorney General, the Auditor of State, the Secretary of State, and the Treasurer of State. All of these officials are elected to four-year terms. Approximately 100 departments, agencies, boards, and commissions are part of the executive branch of government and receive appropriations from the legislature, along with three judicial and five legislative agencies.

The state legislature in Ohio is referred to as the General Assembly and consists of two separate chambers, the Senate, a 33-member body, and the House of Representatives, a 99-member body. Each member of the General Assembly is elected to represent the residents of a geographical district for a specified term. Members of Ohio's General Assembly are subject to term limits; Senators are restricted to serving two four-year terms, and Representatives are restricted to serving four two-year terms. Each chamber has a presiding officer to call the chamber to order and direct the calendar of events. The presiding officer in the Senate is the President of the Senate, and the presiding officer of the House of Representatives is the Speaker of the House. A new General Assembly is convened in January of each odd-numbered year. The legislature that convened in January 2005 is the state's 126th General Assembly.

Along with the establishment of the state governmental structure, the state constitution requires Ohio to have a balanced budget. Ohio's budget is prepared for a period of two years – a biennium – which begins on July 1 of odd-numbered years and ends 24 months later on June 30. Within a biennium are two separate fiscal years, each beginning on July 1 and ending on June 30. The budget proposed by Governor Taft in this document is for the two-year period beginning July 1, 2005 and ending June 30, 2007.

State Demographic Information

STATE OF OHIO*

TOTAL POPULATION:	11,353,140	**Median age:**	36.2
Percent White	85%	**College graduates:**	1,563,532 (13.6%)
Percent Black	11.5%	**Home Ownership:**	69.1%
Percent Hispanic	1.9%	**Land area (sq. miles):**	40,948
Percent Asian	1.2%	**Persons/square mile:**	277.3

* Includes most recent data available from census 2000.

Demographics

Ohio's population of approximately 11.4 million is ranked seventh in the nation and is largely concentrated in eight large urban centers and 15 micro-metropolitan centers. The largest metropolitan area in Ohio is the Cleveland-Akron-Canton consolidated area, with more than 2.9 million people. Other metropolitan areas with populations in excess of 500,000 include Cincinnati, Columbus, Dayton, Toledo, and Youngstown.

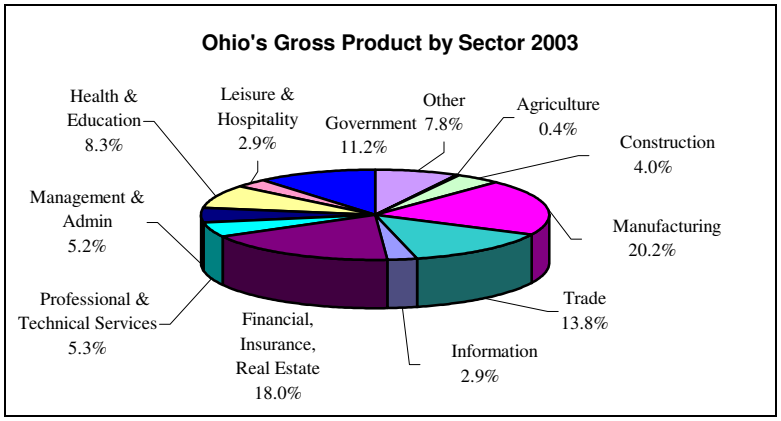
History

Of Ohio's first inhabitants during the prehistoric era, the Adena (800 BC – 100 AD) were the first to farm Ohio, and the Hopewell (100 BC – 400 AD) built Ohio's mounds that can still be seen today. Marietta, established in 1788 by New England Revolutionary War veterans, was the first permanent white settlement in the state. Ohio was admitted to the union as the 17th state in 1803, and was the first state created from the Northwest Territory. Chillicothe was designated as the first capital of the new state until 1810, when the capital was moved to Zanesville. The capital was temporarily moved back to Chillicothe in 1812, and Columbus became the state's permanent capital in 1816.

Ohioans have played important roles in our nation's history. There have been eight presidents from Ohio, earning Ohio the nickname "the Mother of Presidents." Ohio is also the birthplace of world famous inventors, actors, athletes, authors, and astronauts. March 1, 2003, marked the 200th anniversary of statehood for Ohio, a state with many accomplishments, rich history and culture, and a strong future.

Economy

Ohio's gross state product was $407 billion in 2004, making Ohio the seventh largest state economy. Ohio ranks third among the 50 states in manufacturing gross state product.



Because of its diverse population and its location, Ohio has become home to a variety of businesses and industries, including the service industry, manufacturing, agriculture, and tourism. Sixty percent of all U.S. and Canadian households lie within 600 miles of Ohio. Manufacturing is the largest of Ohio's major sectors, based on gross state product. The state's factories lead the nation in the production of plastics, rubber, and electrical equipment and supplies. The state's largest manufacturing industries are transportation equipment and fabricated metals. These two industries are closely identified with a number of nationally recognized firms with a major presence in Ohio, including General Motors, DaimlerChrysler, Delphi, Ford, Honda, General Electric, AK

Steel, International Steel Group, Timken, and WHX. Other notable firms include: Procter & Gamble, NCR, The Limited, Sherwin-Williams, and numerous financial institutions such as J.P. Morgan Chase, KeyCorp, National City Corp, Huntington Bancshares, and Fifth Third Bancorp. Ohio's service-producing sectors generate 75 percent of the state GSP. The state's two leading export commodities are machinery and motor vehicles. Ohio firms ship products to 205 countries and the state accounts for about 4.3 percent of the U.S. export total. Ohio's merchandise exports were $29.8 billion in 2003.

EMPLOYMENT FACTS:

- *The top five auto-related manufacturers in Ohio employ roughly ten percent of the manufacturing employment in the state.*
- *Five of the top 25 employers in Ohio are hospital/health networks and employ 91,250 workers.*
- *Ohio's top eight leading financial institutions employ 81,170 workers.*
- *Ohio's top ten universities employ 56,905 workers.*

Source: Major Ohio Employers*, Ohio Department of Development, December 2004*

Glossary of Key Terms

Appropriation. An authorization granted by the Ohio General Assembly to make expenditures and incur obligations for specific purposes. An appropriation limits the amount that may be spent for a given purpose in a given period of time. No appropriation may be made for a period greater than 2 years.

Appropriation Line Item, or ALI, or Line Item. An ALI is a 6 digit numeric code (in the format xxx-xxx), used to identify and account for amounts appropriated for the activities of an agency. The first three characters identify the administering agency, division, or activity responsible for the specific purpose. The last three characters indicate the specific purpose.

Biennium. A two-year period that begins July 1 and ends 24 months later on June 30.

Budget. A plan for the expenditure of funds to support an agency, program, or project.

Budget Fund Group. The categories used to group similar funds for Ohio's budgetary reporting purposes. Ohio's funds are categorized according to their revenue sources and the purposes for which they are used.

Budget-In-Brief. The "Budget in Brief" is a document that often accompanies the Executive Budget. It highlights the spending priorities presented in the Governor's budget recommendations to the General Assembly. It discusses the policy goals and budget proposals underlying the major program areas. The "Budget in Brief" gives special attention to the key policy initiatives in program areas such as children's services, education, economic development, corrections, and natural resources. The document also summarizes expenditures and proposed funding for all agencies.

Budget Object Class. See Object Class.

Budget Request Limitation. The Budget Request Limitation concept replaced the "core budget level" and "budget request cap" concepts from prior biennia. The Budget Request Limitation is imposed by fund and limits the amount of funding that an agency can request. In most cases the limitation was 100% of fiscal year 2005 appropriations.

Budget Stabilization Fund. A reserve balance account that receives transfers from the GRF. The balance in this fund is intended to stabilize budgets against cyclical changes in revenues and expenditures. This fund can carry a balance of up to 5 percent of prior-year GRF revenues.

Capital Budget. The budget for the acquisition or construction of major capital items, including land, buildings, structures, and equipment and is completed in two-year periods beginning in odd-numbered years. Moneys for these projects are typically appropriated from funds whose revenue comes from bond sales.

Cash. Actual balance of moneys available to support disbursements and appropriations. All state special revenue funds (revenue generated by the agency), federal special revenue funds, and bond funds must have an available cash balance to support disbursements. Agencies that receive a GRF appropriation are not required to monitor cash balances for disbursements.

Custodial Accounts. Some accounts are created "in the custody of the State Treasurer" but are not a part of the state treasury. These accounts are referred to as custodial accounts. A custodial account must have specific language that establishes it in the custody of the State Treasurer.

Debt Service. The payment of principal, interest, and associated costs on the state's bonded indebtedness. Debt service appropriations are usually made to the agency on whose behalf the bonds were issued.

Encumbrance. Reservation of appropriation authority typically representing purchase orders and contracts entered into by state agencies.

Equipment. Expenditures for durable goods such as computers, desks, chairs, or cars.

Executive Budget. Also known as the "Blue Book" or the "Blue Disk" in the past, the Executive Budget provides the legislature and the public with the Governor's funding recommendations for the next budget biennium. Proposed funding levels, historical spending patterns, and descriptive narratives are presented for each agency. It also includes information about the budget process, revenue sources and estimates, economic forecasts, capital improvements, state funds, and special program areas. The document is the executive's financial plan for state government and is made available via Office of Budget and Management's (OBM) website.

Expenditures. Payments against appropriations that reduce the cash balance after legal requirements have been met. A fiscal year's expenditures are payments actually made in that fiscal year, regardless of the state fiscal year in which the appropriations were reserved or encumbered for such payments.

Extended Program Budget Requests. Agencies use Extended Program Budget Requests to show the proposed uses of funding above the request limitations, by program, for non-GRF funds for which an appeal has been granted.

Federal Special Revenue Fund (FED). A group of funds whose revenues are federal grants or entitlements. Expenditures for these funds are made in accordance with state and federal law.

Fiscal Year (FY). A 12-month period used for fiscal planning purposes. The state fiscal year (SFY) begins July 1 and ends the following June 30. The federal fiscal year (FFY) begins October 1 and ends the following September 30.

Full-Time Equivalent (FTE). For budget development purposes, OBM uses this method of calculating personnel levels, in which one FTE works 2,080 hours per year. Each full-time permanent employee is counted as one FTE and each part-time permanent employee is counted as one-half of an FTE.

Fund. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. A fund created in the state treasury usually has one or more appropriation items from which expenditures are made. If the fund has only one appropriation line item, the line item name often is the same as the fund name.

Fund Balance. The unencumbered cash remaining in a fund at the end of a specified time period, usually the end of the fiscal year.

General Revenue Fund (GRF). The GRF is the primary operating fund of the state. This fund receives the unrestricted revenues of the state, primarily from such revenue sources as the personal income tax, the sales and use tax, the corporate franchise tax, and the public utilities excise tax. The fund also receives significant federal revenues in support primarily of human services programs.

General Services Fund (GSF) Group. This fund group consists of funds not easily classified into or appropriately accounted for in another fund group. Many of the funds in this group receive payments from other funds for services provided or receive interagency grants.

Lapse. Appropriations not encumbered or expended prior to their expiration.

Line Item Veto. A provision that allows a Governor to veto components of the legislative budget on a line-by-line basis.

Maintenance. Expenditures for expendable goods and supplies such as utilities, gasoline, postage, paper, pens, repairs, telephone, and travel.

Multi-Program Series Agency. For agencies that perform more than one distinct activity, the activities of the agency are divided into program series. The program series may have multiple programs.

Non-recurring/One-time Appropriation. An appropriation made for a one-time item or project. Examples include capital or major equipment purchases, special studies, and information technology upgrades.

Object Class. Two-digit code used to categorize expenses.

- Personal Service (10): Payroll, including fringe benefits;
- Purchased Services (13): Purchased or contracted services (e.g. consultants);
- Supplies & Maintenance (20): Expendable goods and supplies such as utilities, gasoline, postage, paper, pens, repair and travel;
- Equipment (30): Durable goods such as computers, furniture or vehicles;
- Subsidy (50): Distributions made to individuals, organizations, school districts, higher education facilities, or other local government units;
- Goods for Resale (60): Goods or services purchased by one state agency to be sold or resold to another state agency or to the public;
- Capital (70): Significant fixed assets such as land and buildings; and
- Transfers & Non-Expense Disbursements (90): Cash disbursements and other transactions that reduce cash resources but are not an operating expense.

Operating Budget. The budget established for the operation of a state agency or program, typically based on legislative appropriation, and completed in two-year periods beginning with even numbered years.

Performance Measures. Performance measures are used by an agency to evaluate the effectiveness of its programs. They may indicate a level of agency activity or output, or a level of outcomes experienced by an agency's customers. Over time, performance measures help agencies identify ways to improve their efficiency and effectiveness.

Personal Services. Expenditures for payroll, including fringe benefits and related services such as consultants, physicians, and temporary services.

Program. A program is a discrete activity within an agency's organization that is intended to provide a specific good or service in response to identified social or individual need or problem. A various number of programs can be grouped under each program series. An example of a program is the Department of Education's Entry-Year Educators Program that provides year-long professional growth experience for newly licensed teachers and principals.

Program Series. A program series groups closely related programs into an overarching category that captures the state's efforts to provide for a public need. A program series corresponds with a major area of focus or goal for a state agency and in most cases is composed of two or more programs. Most agencies are characterized by more than one program series. An example of a program series is the Department of Education's Educator Training Program Series that includes general, entry-year, mathematics, science, and literacy educator training programs.

Reappropriation. Legislative action that provides for the renewal of a previous capital appropriation. Agencies sometimes are not able to spend what is in the current capital bill or the current reappropriations bill by the end of the biennium. However, they will continue to need the appropriation or a portion of the appropriation for projects designated in those bills.

Single Program Series Agency. For budget purposes, small agencies are generally single program series agencies, as they usually have a more narrowly defined purpose.

State Special Revenue (SSR) Fund Group. This fund group consists of funds that receive special revenues for specified activities that are required by law.

Subsidy Account. An appropriation line item used to legally restrict appropriations and account for distributions for designated purposes. Such distributions are made to individuals, organizations on behalf of individuals, school districts, higher education facilities, local governmental units, or other recipients.

Basis of Budgeting

Introduction

The legally adopted budget plays a central role in the state's financial management system. The budget is a plan of financial operations that embodies an estimate of proposed expenditures for each fiscal year of the biennium.

The objective of budgetary control is to manage the state's finances within limitations set forth in its approved budget. Budgetary control allows the state to keep its expenditures within limitations of available appropriations and available revenues.

The state has designed its Central Accounting System to ensure and demonstrate compliance with the budget. The appropriated budget is "integrated" into the accounting system. This means that the accounting system is specifically designed to provide ongoing and timely information on what is still available to be spent within established budget limitations.

The following discussion addresses specifics about the state's budgetary process and related policies, including the level of budgetary control, the basis of budgetary accounting, and the use of encumbrance accounting.

Budgetary Process

As required by the Ohio Revised Code, the Governor submits the biennial operating and capital budgets to the General Assembly. The particular budget, which includes those funds of the state subject to appropriation pursuant to Ohio law, is comprised of all proposed expenditures for the state and of estimated revenues and borrowings for a biennium.

The General Assembly enacts the budget through passage of specific departmental line item appropriations. Line item appropriations are established within funds by program or major object of expenditure. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative override.

The state's Controlling Board, comprised of six members of the General Assembly and the Director of the Office of Budget and Management (OBM) or a designee, can transfer or increase a line-item appropriation within the limitations set under Chapter 127 of the Ohio Revised Code. The Board has delegated the authority to the Director of OBM to transfer appropriations between existing operating expenditure/expense line item appropriations within a state agency in amounts not to exceed a cumulative total of $50,000 (or $75,000 for institutional agencies) from each line item appropriation within a fiscal year.

Budgetary Control

The state maintains its legal level of budgetary control at the departmental line item appropriations level. Ohio's Central Accounting System controls expenditures at this level; therefore, at no time can expenditures exceed appropriations and financial-related legal compliance is assured.

Basis of Accounting

Ohio prepares its budget using the modified cash basis of accounting. Under this basis of accounting, the state recognizes revenues when cash is received and expenditures when paid. Furthermore, at the close of a fiscal year the state reserves cash sufficient to cover the payment of outstanding encumbrances and other obligations. For external financial reporting purposes, the state issues the Comprehensive Annual Financial Report (CAFR). This report is prepared in conformity with generally accepted accounting principles (GAAP). Because the state budgets on a modified cash basis of accounting, which differs from GAAP, the required reconciliation of the differences between the state's budgetary financial statements and its GAAP-basis financial statements is presented in the CAFR.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations, is employed as an extension of formal budgetary integration in the state's accounting system. Outstanding encumbrances at the end of the fiscal year are recorded as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally cancelled five months after the end of the fiscal year while capital encumbrances are generally cancelled two years after the biennial period for which they are appropriated. Unencumbered appropriations lapse at the end of the biennium budget period.

For external reporting in its non-GAAP budgetary financial statements, the state also reports encumbrances as expenditures in the year when related purchase commitments are made.

The Budget Process

Introduction

Every two years, the Governor is required by state law to propose a new budget for state activities. The operating budget proposal must be submitted to the General Assembly not later than four weeks after its organization and is usually submitted to the legislature in early February of each odd-numbered year. In years of a new Governor's inauguration, however, state law permits the budget proposal to be submitted to the legislature by March 15. More than a statutory requirement, however, the budget represents a statement of priorities. It sets a strategic policy direction for the activities of state government. Therefore, a detailed budget preparation process is necessary to generate information that will help the Governor and the General Assembly reach consensus regarding the priorities of the state and the most effective use of state resources. The process can be divided into the following components:

- Development of the Governor's Executive Budget
- Enactment by the legislature
- Gubernatorial approval and vetoes

Development of the Governor's Executive Budget

The Office of Budget and Management (OBM) is the executive agency charged with preparing the Governor's budget recommendations. In March 2004, OBM issued to all agencies the *Operating Budget Guidance for Ohio's State Agencies for Fiscal Years 2006 and 2007* that specified the format, content, and due dates for agency budget requests to OBM.

The operating budget guidance continued OBM's implementation of substantial changes to the budget preparation process. OBM had previously completed an exercise in which all agencies reviewed their operations and developed a descriptive structure based on the concepts of program series and programs. Other changes from past biennia included the following:

- Earlier budget request due date;
- Elimination of the Core and Supplemental Budget Requests and the "core budget level" and "budget request cap" concepts;
- Implementation of program budgeting; and
- Introduction of Budget Request Limitations, including the limitation of nearly all agencies' requests for all funds to 100% of the fiscal year 2005 appropriations.

Agencies then used Program Budget Requests to seek appropriations within the limitations above. The underlying organizational structure for the Program Budget Request was the description of an agency by program series and programs. This format allowed for a more easily understood budget request by clearly showing what services or activities are "bought" by each program at a requested dollar amount. Agencies were able to prioritize within and by programs. Agencies were also able to allocate dollars within a fund, rather than by line item, which afforded flexibility when budgeting the available resources.

For funding above the fiscal year 2005 appropriation level, agencies were asked to make Extended Program Budget requests for specific funds. Prior to submitting Extended Program Budget requests, agencies were required to appeal to OBM, identifying the need for the additional appropriation. If the appeal was approved, the agency could then request the additional amount and further justify the need in the request. With some exceptions, agencies were not permitted to request or appeal for funding beyond 100% of fiscal year 2005 GRF appropriations.

Agency budget submissions were due in mid-July. Once budget requests were received, the Office of Budget and Management worked closely with agency representatives to gain a full understanding of the budget submission, agency circumstances, and needs.

In addition to reviewing the spending requests, OBM must assess and predict the availability of revenue to support the proposed state expenditures. In November 2004, a meeting of the Governor's Council of Economic Advisors was held to construct a consensus forecast of key economic indicators for the United States and Ohio. OBM and the Department of Taxation worked together to produce revenue estimates based on the consensus forecast. As revenue projections were finalized, the director of OBM worked closely with the Governor and his key advisors to ensure that this spending plan reflected the Governor's priorities.

Preliminary spending recommendations were made and submitted to agencies for review. Agencies were given an opportunity to appeal the recommendations, and changes were made to the Governor's spending plan based on the merits of appeals and the availability of resources. Final recommendations were reviewed by the Governor and approved for transmittal as the Governor's Executive Budget.

Enactment by the Legislature

Although the Governor is required to make budget recommendations, the power of appropriating money rests with the legislature. The Governor's spending plan, along with any statutory and temporary law necessary to make it operational, is drafted into a bill. Separate budget bills are prepared for the Bureau of Workers' Compensation, the Industrial Commission, and the non-GRF portions of the budget for the Departments of Transportation and Public Safety.

Traditionally, budget bills are introduced in the House of Representatives under the sponsorship of the chairman of the House Finance and Appropriations Committee. Once introduced, the bill is referred to the House Finance and Appropriations Committee. The committee and its various subcommittees conduct extensive hearings, reviewing all aspects of agency budgets and law changes. The full committee concludes its work when it reports, after changing the Governor's plan through substitutions and amendments, a bill with a favorable vote by a majority of the committee members. The bill is then considered before the full House of Representatives, where further amending may take place, and the bill is passed by a majority of the members.

Once passed by the House, the bill is sent to the Senate for consideration. It is referred to the Senate Finance Committee where, again, extensive hearings are held. The committee reports a modified bill, which then goes to the full Senate for further amending and passage.

Typically, differences exist between the House and Senate versions of the budget bill, thus requiring the appointment of a Conference Committee. The Conference Committee is comprised of three members of each chamber and is responsible for resolving the differences between the House and Senate versions of the bill. Once all differences are resolved, the committee prepares a report that it recommends to both chambers for final approval. Majority affirmative votes in each house are required to accept the report of the Conference Committee and enact the budget bill.

Gubernatorial Approval and Vetoes

A bill usually becomes law upon signature of the Governor. In Ohio, the Governor is empowered to veto all or any item of an appropriations bill. Upon receipt of the bill passed by the legislature, the Governor conducts a thorough review of its contents and determines whether any items should be disapproved. Disapproved items are noted in the bill signed by the Governor, and the bill, along with the written objections, is returned to the legislature. The bill must be signed by July 1, the first day of the new fiscal year. The legislature is empowered by a three-fifths majority vote of each house to override each vetoed item.

Capital Budgeting Process

Apart from the operating budget process, Ohio also must budget for capital expenditures – the construction or rehabilitation of structures and the purchase of permanently affixed equipment. The capital bill is generally submitted every even-numbered year, while the operating bill is submitted on each odd-numbered year.

Tobacco Settlement Budgeting Process

Since calendar year 2002, OBM has been charged with preparing and recommending, with the concurrence of the Governor, to the General Assembly a biennial budget for the use of the revenue received by Ohio pursuant to the Tobacco Master Settlement Agreement (MSA). In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the MSA with the nation's largest tobacco manufacturers. This Agreement ended litigation brought by the Attorneys General against the manufacturers in 1996 for state health care expenses attributed to smoking-related claims. Based on OBM's recommendations, the tobacco bill is drafted and typically introduced every even-numbered year.

Budget Calendar

From preparation of the Executive Budget through enactment of the appropriation bills, the following calendar was followed:

March 2004	The Office of Budget and Management (OBM) distributes guidelines to state agencies for preparation of the Executive Budget for fiscal years 2006 and 2007.
April 2004	Agency appeal letters requesting increased Budget Request Limitations for non-GRF funds are due to OBM.
July 2004	All agencies' budget requests, prepared in the program series and program format, are due to OBM.
July through October 2004	OBM completes review and analysis of agency requests; budget hearings held; agencies may be asked to provide additional information to assist in the development of recommendations.
Nov. 2004 through January 2005	OBM prepares revenue estimates internally for the upcoming biennium. OBM evaluates agencies' budgets and makes recommendations on funding priorities to the Governor within established revenue projections. Agencies are given a time period in which they may appeal for additional funding.
Late January 2005	Governor makes final decisions for the Executive Budget. The Executive Budget is submitted to the General Assembly. OBM and the Legislative Service Commission prepare the main operating appropriations bill based on the Executive Budget document.
February 2005	The first of the budget bills is introduced in the House of Representatives.
February through June 2005	The House and Senate hold hearings and vote on the budget bills.
June 2005	The Conference Committee works out differences between the versions of the budget bill passed by the House and Senate. The House and Senate vote on the Conference Committee report. The Governor signs the appropriations bill, which takes effect July 1, 2005. If the budget bill is not signed by June 30, 2005, an interim budget must be enacted.

Funds of the State

The state's funds are organized into budget fund groups – categories used to group similar funds for budgetary reporting purposes. The funds are categorized according to their revenue sources and the purposes for which they are used. The budget fund group (BFG) concept is used in the Executive Budget to summarize history and recommendations for fiscal years 2000 to 2007 for each agency. The list below contains descriptions of all existing budget fund groups.

The State's Budget Fund Groups

Budget Fund Group	Abbreviation	Budget Fund Group	Abbreviation
Accrued Leave Liability	ALF	Juvenile Correctional Building	028
Administrative Building	026	Liquor Control	LCF
Adult Correctional Building	027	Local Infrastructure Improvement	LIF
Agency	AGY	Local Transportation Improvement	052
Arts Facilities Building	030	Lottery Profits Education	LPE
Auditor of State	AUS	Mental Health Facilities Improvement	033
Budget Stabilization	013	Ohio Parks and Natural Resources	031
Clean Ohio Conservation Program	CLF	Parks and Recreation Improvement	035
Clean Ohio Revitalization Program	CLR	Revenue Distribution	RDF
Coal Research and Development	046	School Building Assistance	SBA
Debt Service	DSF	Sports Facilities Building	024
Education Improvement	006	State Highway Safety	HSF
Facilities Establishment	037	State Lottery	SLF
Federal Special Revenue	FED	State Special Revenue	SSR
General Revenue	GRF	Tobacco Settlement	TSF
General Services	GSF	Transportation Building	029
Higher Education Improvement	034	Underground Parking Garage	UPG
Highway Capital Improvement	042	Volunteer Fire Fighters' Dependents	085
Highway Operating	HOF	Waterways Safety	WSF
Highway Safety Building	025	Wildlife	WLF
Holding Account Redistribution	090	Workers' Compensation	WCF
Infrastructure Bank Obligations	045		

The budget fund groups are described below.

Accrued Leave Liability (ALF). The Accrued Leave Liability Budget Fund Group consists of funds that receive direct payroll charges and interest. Major expenditures consist of payments to state employees for accrued vacation, sick and personal leave time, disability benefits, and payments associated with the state's self-insured health care plan.

Administrative Building (026). The Administrative Building Budget Fund Group consists of the Administrative Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for capital improvements to state office buildings and structures.

Adult Correctional Building (027). The Adult Correctional Building Budget Fund Group consists of the Adult Correctional Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for capital improvements for the Department of Rehabilitation and Correction.

Agency (AGY). The Agency Budget Fund Group consists of funds used to account for cash receipts held by the state as custodian or agent. Ultimately, cash is distributed from these funds to individuals, corporations, private organizations, other state funds, or local governmental units.

Arts Facilities Building (030). The Arts Facilities Building Budget Fund Group consists of the Arts Facilities Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for the conservation of and improvements to various arts and sciences facilities at the state and local levels.

Auditor of State (AUS). The Auditor of State Budget Fund Group consists of funds used to operate the Office of Auditor of State. Primary sources of revenue include the sale of audit services to local governments and other state agencies. Expenditures cover the cost of providing audit services.

Budget Stabilization (013). The Budget Stabilization Budget Fund Group consists of the Budget Stabilization Fund that receives transfers from the General Revenue Fund. The purpose of the Budget Stabilization Fund is to help reduce the impact of an economic downturn that may result in the reduction of revenues to the General Revenue Fund.

Clean Ohio Conservation Program (CLF). The Clean Ohio Conservation Program Budget Fund Group consists of funds that receive proceeds from general obligation debt issuances. Expenditures from these funds are used for conservation projects across the state.

Clean Ohio Revitalization Program (CLR). The Clean Ohio Revitalization Program Budget Fund Group consists of funds that receive proceeds from revenue debt issuances. Expenditures from these funds are used for revitalization projects across the state.

Coal Research and Development (046). The Coal Research and Development Budget Fund Group consists of the Coal Research and Development Fund that receives proceeds from general obligation debt issuances. Expenditures from this fund are for grants to industries and universities for coal research and development projects.

Debt Service (DSF). The Debt Service Budget Fund Group consists of several debt service funds that receive taxes, interest revenue, and transfers from the General Revenue Fund. Expenditures from these funds provide for payment of general long-term debt principal, interest, and associated costs.

Education Improvement (006). The Education Improvement Budget Fund Group consists of the Education Improvement Fund that receives transfers from the General Revenue Fund. Expenditures from this fund are for education improvement programs in elementary and secondary schools.

Facilities Establishment (037). The Facilities Establishment Budget Fund Group consists of funds that receive proceeds from the sale of revenue bonds that are used for loans and loan guarantees to assist businesses in building or expanding Ohio-based facilities. The fund also receives repayments of those loans.

Federal Special Revenue (FED). The Federal Special Revenue Budget Fund Group consists of funds that receive federal grants or entitlements. Expenditures from these funds are made in accordance with state and federal laws.

General Revenue (GRF). The General Revenue Budget Fund Group consists of the General Revenue Fund that accounts for all financial resources except those required to be accounted for in another fund. Primary sources of revenue include sales, income, and corporate franchise taxes. General Revenue Fund expenditures support education, human services, general government, and property tax relief.

General Services (GSF). The General Services Budget Fund Group consists of funds not easily classified into or appropriately accounted for in one of the other budget fund groups. Many of the funds in this group receive payments from other funds for services provided. Also included in this group are funds that receive interagency grants. The Income Tax Reduction Fund is one of the many funds in this group.

Higher Education Improvement (034). The Higher Education Improvement Budget Fund Group consists of the Higher Education Improvement Fund that receives proceeds from general obligation debt issuances. Expenditures are made for improvements to state-assisted higher education facilities.

Highway Capital Improvement (042). The Highway Capital Improvement Budget Fund Group consists of the Highway Capital Improvement Fund that receives proceeds from general obligation debt issuances. Expenditures are for capital improvements to highways.

Highway Operating (HOF). The Highway Operating Budget Fund Group consists of transportation-related funds that receive motor fuel taxes and highway use taxes. Expenditures are made primarily for the maintenance and expansion of the highway system.

Highway Safety Building (025). The Highway Safety Building Budget Fund Group consists of the Highway Safety Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for capital improvements for the Department of Public Safety.

Holding Account Redistribution (090). The Holding Account Redistribution Budget Fund Group consists of several funds used to account for moneys collected but for which the correct fund for deposit is unknown or the money is not yet determined to be earned by the state. In instances when moneys on deposit in these funds are determined not to be earned by the state, a refund disbursement is recorded.

Infrastructure Bank Obligations (045). The Infrastructure Bank Obligations Budget Fund Group consists of the Infrastructure Bank Obligations Fund that receives proceeds from revenue debt issuances. Expenditures are made to provide financial assistance to public and private entities for transportation projects.

Juvenile Correctional Building (028). The Juvenile Correctional Building Budget Fund Group consists of the Juvenile Correctional Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for capital improvements for the Department of Youth Services.

Liquor Control (LCF). The Liquor Control Budget Fund Group consists of funds used to operate the Division of Liquor Control in the Department of Commerce, the Investigative Unit in the Department of Public Safety, and the Liquor Control Commission. Primary sources of revenue include retail and wholesale liquor sales. Major expenditures consist of liquor purchases, operating costs, and debt service on economic development bonds and revitalization bonds issued under the Clean Ohio Program. Additionally, a portion of the liquor profits is transferred monthly to the General Revenue Fund.

Local Infrastructure Improvement (LIF). The Local Infrastructure Improvement Budget Fund Group consists of funds created to assist local subdivisions in financing public infrastructure capital improvements. Proceeds from general obligations debt issuances are credited to these funds.

Local Transportation Improvement (052). The Local Transportation Improvement Budget Fund Group consists of the Local Transportation Improvement Program Fund that receives transfers from the State and Local Government Highway Distribution Fund within the Revenue Distribution Budget Fund Group. Expenditures are for grants to local subdivisions for projects approved by the Ohio Public Works Commission.

Lottery Profits Education (LPE). The Lottery Profits Education Budget Fund Group consists of funds that receive lottery profits for the support of elementary, secondary, vocational, and special education programs.

Mental Health Facilities Improvement (033). The Mental Health Facilities Improvement Budget Fund Group consists of the Mental Health Facilities Improvement Fund that receives proceeds from special obligation debt issuances. Expenditures are for improvements to state and community mental health and mental retardation facilities.

Ohio Parks and Natural Resources (031). The Ohio Parks and Natural Resources Budget Fund Group consists of the Ohio Parks and Natural Resources Fund that receives proceeds from general obligation debt issuances. Expenditures from this fund are for projects related to parks and natural resources.

Parks and Recreation Improvement (035). The Parks and Recreation Improvement Budget Fund Group consists of the Parks and Recreation Improvement Fund that receives proceeds from special obligation debt issuances. Expenditures are for improvements to parks and recreation facilities.

Revenue Distribution (RDF). The Revenue Distribution Budget Fund Group consists of funds that receive tax and license fees for distribution to other state funds or local governmental units.

School Building Assistance (SBA). The School Building Assistance Budget Fund Group consists of funds that receive general obligation debt issuances and loan repayments from local school districts. Expenditures are for loans to local school districts for the costs of capital improvements.

Sports Facilities Building (024). The Sports Facilities Building Budget Fund Group consists of the Sports Facilities Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for capital improvements to various Ohio sports facilities.

State Highway Safety (HSF). The State Highway Safety Budget Fund Group consists of several highway safety-related funds that receive transfers from the Highway Operating Fund, federal grants, fees, fines, and taxes on motor vehicles. Expenditures are restricted to support motor vehicle safety and law enforcement programs.

State Lottery (SLF). The State Lottery Budget Fund Group consists of the funds used to operate the Ohio Lottery Commission. Primary sources of revenue are lottery ticket sales and license fees. Major expenditures consist of operating costs, commissions to agents, and lottery prizes. The state uses the net proceeds after expenditures for the support of elementary, secondary, vocational, and special education programs.

State Special Revenue (SSR). The State Special Revenue Budget Fund Group consists of funds that receive specific revenues for specified activities that are required by law.

Tobacco Settlement (TSF). The Tobacco Settlement Budget Fund Group consists of funds that account for various health, education, economic, and law enforcement-related programs. The primary source of revenue is money received under the Master Settlement Agreement with the nation's largest tobacco companies.

Transportation Building (029). The Transportation Building Budget Fund Group consists of the Transportation Building Fund that receives proceeds from special obligation debt issuances. Expenditures are for the construction, reconstruction, or rehabilitation of various capital facilities for the Department of Transportation.

Underground Parking Garage (UPG). The Underground Parking Garage Budget Fund Group consists of the Underground Parking Garage Operating Fund used to operate the underground parking garage. The primary source of revenue is parking fees. Expenditures are for the administration and operation of the garage.

Volunteer Fire Fighters' Dependents (085). The Volunteer Fire Fighters' Dependents Budget Fund Group consists of the Volunteer Fire Fighters' Dependents Fund. The primary purpose of this budget fund group is to account for fire district and political subdivision premiums for distribution in support of compensation to disabled fire fighters and to surviving spouses and families in the case of death.

Waterways Safety (WSF). The Waterways Safety Budget Fund Group consists of funds that receive watercraft license fees and fines. Expenditures are restricted to supporting watercraft operations and watercraft law enforcement and education programs.

Wildlife (WLF). The Wildlife Budget Fund Group consists of funds that receive wildlife license fees and fines. Expenditures are restricted to supporting wildlife preservation and wildlife law enforcement programs.

Workers' Compensation (WCF). The Workers' Compensation Budget Fund Group consists of funds that receive assessments on the State Insurance Fund (non-appropriated). Expenditures support the Bureau of Workers' Compensation and the Industrial Commission's administrative, adjudicatory, and programmatic responsibilities.

How the Executive Budget is Organized

Overview

The Executive Budget for fiscal years 2006 and 2007, as submitted to the General Assembly by Governor Taft, consists of two separate documents. Book One, prepared by the Office of Budget and Management, contains detailed spending and revenue information, required by law, and summary information to help readers understand the policy and financial context of the Governor's proposals. Book Two, a report on the state's tax expenditures, is prepared by the Department of Taxation. This section focuses on the organization of Book One.

Governor's Message

The first item in the Executive Budget is a letter from Governor Taft to the people of Ohio and the General Assembly. Governor Taft's letter provides an overview of his spending recommendations and outlines his goals and priorities for the fiscal years 2006 and 2007 biennium.

Tab A Reader's Guide

The Reader's Guide contains 10 sections intended to help the reader understand the Executive Budget document. The Guide provides a glossary of key terms, a summary of the state's financial accounting method, a description of the budget process, a listing and description of state funds, answers to frequently asked questions about the budget, a description of how the Executive Budget is organized, and a guide to reading the tables.

Tab B Summaries of Budget Information

This section summarizes revenue estimates and spending recommendations for fiscal years 2006 and 2007. It contains information describing historical and estimated General Revenue Fund (GRF) balances, information describing the relationship between debt service spending and GRF revenues, and ending fund balances by budget fund group for each year of the biennium. It also contains information on the state's capital and tobacco budgets.

Tab C Economic Forecast and Income Estimates

This section contains information on the forecasts for the national and state economies for fiscal years 2006 and 2007. It describes the methods used to estimate future revenues and also contains a summary table of historical and estimated revenues and ending balances.

Tab D Special Analyses

This section contains analyses of some of Governor Taft's priorities for the fiscal years 2006 and 2007 biennium.

Tab E Agency Budget Recommendations

This section contains historical and recommended spending information as well as narrative descriptions for all state agencies. The agencies appear in alphabetical order by the first key word in an agency's name. The narrative provides an overview of the particular agency's role, followed the Governor's funding recommendations for each agency program series and program for the fiscal years 2006 and 2007 biennium. The presentation of agency budget recommendations by program series and program is new for this biennium.

Narratives for certain agencies may also include an Appropriation Line Item Analysis, which could include one or all of the following additional analyses:

- Line Item Restructuring Analysis is provided for agencies that have changed their line item structures to accommodate a more programmatic presentation of funding. With a new line item structure, it is difficult for the reader to understand how funding levels have changed over time. In order to illustrate changes in funding for new line items, estimated fiscal year 2005 amounts are converted from the current line item structure into the proposed line item structure and are compared to recommended funding levels for fiscal years 2006 and 2007.

- Summary of Agency Restructuring analysis appears for agencies that receive new functions transferred from other agencies. The presentation of this section is similar to the Line Item Restructuring Analysis. Estimated fiscal year 2005 funding levels are converted from the line item structure of the agencies from which the programs are transferred into the line item structure of the receiving agencies.
- Line Item Note that offers additional information regarding a recommendation for an appropriation line item. The line item name and number are given.

Each agency also has three main budget tables that provide historical and recommended spending information. The budget tables are described in more detail in the Guide to Reading the Budget Tables, which begins on page A-23.

Frequently Asked Questions

What is the state budget?

The state budget is an agreement between the legislative and executive branches of government on a spending plan for state government. It represents a statement of priorities for a two-year period. The state budget generally refers to the operating budget, not the capital budget. The capital budget directs the expenditure of funds for infrastructure and maintenance needs, such as buildings, parks, and historical sites.

What is a biennial budget?

Ohio prepares a biennial budget which is a spending plan for a two-year period. Appropriations are made separately for the two fiscal years in a biennium. The state's fiscal year begins on July 1 and ends the following June 30. The Executive Budget shows recommended spending levels for fiscal year 2006 (July 1, 2005 to June 30, 2006) and fiscal year 2007 (July 1, 2006 to June 30, 2007).

What is the GRF?

The GRF is the General Revenue Fund. It is the largest fund of the state and receives the majority of the state's tax receipts. Since there are few restrictions on how GRF dollars can be used, much of the focus of the budget process is on development of a spending plan for GRF resources. Federal dollars that reimburse the state for certain human services-related expenditures are also deposited into the GRF.

How big is the budget?

Many people think of the "size" of the budget in terms of level of recommended spending from the General Revenue Fund. Recommended spending from the GRF is $25.36 billion in FY 2006 and $25.96 billion in FY 2007. However, the true size of the budget is the amount appropriated from all funds[1]. Appropriations from all operating funds total $53.14 billion in FY 2006 and $54.55 billion in FY 2007.

How much is the budget growing?

When compared to FY 2005 spending, the growth of GRF spending is 1.1% in FY 2006 and 2.3% in FY 2007, and total budget growth for all operating funds is 3.3% in FY 2006 and 2.7% in FY 2007. The fiscal year 2006 and 2007 Executive Budget recommends the lowest GRF budget growth in 40 years.

Where does the money for the budget come from?

Revenue to support governmental operations comes from a variety of sources. The largest portion of this revenue is derived from the general unrestricted taxes imposed by the state. Ohio also receives money through special fees, the sale of goods and services, and from the federal government. More information as well as graphical depictions of the major sources of state revenues can be found in the section titled "Revenue Summaries" in Tab B.

How does the state know how much money it will have to spend?

The Office of Budget and Management, working with the Department of Taxation, prepares projections for state revenues. Projections are usually prepared in November preceding the issuance of the Executive Budget, and revenues are forecast for more than a 30-month period. Revenue estimates are updated throughout the process of enacting the budget as the state has more experience with actual receipts from different revenue sources. The Legislative Service Commission also prepares independent revenue estimates, which are compared to the administration's forecast. Consensus between the legislature and the executive must be built around the revenue assumptions that support the final version of the budget.

No method of forecasting is 100 percent accurate, so forecasts will always deviate from the actual performance of state revenue sources. It is hoped, however, that this deviation ends up being small and manageable.

[1] Capital appropriations are not included in the comparisons, except for the Department of Transportation, because the department's capital is historically appropriated on the same cycle as the main operating budget.

Which agencies have the largest budgets?

The agency with the largest budget in fiscal years 2006 and 2007 is the Department of Job and Family Services. Total recommended appropriations in fiscal year 2006 are $16.95 billion, and total recommended appropriations in fiscal year 2007 are $17.31 billion. Not only does the department have the largest total budget each year, it also has the largest General Revenue Fund budget ($10.59 billion in fiscal year 2006 and $10.94 billion in fiscal year 2007) and has the single largest line item in the General Revenue Fund – line item 525 – Health Care/Medicaid ($9.42 billion in fiscal year 2006 and $9.58 billion in fiscal year 2007).

Based on total funding, the agencies with the next largest budgets are as follows:

- Department of Education, with total appropriations of $9.30 billion in FY 2006 and $9.78 billion in FY 2007. GRF appropriations total $6.69 billion in FY 2006 and $6.82 billion in FY 2007.
- Department of Transportation, which is primarily funded with state and federal motor fuel tax revenues and has total appropriations of $2.86 billion in FY 2006 and $2.90 billion in FY 2007.
- Board of Regents, primarily funded from GRF, with total appropriations of $2.49 billion in FY 2006 and $2.54 billion in FY 2007.
- Department of Rehabilitation and Correction, with total funding of $1.69 billion in FY 2006 and $1.71 billion in FY 2007. Of this amount, $1.48 billion in FY 2006 and $1.50 billion in FY 2007 are from the GRF.
- Department of Mental Retardation and Developmental Disabilities, which is recommended to receive total funding of $1.12 billion in FY 2006 and $1.10 billion in FY 2007. The GRF provides $353.13 million in FY 2006 and $353.67 million in FY 2007.
- Department of Mental Health, with total appropriations of $989.13 million in FY 2006 and $1.03 billion in FY 2007. Of this amount, $556.70 million in FY 2006 and $573.12 million in FY 2007 come from the GRF.

How big is the budget deficit?

Ohio has no budget deficit. This question is usually asked by those who confuse the state budget with the federal budget. The Ohio Constitution prohibits the state from borrowing money to fund operating expenses. Therefore, the budget must be balanced. The budget presented in the Executive Budget is balanced to the revenue forecast proposed by the administration. The budget is balanced at each step of the legislative process based on revenue assumptions as revised at that point. The final enacted budget is balanced to revenue assumptions agreed to by the Conference Committee.

How big is the budget surplus?

The concept of a "surplus" is not one that is specifically defined. It is generally understood, however, to be funds that remain above and beyond any planned uses (including planned reserves and planned carryover balances). Typically a surplus is an unexpected result of higher-than-anticipated revenues or lower-than-anticipated spending. Amounts typically excluded from consideration as part of the surplus include one-half of one percent of GRF revenues (considered to be a necessary amount for a beginning carryover fund balance), amounts in the Budget Stabilization Fund up to 5% of GRF revenues, and funds needed to support appropriations made by the General Assembly. Based on statute, state budget surpluses cannot accumulate because the law requires that any "surplus" at the end of each fiscal year be deposited into the Income Tax Reduction Fund and returned to Ohio taxpayers.

What is the Executive Budget?

State law requires the Governor to "submit to the general assembly, not later than four weeks after its organization, a state budget containing a complete financial plan for the ensuing fiscal biennium."

The Executive Budget document is a response to this statutory requirement, but it serves as both a reporting and planning document as well. It provides the reader with historical revenue and spending information and recommends a spending plan for two fiscal years. The Executive Budget is a fiscal presentation of many of the Governor's significant policy proposals for the next two years.

What is the Blue Book?

Years ago, the Executive Budget document was printed with a blue cover and, as a result, people began to call the document "the Blue Book." Over the years, each Executive Budget has been presented with a blue cover, and it is now considered a tradition. Beginning with the Executive Budget for fiscal years 2004 and 2005, the Executive Budget was no longer published in hardcopy. The Executive Budget was made available on the OBM website and on CD-ROM. Beginning with the Executive Budget for fiscal years 2006 and 2007, the Executive Budget will only be available on the OBM Website: http://www.obm.ohio.gov.

What is most important when reading the Executive Budget?

Typically, the most attention is paid to the columns in each agency's budget tables that show the Governor's recommended funding levels. These recommendations will appear in the introduced version of the budget bill and may be changed by the legislature as the bill goes through the process of enactment. "What the Budget Buys" sections for each agency give the reader a concise view of outstanding features of the recommendations and help readers understand exactly what the Governor is proposing.

What are the differences between the Executive Budget and the Budget Bill?

The Executive Budget contains historical and recommended spending information along with narrative descriptions of the agencies. It does not contain the specific codified and uncodified law changes required to implement the recommendations. The budget bill contains appropriations for fiscal years 2006 and 2007 and the statutory changes necessary to implement the spending plan. Separate bills are prepared for the non-GRF budgets of the Department of Transportation, the Department of Public Safety, the Bureau of Workers' Compensation, and the Industrial Commission.

Where are the appropriations for capital construction?

This budget provides appropriations for the operating expenses of state government and debt service payments, but does not include appropriations for capital construction (with the exception of Department of Transportation highway construction). The state's capital budget is prepared separately during even-numbered years.

What is a program series and program?

A program series groups closely related programs into an overarching category that captures the state's efforts to provide for a public need. A program series corresponds with a major area of focus or goal for a state agency and in most cases is composed of two or more programs. Most agencies are characterized by more than one program series. An example of a program series is the Department of Education's Educator Training Program Series that includes general, entry-year, mathematics, science, and literacy educator training programs.

A program is a discrete activity within an agency's organization that is intended to provide a specific good or service in response to identified social or individual need or problem. A various number of programs can be grouped under each program series. An example of a program is the Department of Education's Entry-Year Educators Program that provides yearlong professional growth experience for newly licensed teachers and principals.

What is zero-based budgeting and why did some agencies prepare a zero-based budget?

A zero-based budget's definition lies in its title – it is a budget that starts from zero, assuming no prior history or built-in assumptions. In House Bill 95 of the 125th General Assembly, the director of the Office of Budget and Management (OBM) was required to prepare a full zero-based budget for the fiscal year 2006-2007 biennium for the Department of Rehabilitation and Correction (DRC) and the Department of Youth Services (DYS). Although the legislature did not give specific direction as to how these budgets should be prepared, OBM offered guidance and the agencies developed an approach to the preparation of these budgets. As with all other agencies the budget request limitations applied (see section titled "The Budget Process"), however the zero-based requests for DRC and DYS reflect agency-wide prioritization by program and by multiple funding levels. Both the Ohio Environmental Protection Agency and the Office of Criminal Justice Services underwent the zero-budgeting exercise in preparation for the fiscal year 2004 - 2005 biennium.

Guide to Reading the Budget Tables

The purpose of this section is to help the reader understand the tables included in the Executive Budget for each agency. Each agency has budget tables that contain the Governor's detailed spending plan for the fiscal year 2006-2007 biennium.

What are Budget Tables?

A majority of agencies have at least three budget tables: an Agency Summary of Budget History and Recommendations, a specific Program Recommendation Summary, and an Appropriation Line Item Summary (titled Line Item Summary). The Agency Budget History and Recommendations and the Appropriation Line Item Summary tables show spending history for fiscal years 2002, 2003, and 2004, estimated spending for fiscal year 2005 (since fiscal year 2005 will not end until June 30, 2005), and recommended spending by the Governor for fiscal years 2006 and 2007. The Program Recommendation Summaries identify the Governor's recommended funding levels by specific program.

Where are the Tables?

Starting with Tab E, the Executive Budget contains Governor Taft's funding recommendations for each agency. The agencies appear in alphabetical order and each agency has its own section that begins with an overview narrative followed by the agency's Summary of Budget History and Recommendations table. Following the summary table are narratives for each agency program series and program. Immediately after the individual program narratives are tables that identify the Governor's recommended funding levels for that specific program by appropriation line item. Finally, at the end of each agency section, a table totals and groups by fund the individual recommendations into an Appropriation Line Item Summary.

Agency Summary of Budget History and Recommendation Tables

The Agency Summary of Budget History and Recommendation table can be found following an agency's overview narrative in the Executive Budget document. This summary shows actual agency spending in fiscal years 2002, 2003, and 2004; estimated spending in fiscal year 2005; and the Governor's recommended appropriations for fiscal years 2006 and 2007 by budget fund group and by object of expense. A diagram of this table appears on page A-24.

Program Recommendation Tables

The Program Recommendation table can be found immediately following each agency's program narrative in the Executive Budget document. This table identifies the Governor's recommended funding levels for that specific program by appropriation line item for fiscal years 2006 and 2007. Since a line item can support multiple programs, the reader must refer to the Appropriation Line Item summary to find the total amount recommended for a line item. A diagram of this table appears on page A-25.

Appropriation Line Item Summary Tables

All agencies have one Appropriation Line Item Summary at the end of the agency program series and program narratives and associated tables. Each table shows, by line item, actual spending for fiscal years 2002, 2003, and 2004; estimated spending in fiscal year 2005; and the Governor's recommended appropriations for fiscal years 2006 and 2007. The line items listed on this table are grouped and subtotaled by budget fund group. Totals for the agency appear at the bottom of the table. A diagram of this table appears on page A-26.

More Detail Available

For some agencies, two asterisks ("**") appear in the "% Change" columns of the Appropriation Line Item Summary table for certain line items. This signals the reader to refer to a following Appropriation Line Item Analysis for additional detail.

Immediately following each agency's executive priority section is an **Agency Summary of Budget History and Recommendations** table. The table shows summary budget information for the agency by budget fund group and object of expense. The diagram below uses the State Library Board's Agency Summary table as an example.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	11,430	9,671	9,081	13,587	49.6	13,005	(4.3)	13,005	.0
General Services Fund Group	7,183	8,790	7,142	3,969	(44.4)	5,479	38.1	5,717	4.3
Fed Special Revenue Fund Group	5,591	5,380	6,431	5,542	(13.8)	5,644	1.8	5,644	.0
TOTAL	**24,203**	**23,841**	**22,654**	**23,098**	**2.0**	**24,128**	**4.5**	**24,366**	**1.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	6,094	5,931	5,907	6,154	4.2	6,162	.1	6,325	2.6
Purchased Services	773	725	349	484	38.9	42	(91.4)	42	.0
Maintenance	7,003	7,438	6,313	7,274	15.2	7,906	8.7	8,081	2.2
Equipment	3,666	3,327	3,060	3,450	12.7	4,439	28.7	4,324	(2.6)
Subsidy	6,666	6,397	7,024	5,732	(18.4)	5,577	(2.7)	5,592	.3
Capital Improvements	0	22	0	0	.0	0	.0	0	.0
Transfer & Other	1	1	1	3	362.1	2	(25.7)	2	.0
TOTAL	**24,203**	**23,841**	**22,654**	**23,098**	**2.0**	**24,128**	**4.5**	**24,366**	**1.0**

The "Recommended" columns show the Governor's Recommendation for FYs 2006 and 2007.

The "Summary of Budget History and Recommendations" section summarizes information by Budget Fund Group and by Object of Expense.

Reductions appear in parentheses.

Within each agency, funding is designated to a program within a program series. A **program series** groups closely related programs into an overarching category that captures the state's efforts to provide for a public need. A program series corresponds with a major area of focus or goal for a state agency and in most cases is composed of two or more programs. A **program** is a discrete activity within an agency's organization that is intended to provide a specific good or service in response to identified social or individual need or problem.

Program name

The first two digits of the program numbering convention designate the program series, while the second two designate the program. The top table is program one within program series one.

Program 01.01: State Library Services

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-321	Operating Expenses	6,289,416	6,289,416
GSF	139	350-602	Intra-Agency Service Charges	9,000	9,000
GSF	459	350-602	Interlibrary Service Charges	120,300	117,700
FED	313	350-601	LSTA Federal	1,835,330	1,816,112
TOTAL FOR PROGRAM				**8,254,046**	**8,232,228**

Total recommended funding for program 01.01 State Library Services.

One line item can fund multiple programs. Recommendations within programs add up to the **Line Item Summary Table** for the agency.

Program 01.04: Statewide Resource Sharing

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-321	Operating Expenses	9,261	9,261
GSF	459	350-602	Interlibrary Service Charges	1,092,000	1,310,400
FED	313	350-601	LSTA Federal	583,258	587,532
TOTAL FOR PROGRAM				**1,684,519**	**1,907,193**

Each agency will have a **Line Item Summary** table that summarizes historical spending and recommended spending information by appropriation line item. The spending and recommendations are presented by fund and subtotaled by budget fund group.

LINE ITEM SUMMARY - Library Board

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	350-321	Operating Expenses	7,204,126	6,556,287	6,408,696	6,298,677	6,298,677	.0	6,298,677	.0
GRF	350-400	OPLIN	686,018	0	0	4,700,000	4,230,000	(10.0)	4,230,000	.0
GRF	350-401	Ohioana Rental Payments	120,972	120,972	120,972	124,816	124,816	.0	124,816	.0
GRF	350-501	Library for the Blind - Cincinnati	702,480	615,172	561,037	535,615	535,615	.0	535,615	.0
GRF	350-502	Regional Library Systems	1,659,544	1,453,123	1,146,599	1,122,712	1,010,441	(10.0)	1,010,441	.0
GRF	350-503	Library for the Blind - Cleveland	1,056,668	925,307	843,880	805,642	805,642	.0	805,642	.0
TOTAL General Revenue Fund			11,429,808	9,670,861	9,081,184	13,587,462	13,005,191	(4.3)	13,005,191	.0
139	350-602	Intra-Agency Service Charges	27,949	15,070	8,538	9,000	9,000	.0	9,000	.0
4S4	350-604	OPLIN Technology	5,744,793	7,001,681	5,128,221	1,000,000	3,000,000	**	3,000,000	.0
459	350-602	Interlibrary Service Charges	1,409,768	1,773,469	2,004,893	2,959,661	2,469,925	(16.5)	2,708,092	9.6
TOTAL General Services Fund Group			7,182,510	8,790,220	7,141,652	3,968,661	5,478,925	38.1	5,717,092	4.3
313	350-601	LSTA Federal	5,590,707	5,379,719	6,430,899	5,541,647	5,643,905	1.8	5,643,905	.0
TOTAL Fed Special Revenue Fund Group			5,590,707	5,379,719	6,430,899	5,541,647	5,643,905	1.8	5,643,905	.0
TOTAL State Library Board			24,203,025	23,840,800	22,653,735	23,097,770	24,128,021	4.5	24,366,188	1.0

The two "% Change" columns show the percent change between (1) the FY2005 Estimate and FY2006 Recommended columns and (2) the FY2006 and FY2007 Recommended columns

Reductions appear in parentheses.

Subtotals are shown for each budget fund group.

A "**" in the "% Change" column refers the reader to the applicable section of an agency's narrative or to a restructuring table for additional information.

Revenue Summaries

This section summarizes the revenue that is estimated to be received by the state in fiscal years 2006 and 2007. It is important to note that because all revenue that the state anticipates receiving in fiscal years 2006 and 2007 is summarized in this section, the revenue summaries include anticipated revenue that is not proposed for spending in this Executive Budget.

Detailed information on the economic forecast that drives the state's revenue estimates and the methods used to prepare the estimates are provided in Tab C - Economic Forecast.

This section contains three pie charts that show summaries of the state's revenue estimates. Each is listed and described below.

Figure B-1, Total GRF Revenues Pie Chart: This pie chart shows the total estimated General Revenue Fund (GRF) revenue by major revenue source. All revenue from major state taxes (personal income tax, sales and use tax, business taxes, etc.) is deposited into the General Revenue Fund along with revenue received from the federal government as reimbursement to the state for certain General Revenue Fund expenditures made by the Department of Job and Family Services.

Figure B-2, State-Only GRF Revenue Pie Chart: The federal revenue deposited in the General Revenue Fund is substantial. It's estimated to be $11.6 billion during the fiscal year 2006-2007 biennium. But the inclusion of this federal revenue in the General Revenue Fund somewhat distorts the role that state tax revenue plays in financing state programs. State tax revenues, not federal reimbursements for human services programs, provide the majority of General Revenue Fund revenues. To make this clear, this pie chart (labeled "State-Only GRF"), shows General Revenue Fund revenue by major revenue source excluding the federal reimbursements for General Revenue Fund spending that the state deposits into the General Revenue Fund. Ninety-seven percent of the state's non-federal General Revenue Fund revenue is from tax receipts.

Figure B-3, All Funds Revenue: The "all funds" pie chart illustrates how all operating budget revenue is split among the different types of state funds. Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund revenue has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication. The General Revenue Fund provides about 48.4% of revenue used for all purposes. In order to create this pie chart the state's 43 budget fund groups have been grouped into the following fund types:

General Funds
General Revenue Fund
General Services Fund Group
Budget Stabilization Fund
Education Improvement Fund

Special Revenue Funds
Federal Special Revenue Fund Group
Highway Operating Fund Group
State Highway Safety Fund Group
Revenue Distribution Fund Group
Tobacco Settlement Fund Group
State Special Revenue Fund Group
Waterways Safety Fund Group
Wildlife Fund Group
Coal Research & Development Fund
Facilities Establishment Fund Group
School Building Assistance Fund Group
Lottery Profits Education Fund Group
Local Transportation Improvement Program Fund

Internal Service Funds
Intragovernmental Service Fund Group

Debt Service Funds
Debt Service Fund Group

Enterprise Funds
Workers' Compensation Fund Group
Liquor Control Fund Group
State Lottery Fund Group
Underground Parking Garage Fund
Auditor of State Fund Group

Agency Funds
Accrued Leave Liability Fund Group
Agency Fund Group
Holding Account Redistribution Fund Group
Volunteer Fire Fighters' Dependents Fund

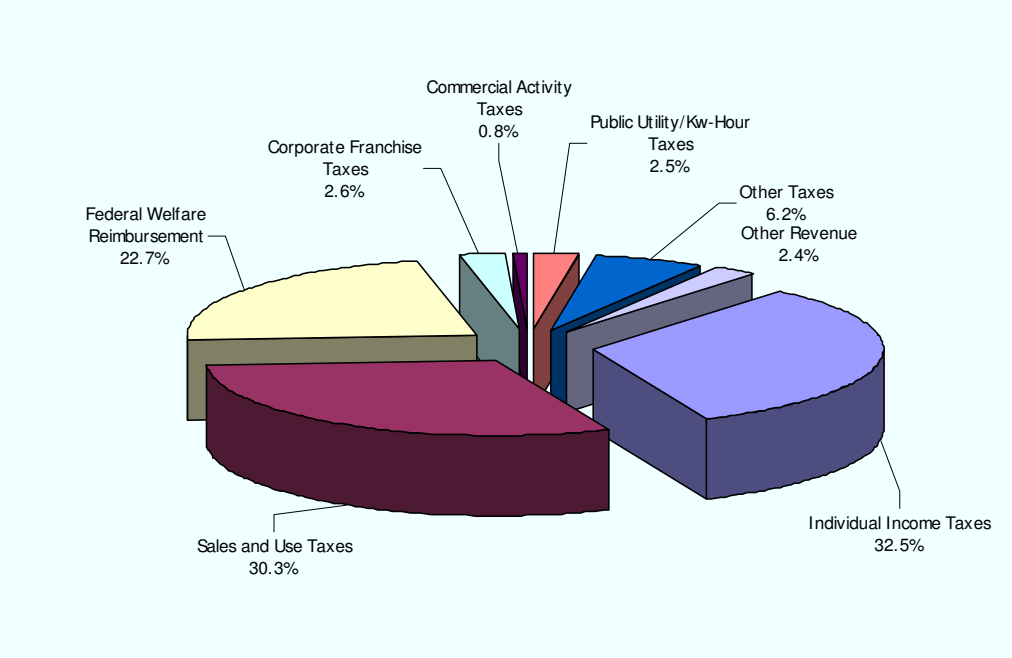
Capital Project Funds

Administrative Building Fund
Adult Correctional Building Fund
Arts Facilities Building Fund
Higher Education Improvement Fund
Highway Capital Improvement Fund
Highway Obligations Construction Fund
Highway Safety Building Fund
Infrastructure Bank Obligations Fund
Juvenile Correctional Building Fund
Local Infrastructure Improvement Fund Group
Mental Health Facilities Improvement Fund
Ohio Parks and Natural Resources Fund
Parks and Recreation Improvement Fund
Sports Facilities Building Fund
Transportation Building Fund

In this section (Tab B) of the Executive Budget, in addition to revenue summary information, the reader will find summaries of historical and recommended spending, fund balances, and state personnel. The spending section begins on page B-5. The spending pie charts look at recommended spending in the same way the estimated revenue pie charts look at revenue: total GRF, state-only GRF, and all funds.

Figure B-1

Total GRF – Estimated Revenues for FYs 2006 and 2007



Estimated GRF Revenues (dollars in millions)

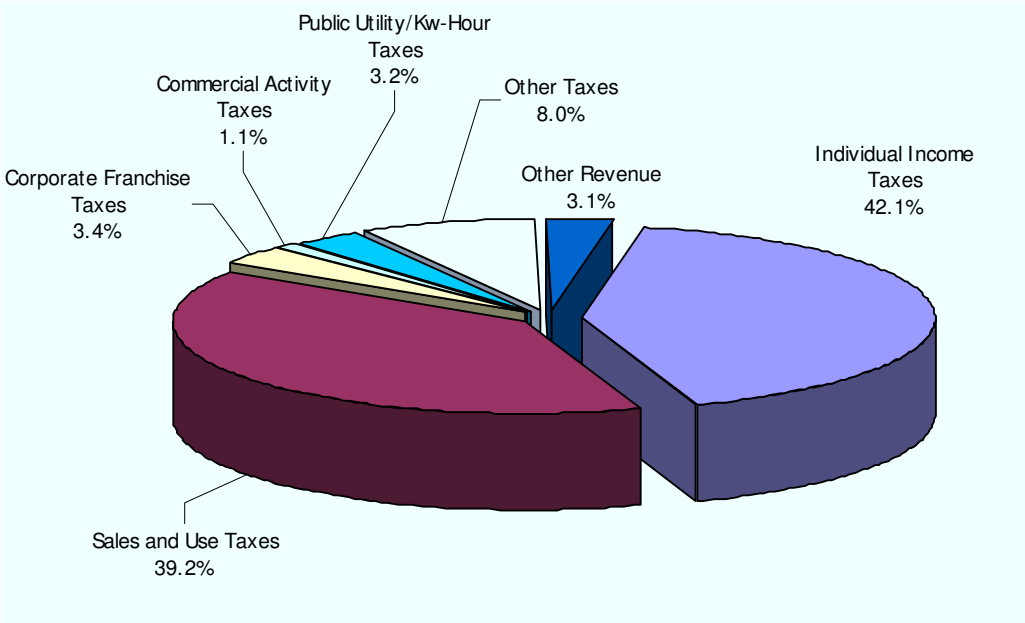
Revenue Source	FY 2006	FY 2007	Total
Individual Income Taxes	$ 8,291.0	$ 8,400.4	$ 16,691.4
Sales and Use Taxes	$ 7,604.3	$ 7,957.9	$ 15,562.2
Federal Grants & Reimbursement	$ 5,760.5	$ 5,878.1	$ 11,638.6
Corporate Franchise Taxes	$ 734.0	$ 604.9	$ 1,338.9
Commercial Activity Taxes	$ 220.0	$ 205.0	$ 425.0
Public Utility/Kw-Hour Taxes	$ 628.0	$ 640.9	$ 1,268.9
Other Taxes	$ 1,612.0	$ 1,564.5	$ 3,176.5
Other Revenue	$ 607.7	$ 621.4	$ 1,229.1
Total	$ 25,457.5	$ 25,873.1	$ 51,330.6

Source: Ohio Office of Budget and Management, January 2005

What This Chart Shows

This pie chart shows the proportional contribution that each revenue source makes toward the state's general revenue Fund. All revenue coming into the State Treasury that is not specifically authorized by law to be placed in another fund is deposited in the General Revenue Fund.

Figure B-2
State-Only GRF – Estimated Revenues for FYs 2006 and 2007



Estimated State-Only GRF Revenues (dollars in millions)

Revenue Source	FY 2006	FY 2007	Total
Individual Income Taxes	$ 8,291.0	$ 8,400.4	$ 16,691.4
Sales and Use Taxes	$ 7,604.3	$ 7,957.9	$ 15,562.2
Corporate Franchise Taxes	$ 734.0	$ 604.9	$ 1,338.9
Commercial Activity Taxes	$ 220.0	$ 205.0	$ 425.0
Public Utility/Kw-Hour Taxes	$ 628.0	$ 640.9	$ 1,268.9
Other Taxes	$ 1,612.0	$ 1,564.5	$ 3,176.5
Other Revenue	$ 607.7	$ 621.4	$ 1,229.1
Total	$ 19,697.0	$ 19,995.0	$ 39,692.0

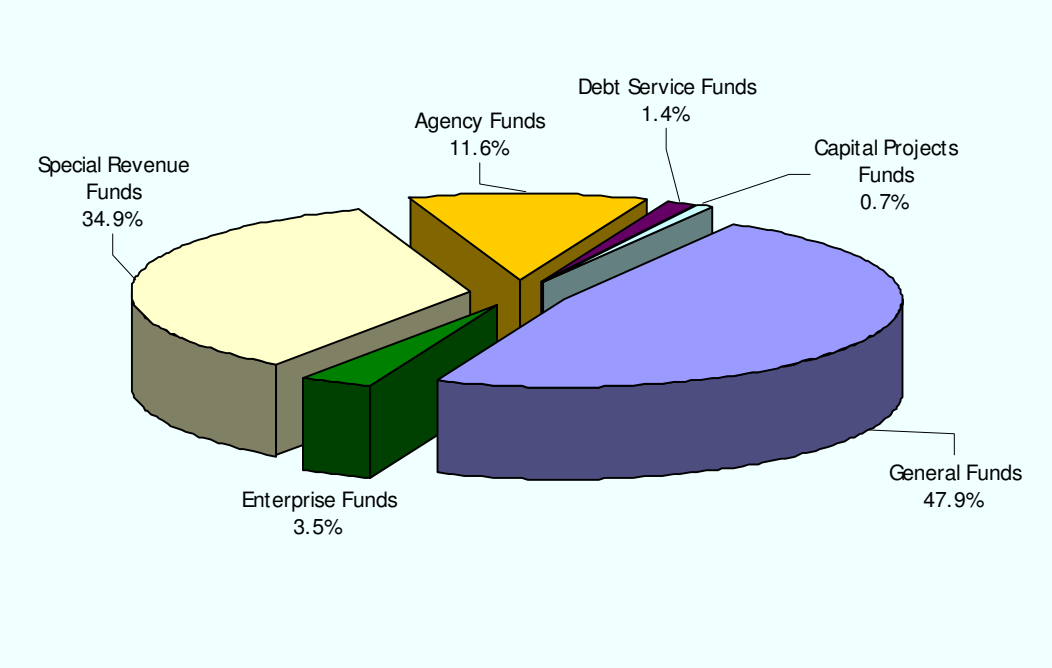
Source: Ohio Office of Budget and Management, January 2005

Please Note: These figures do not include $11,638.6 million of estimated federal revenue ($5,760.5 million in FY 2006 and $5,878.1 million in FY 2007) in the General Revenue Fund.

What This Chart Shows

This pie chart shows the proportional contribution that each revenue source, except federal reimbursements, makes toward the state's General Revenue Fund. Ninety-seven percent of the revenue represented in this chart comes from state tax receipts, which are paid by individuals and companies living, working, and doing business in Ohio.

Figure B-3
All Funds – Estimated Revenues for FYs 2006 and 2007



All Funds - Estimated Revenues (dollars in millions)

Revenue Source	FY 2006	FY 2007	Total
General Funds	$ 26,477.5	$ 26,862.4	$ 53,339.9
Enterprise Funds	$ 1,945.0	$ 1,960.0	$ 3,905.0
Special Revenue Funds	$ 19,134.3	$ 19,710.0	$ 38,844.3
Agency Funds	$ 6,303.1	$ 6,580.6	$ 12,883.7
Debt Service Funds	$ 733.5	$ 817.4	$ 1,550.9
Capital Projects Funds	$ 445.0	$ 350.0	$ 795.0
Total	$ 55,038.4	$ 56,280.4	$ 111,318.8

Source: Ohio Office of Budget and Management, January 2005

Please Note: Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund revenue has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication.

What This Chart Shows

This pie chart shows the different types of state funds into which all the state's estimated revenue is deposited. General Funds account for revenue that is traditionally associated with government that is not required to be accounted for in other funds. Enterprise Funds account for operations financed and operated in a manner similar to a private business. Special Revenue Funds account for revenue that is legally restricted to specific purposes. Agency Funds include moneys received, held and disbursed by the state as a custodian or agent. Debt Service Funds account for revenue used to pay the principal and interest on general long-term debt. Capital Projects Funds account for the acquisition of fixed assets and construction and repair of capital facilities other than those financed by enterprise service funds.

Spending Summaries

The charts and tables in this section summarize the spending recommended by Governor Taft for the fiscal year 2006 and 2007 biennium. Three pie charts appear first, followed by two tables. The pie charts and tables are listed below with a brief description of what each one shows.

Figure B-4, Total GRF Appropriations Pie Chart: This pie chart shows the Governor's recommended appropriations for the total General Revenue Fund (GRF) by major spending category. All revenue from major state taxes (income tax, sales tax, business taxes, etc.) is deposited into and appropriated from the GRF along with revenue received from the federal government as reimbursement to the state for certain GRF expenditures made by the Department of Job and Family Services.

Figure B-5, State-Only GRF Appropriations Pie Chart: While tax revenue makes up the great majority of the GRF, the GRF also includes revenue that the state receives from the federal government as reimbursement for certain GRF expenditures. This "federal share" of GRF spending for these programs is substantial. It's estimated to be $11.6 billion during the FY 2006-07 biennium. The federal share of GRF spending somewhat distorts the role that state tax revenue plays in financing state programs because state taxes, not federal reimbursements for human services programs, finance the majority of GRF spending. To make this clear, Figure B-5 shows recommended GRF appropriations by major spending category without the federal share of the GRF.

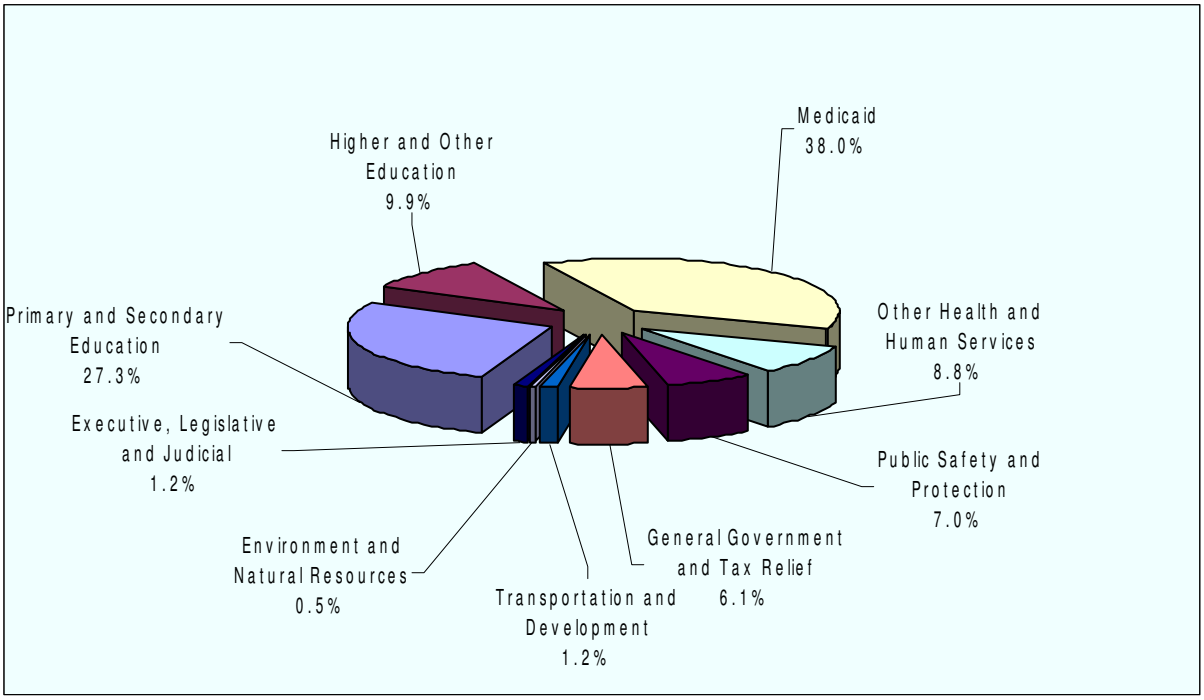
Figure B-6, All Funds Appropriations Pie Chart: The third pie chart that summarizes recommended appropriations is Figure B-6. The "all funds" chart shows how all recommended operating budget appropriations for the FY 2006-07 biennium are split among the major spending categories. Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund spending has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication.

Table B-1, Expense by Object Summary: This table shows actual (FYs 2002 to 2004) and estimated (FY 2005) spending and recommended appropriations (FYs 2006 and 2007) by major object of expense. This information is shown for the GRF and for all funds. Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund spending has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication.

Table B-2, GRF Expense by Category: This table shows actual (FY 2004) and estimated (FY 2005) spending and recommended appropriations (FYs 2006 and 2007) by major spending category.

Figure B-4

Total GRF – Recommended Appropriations for FYs 2006 and 2007



Recommended GRF Appropriations (dollars in millions)

Function	FY 2006	FY 2007		Total
Primary and Secondary Education	$6,906.3	$7,096.3	$	14,002.6
Higher and Other Education	$2,503.7	$2,552.5	$	5,056.2
Medicaid	$9,575.9	$9,923.7	$	19,499.6
Other Health and Human Services	$2,238.4	$2,264.6	$	4,503.0
Public Safety and Protection	$1,784.6	$1,818.3	$	3,602.9
General Government and Tax Relief	$1,602.2	$1,526.8	$	3,129.0
Transportation and Development	$311.6	$329.8	$	641.4
Environment and Natural Resources	$135.4	$133.1	$	268.5
Executive, Legislative and Judicial	$305.5	$311.1	$	616.6
Total	**$25,363.6**	**$25,956.2**	**$**	**51,319.8**

Note: Numbers may not add to total due to rounding

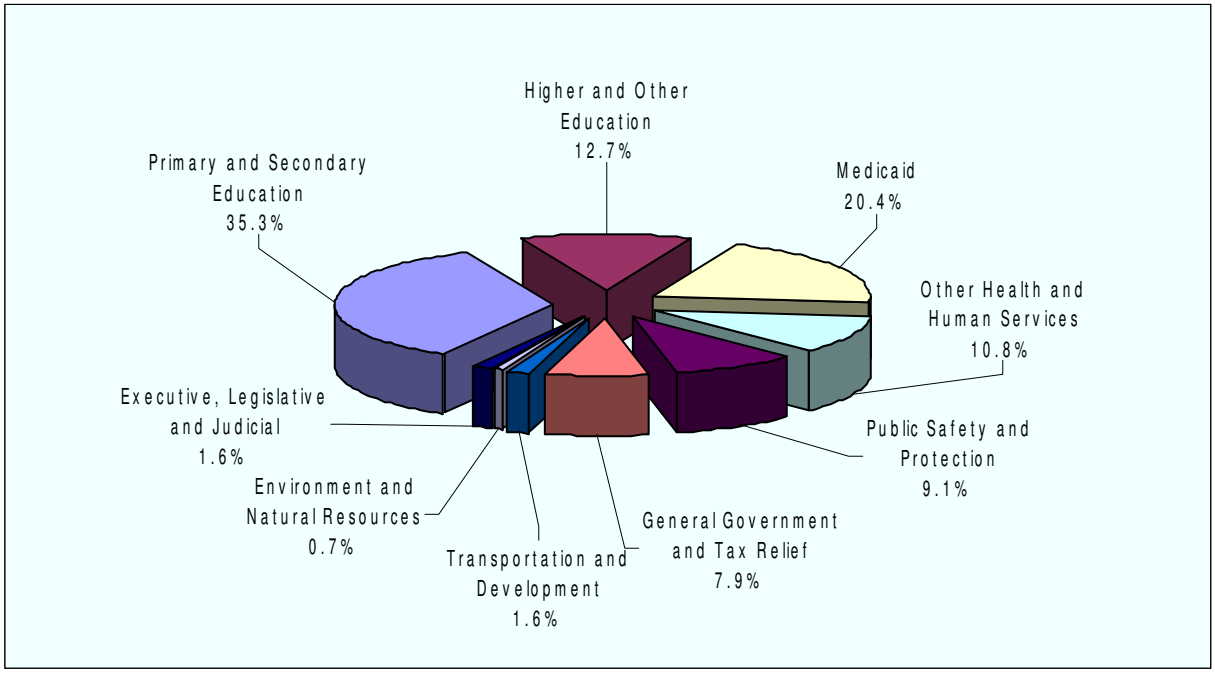
Source: Ohio Office of Budget and Management, February 2005

What This Chart Shows

This pie chart shows the share of the state's General Revenue Fund (GRF) that is used for each major function of state government. The GRF is the state's largest single fund and it finances about one-half of all state government activities.

Figure B-5

State-Only GRF – Recommended Appropriations for FYs 2006 and 2007



Recommended State-Only GRF Appropriations (dollars in millions)

Function	FY 2006	FY 2007	Total
Primary and Secondary Education	$ 6,906.3	$ 7,096.3	$ 14,002.6
Higher and Other Education	$ 2,503.6	$ 2,552.4	$ 5,056.0
Medicaid	$ 3,928.9	$ 4,158.1	$ 8,087.0
Other Health and Human Services	$ 2,125.1	$ 2,152.1	$ 4,277.2
Public Safety and Protection	$ 1,784.6	$ 1,818.3	$ 3,602.9
General Government and Tax Relief	$ 1,602.2	$ 1,526.8	$ 3,129.0
Transportation and Development	$ 311.6	$ 329.8	$ 641.4
Environment and Natural Resources	$ 135.4	$ 133.1	$ 268.5
Executive, Legislative and Judicial	$ 305.5	$ 311.1	$ 616.6
Total	**$ 19,603.2**	**$ 20,078.0**	**$ 39,681.2**

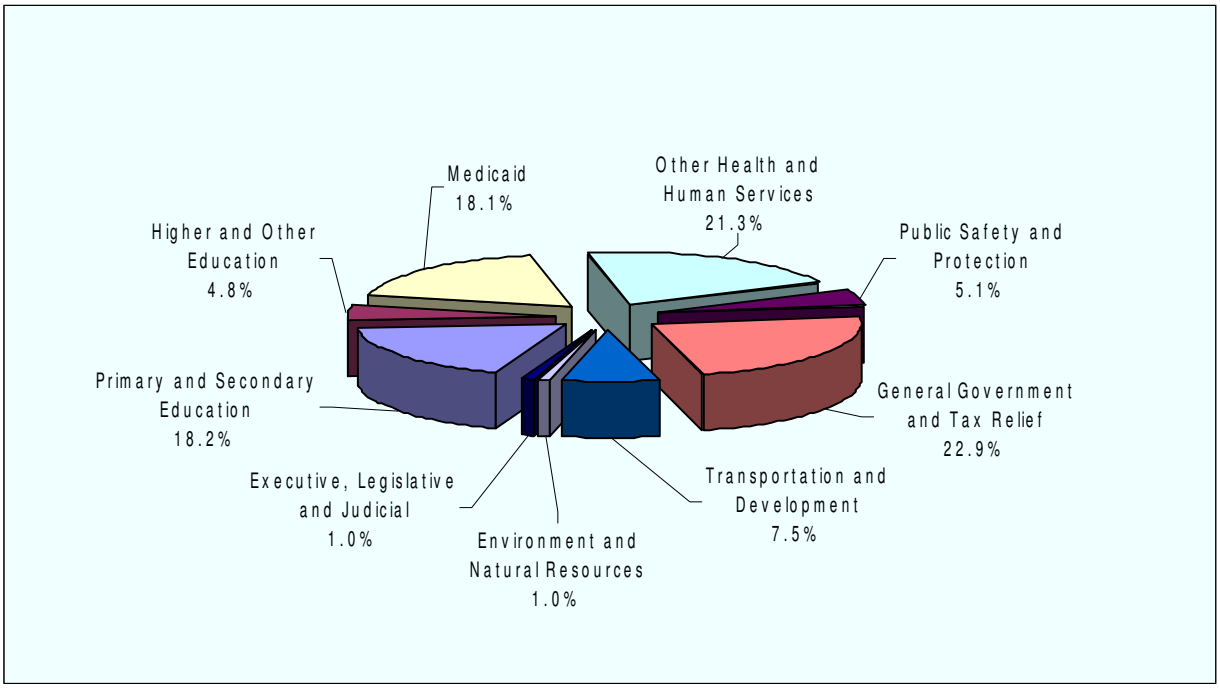
Note: Numbers may not add to total due to rounding

Source: Ohio Office of Budget and Management, February 2005

What This Chart Shows

This pie chart shows the share of the tax revenue portion of the General Revenue Fund (GRF) that is used for each major function of state government. The federal share of the proposed GRF appropriations for the Department of Job and Family Services is not shown in order to give a truer picture of how state tax dollars are spent.

Figure B-6
All Funds – Recommended Appropriations for FYs 2006 and 2007



All Funds Recommended Appropriations (dollars in millions)

Function		FY 2006		FY 2007		Total
Primary and Secondary Education	$	9,546.8	$	10,068.4	$	19,615.2
Higher and Other Education	$	2,546.6	$	2,596.2	$	5,142.8
Medicaid	$	9,575.9	$	9,923.7	$	19,499.6
Other Health and Human Services	$	11,419.9	$	11,495.8	$	22,915.7
Public Safety and Protection	$	2,745.5	$	2,783.3	$	5,528.8
General Government and Tax Relief	$	12,182.1	$	12,517.5	$	24,699.6
Transportation and Development	$	4,027.1	$	4,098.2	$	8,125.3
Environment and Natural Resources	$	533.3	$	537.4	$	1,070.7
Executive, Legislative and Judicial	$	565.3	$	533.6	$	1,098.9
Total	**$**	**53,142.5**	**$**	**54,554.1**	**$**	**107,696.6**

Notes: Numbers may not add to total due to rounding

Source: Ohio Office of Budget and Management, February 2005

What This Chart Shows

This pie chart shows how the total state operating budget is split among the major functions of state government. The General Government function is a much larger share of the all funds pie chart than it is of the GRF pie chart because about $4.3 billion in each year ($8.6 billion in the biennium) that is appropriated from revenue distribution funds is included in this category. The Local Government Fund and the School District Income Tax Fund are two examples of these revenue distribution funds, most of which are distributed to local governments, libraries and school districts for their use.

Table B-1 (continued on next page)

Expense by Object Summary, Fiscal Years 2002 to 2007

Dollars in Millions

	FY 2002 Actual	% of Total	FY 2003 Actual	% of Total	FY 2004 Actual	% of Total
General Revenue Fund						
Personal Service	$ 1,845.1	8.5%	$ 1,871.3	8.3%	$ 1,856.8	7.8%
Purchased Personal Services	$ 264.7	1.2%	$ 250.4	1.1%	$ 250.8	1.1%
Maintenance	$ 502.3	2.3%	$ 484.2	2.1%	$ 504.8	2.1%
Equipment	$ 47.6	0.2%	$ 29.9	0.1%	$ 44.3	0.2%
Total Operating	$ 2,659.7	12.3%	$ 2,635.8	11.6%	$ 2,656.7	11.1%
Subsidy	$ 17,967.4	83.1%	$ 19,019.4	84.0%	$ 20,176.9	84.6%
Goods for Resale	$ -	0.0%	$ -	0.0%	$ -	0.0%
Capital	$ 11.6	0.1%	$ 7.6	0.0%	$ 1.5	0.0%
Transfers	$ 988.8	4.6%	$ 990.5	4.4%	$ 1,003.8	4.2%
Total Expense	$ 21,627.5	100.0%	$ 22,653.3	100.0%	$ 23,838.9	100.0%
All Funds						
Personal Service	$ 4,143.5	9.2%	$ 4,215.9	9.0%	$ 4,323.1	9.0%
Purchased Personal Services	$ 563.4	1.2%	$ 544.9	1.2%	$ 537.7	1.1%
Maintenance	$ 1,238.4	2.7%	$ 1,247.1	2.7%	$ 1,303.5	2.7%
Equipment	$ 183.1	0.4%	$ 169.0	0.4%	$ 182.9	0.4%
Total Operating	$ 6,128.4	13.6%	$ 6,176.9	13.2%	$ 6,347.2	13.2%
Subsidy	$ 26,651.1	59.0%	$ 28,183.1	60.2%	$ 29,845.6	62.0%
Goods for Resale	$ 373.5	0.8%	$ 392.0	0.8%	$ 413.2	0.9%
Capital	$ 3,082.9	6.8%	$ 2,989.9	6.4%	$ 2,774.3	5.8%
Transfers	$ 8,963.4	19.8%	$ 9,056.5	19.4%	$ 8,774.6	18.2%
Total Expense	45,199.30	100.0%	46,798.40	100.0%	48,154.90	100.0%

Note: Figures may not add to total due to rounding

Source: Ohio Office of Budget and Management, February 2005

Table B-1 (continued from previous page)

Expense by Object Summary, Fiscal Years 2002 to 2007

Dollars in Millions

	FY 2005 Estimate	% of Total	FY 2006	% of Total	FY 2007	% of Total
General Revenue Fund						
Personal Service	$ 1,890.0	7.5%	$ 1,913.0	7.5%	$ 1,924.3	7.4%
Purchased Personal Services	$ 301.8	1.2%	$ 321.3	1.3%	$ 316.6	1.2%
Maintenance	$ 614.4	2.4%	$ 630.9	2.5%	$ 677.8	2.6%
Equipment	$ 32.0	0.1%	$ 35.4	0.1%	$ 33.8	0.1%
Total Operating	$ 2,838.2	11.3%	$ 2,900.6	11.4%	$ 2,952.5	11.4%
Subsidy	$ 21,112.0	84.2%	$ 21,205.1	83.6%	$ 21,671.2	83.5%
Goods for Resale	$ -	0.0%	$ -	0.0%	$ -	0.0%
Capital	$ 3.6	0.0%	$ 1.0	0.0%	$ 1.0	0.0%
Transfers	$ 1,128.3	4.5%	$ 1,256.9	5.0%	$ 1,331.5	5.1%
Total Expense	$ 25,082.1	100.0%	$ 25,363.6	100.0%	$ 25,956.2	100.0%
All Funds						
Personal Service	$ 4,504.7	8.4%	$ 4,588.1	8.6%	$ 4,610.1	8.5%
Purchased Personal Services	$ 912.9	1.7%	$ 872.1	1.6%	$ 893.6	1.6%
Maintenance	$ 1,637.7	3.0%	$ 1,600.7	3.0%	$ 1,645.8	3.0%
Equipment	$ 341.8	0.6%	$ 246.0	0.5%	$ 203.0	0.4%
Total Operating	$ 7,397.1	13.8%	$ 7,306.9	13.7%	$ 7,352.5	13.5%
Subsidy	$ 32,080.9	59.7%	$ 32,874.4	61.9%	$ 33,690.9	61.8%
Goods for Resale	$ 420.5	0.8%	$ 453.4	0.9%	$ 471.4	0.9%
Capital	$ 3,719.1	6.9%	$ 2,147.1	4.0%	$ 2,153.2	3.9%
Transfers	$ 10,114.3	18.8%	$ 10,359.5	19.5%	$ 10,885.0	20.0%
Total Expense	$ 53,731.9	100.0%	$ 53,141.3	100.0%	$ 54,553.0	100.0%

Note: Figures may not add to total due to rounding

Source: Ohio Office of Budget and Management, February 2005

Table B-2
General Revenue Fund Expense By Category
Fiscal Years 2004 to 2007
Dollars in Millions

Expense Category	FY 2004 Actual	% of Total	FY 2005 Estimate	% of Total	Recommended FY 2006	% of Total	Recommended FY 2007	% of Total
Education								
Primary and Secondary Education	$ 6,523.5	27.4%	$ 6,765.8	27.0%	$ 6,906.3	27.2%	$ 7,096.3	27.3%
Higher Education	$ 2,410.5	10.1%	$ 2,445.2	9.7%	$ 2,467.2	9.7%	$ 2,516.0	9.7%
Other Education	$ 47.1	0.2%	$ 48.5	0.2%	$ 36.4	0.1%	$ 36.4	0.1%
Subtotal	$ 8,981.1	37.7%	$ 9,259.5	36.9%	$ 9,409.9	37.1%	$ 9,648.7	37.2%
Health and Human Services								
Medicaid	$ 8,912.9	37.4%	$ 9,574.9	38.2%	$ 9,420.6	37.1%	$ 9,584.1	36.9%
Other Job and Family Services	$ 820.3	3.4%	$ 896.6	3.6%	$ 1,171.1	4.6%	$ 1,355.4	5.2%
MH/MR	$ 873.3	3.7%	$ 891.7	3.6%	$ 909.8	3.6%	$ 926.8	3.6%
Other Health/Human Services	$ 271.4	1.1%	$ 292.4	1.2%	$ 313.0	1.2%	$ 322.0	1.2%
Subtotal	$ 10,877.9	45.6%	$ 11,655.6	46.5%	$ 11,814.5	46.6%	$ 12,188.3	47.0%
Public Safety and Protection								
Adult and Juvenile Corrections	$ 1,622.1	6.8%	$ 1,673.8	6.7%	$ 1,720.4	6.8%	$ 1,753.6	6.8%
Other Public Safety/Protection	$ 74.8	0.3%	$ 69.8	0.3%	$ 64.2	0.3%	$ 64.7	0.2%
Subtotal	$ 1,696.9	7.1%	$ 1,743.6	7.0%	$ 1,784.6	7.0%	$ 1,818.3	7.0%
General Government and Tax Relief	$ 1,577.0	6.6%	$ 1,652.1	6.6%	$ 1,602.2	6.3%	$ 1,526.8	5.9%
Executive/ Legislative/ Judicial Agencies	$ 289.7	1.2%	$ 307.6	1.2%	$ 305.5	1.2%	$ 311.1	1.2%
Transportation and Development	$ 273.0	1.1%	$ 305.3	1.2%	$ 311.6	1.2%	$ 329.8	1.3%
Environment and Natural Resources	$ 141.4	0.6%	$ 153.1	0.6%	$ 135.4	0.5%	$ 133.1	0.5%
Capital and Other	$ 1.9	0.0%	$ 2.9	0.0%	$ -	0.0%	$ -	0.0%
Total General Revenue Fund	$ 23,838.9	100.0%	$ 25,079.7	100.0%	$ 25,363.7	100.0%	$ 25,956.1	100.0%

Note: Figures may not add to totals due to rounding

Source: Ohio Office of Budget and Management, February 2005

Fund Balance Summaries

Fund Balance Summaries Overview

The purpose of this section is to summarize the state's estimated ending fund balances for fiscal years 2006 and 2007. For the state's General Revenue Fund and Budget Stabilization Fund, the planned fund balances for these two funds are shown, in Table B-3 and Figure B-7, in the context of a 10-year history of ending balances. Fund balance calculations for fiscal years 2006 and 2007 are shown in Table B-4 for the state's General Revenue Fund and for other major budget fund groups. Some small or minor budget fund groups are combined for the purposes of these fund balance calculations.

Fund Balance Calculations by Fund Type and Budget Fund Group

The state has over 1,000 funds that are active in the central accounting system as of January 2005. Each of these funds is assigned to one of 43 budget fund groups. For financial reporting purposes, each of the 43 fund groups is assigned to one of seven fund types. The state's seven fund types are as follows: General Funds, Enterprise Funds, Special Revenue Funds, Internal Service Funds, Agency Funds, Debt Service Funds, and Capital Projects Funds. The relationship between the seven fund types and the 43 budget fund groups is shown on pages B-1 and B-2 of the Executive Budget. The fund types and budget fund groups for which fund balance calculations are shown on Table B-4 are described below.

Fund Type: General Funds: Fund balance calculations are shown for the General Revenue Fund (which is the only fund in the General Revenue Fund Group) and the General Services Budget Fund Group. A fund balance calculation is also shown for All Other General Funds.

Fund Type: Enterprise Funds: Fund balance calculations are shown for each of the four enterprise fund groups: Workers' Compensation Fund Group, Liquor Control Fund Group, State Lottery Fund Group, Underground Parking Garage Fund, and the Auditor of State Fund Group.

Fund Type: Special Revenue Funds: Fund balance calculations are shown for these special revenue fund groups: Federal Special Revenue Fund Group, Highway Operating Fund Group, State Highway Safety Fund Group, Revenue Distribution Fund Group, State Special Revenue Fund Group, Waterways Safety Fund Group, and the Wildlife Fund Group. A calculation is also shown for All Other Special Revenue Fund Groups.

Fund Type: Internal Service Funds: A fund balance calculation is shown for the Internal Service Fund Group.

Fund Type: Agency Funds: A fund balance calculation is shown for the Agency Fund Group.

Fund Type: Debt Service Funds: A fund balance calculation is shown for the Debt Service Fund Group.

Fund Type: Capital Projects Funds: A fund balance calculation is shown for the Capital Projects Fund Group. Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund revenue or spending has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication.

Fund Balances for the General Revenue Fund and the Budget Stabilization Fund

The GRF fund balance at the end of a fiscal year is one measure used by state officials and independent financial analysts to assess a state's financial management practices and its financial condition. In addition, the Ohio Constitution requires the State to maintain a balanced budget. The budget proposed by the Governor for FYs 2006 and 2007 will provide an ending fund balance of 0.5% of the previous year annual GRF revenue, each year, as Table B-3 and Figure B-7 show.

Another measure of the financial health of a state is whether the state has a budget stabilization fund and, if it does, what balances are being maintained in the fund. Since 1981 Ohio has had a budget stabilization fund. And, as seen

in Table B-3 and Figure B-7, the fiscal year ending balances in the fund have varied greatly during the ten fiscal years that are shown.

Prudent fiscal management policy further suggests that a state achieve a budget stabilization fund (BSF) balance equal to approximately five percent of annual GRF revenues. Ohio had reached this goal prior to the most recent recession. However, the State has been forced to use the BSF in the current biennium to offset the unprecedented decline in revenue growth and the dramatic increases in Medicaid expenditures that have resulted from that recession.

Table B-3
History of Ending Fund Balances for the General Revenue Fund and the Budget Stabilization Fund, FYs 1998 to 2007
Dollars in millions

	General Revenue Fund Fund Balances		Budget Stabilization Fund Fund Balances	
Date	Ending Balance	% of GRF Revenues	Ending Balance	% of GRF Revenues
Est. 6/30/07	$ 127.3	0.5%	$ 180.7	0.7%
Est. 6/30/06	$ 205.3	0.8%	$ 180.7	0.7%
Est. 6/30/05	$ 120.2	0.5%	$ 180.7	0.8%
6/30/2004	$ 157.5	0.7%	$ 180.7	0.8%
6/30/2003	$ 52.3	0.2%	$ 180.7	0.8%
6/30/2002	$ 108.3	0.5%	$ 427.9	2.0%
6/30/2001	$ 206.5	1.0%	$ 1,010.6	5.0%
6/30/2000	$ 196.1	1.0%	$ 1,002.5	5.3%
6/30/1999	$ 221.4	1.2%	$ 953.3	5.3%
6/30/1998	$ 138.7	0.8%	$ 906.9	5.3%

Source: Ohio Office of Budget and Management, January 2005

Figure B-7
GRF and BSF Ending Balances as a Share of Annual GRF Revenues FYs 1998 to 2007

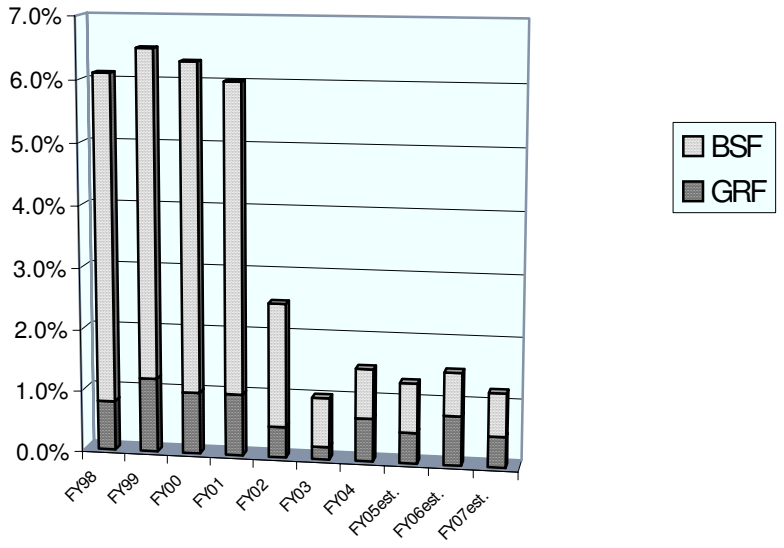


Table B-4
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2006 and 2007
(Dollars in Millions)

	General Funds			Enterprise Funds			
	GENERAL REVENUE	GENERAL SERVICES	OTHER GENERAL FUNDS	WORKERS' COMPENSATION	LIQUOR CONTROL	STATE LOTTERY	UNDERGROUND PARKING GARAGE
FY 2006 est. Beginning Balance	120.2	281.1	180.7	46.1	13.3	496.5	.4
Estimated Revenues							
Taxes	19,089.3	1.8	.0	.0	.0	.0	.0
Federal Grants	5,760.5	72.5	.0	.0	.0	.0	.0
Licenses and Fees	74.4	88.5	.0	.0	1.0	.1	2.1
Other Income and Transfers	533.3	857.3	.0	391.4	575.1	932.3	.7
Total Resources Available	25,777.7	1,301.2	180.7	437.5	589.3	1,428.8	3.2
Proposed Expenditures							
Education	9,410.0	40.5	.0	.0	.0	.0	.0
Health and Human Services	11,814.5	275.0	.0	380.0	.0	.0	.0
Public Safety and Protection	1,784.6	189.2	.0	.0	10.1	.0	.0
General Govt and Tax Relief	1,594.5	388.0	.0	.0	442.2	415.6	3.0
Transportation and Development	311.6	16.5	.0	.0	.0	.0	.0
Environment and Natural Resources	135.4	44.4	.0	.0	.0	.0	.0
Executive, Legislative and Judicial	305.5	47.8	.0	.0	.0	.0	.0
Other Spending and Transfers	16.5	12.1	.0	.0	129.5	648.1	.0
Total Proposed Expenditures	25,372.6	1,013.5	.0	380.0	581.8	1,063.7	3.0
FY 2006 est. Ending Balance	205.3	287.7	180.7	57.4	7.6	365.1	.2
FY 2007 est. Beginning Balance	205.3	279.3	180.7	57.4	7.6	365.1	.2
Estimated Revenues							
Taxes	19,373.6	1.8	.0	.0	.0	.0	.0
Federal Grants	5,878.1	63.4	.0	.0	.0	.0	.0
Licenses and Fees	74.4	60.1	.0	.0	1.0	.1	2.1
Other Income and Transfers	547.0	864.0	.0	390.1	603.3	920.6	.7
Total Resources Available	26,078.4	1,268.7	180.7	447.5	611.8	1,285.7	3.0
Proposed Expenditures							
Education	9,648.7	41.1	.0	.0	.0	.0	.0
Health and Human Services	12,188.3	270.1	.0	380.4	.0	.0	.0
Public Safety and Protection	1,818.3	188.5	.0	.0	10.4	.0	.0
General Govt and Tax Relief	1,519.1	357.0	.0	.0	467.4	402.9	3.0
Transportation and Development	329.8	26.5	.0	.0	.0	.0	.0
Environment and Natural Resources	133.1	44.7	.0	.0	.0	.0	.0
Executive, Legislative and Judicial	311.1	47.9	.0	.0	.0	.0	.0
Other Spending and Transfers	2.7	5.2	.0	.0	126.5	642.9	.0
Total Proposed Expenditures	25,951.1	981.0	.0	380.4	604.3	1,045.8	3.0
FY 2007 est. Ending Balance	127.3	287.6	180.7	67.1	7.5	239.9	.0

Table B-4 (Continued)
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2006 and 2007
(Dollars in Millions)

	Enterprise Funds (Continued)	Special Revenue Funds					
	AUDITOR OF STATE	FEDERAL SPECIAL REVENUE	HIGHWAY OPERATING	STATE HIGHWAY SAFETY	REVENUE DISTRIBUTION	STATE SPECIAL REVENUE	WATERWAYS SAFETY
FY 2006 est. Beginning Balance	5.0	422.8	773.6	214.5	343.6	678.5	15.5
Estimated Revenues							
Taxes	.0	.0	690.0	.8	2,618.4	78.1	15.7
Federal Grants	.0	7,406.4	1,174.0	17.2	.0	23.0	4.3
Licenses and Fees	2.3	498.5	73.1	299.5	544.6	1,070.2	5.5
Other Income and Transfers	40.2	1,334.4	714.7	156.2	135.7	1,304.4	3.5
Total Resources Available	47.5	9,662.0	3,425.4	688.2	3,642.2	3,154.2	44.4
Proposed Expenditures							
Education	.0	1,711.4	.0	.0	145.4	146.1	.0
Health and Human Services	.0	6,773.9	.0	.0	.0	1,620.9	.0
Public Safety and Protection	.0	272.1	.0	459.7	.0	27.6	.0
General Govt and Tax Relief	.0	11.9	.0	.0	2,317.8	175.8	.0
Transportation and Development	.0	290.2	2,432.1	.0	.0	324.4	.0
Environment and Natural Resources	.0	68.5	.0	.0	.0	164.2	28.0
Executive, Legislative and Judicial	43.9	65.8	.0	.0	.0	70.4	.0
Other Spending and Transfers	.0	.1	207.2	30.7	840.4	26.9	3.0
Total Proposed Expenditures	43.9	9,193.8	2,639.2	490.4	3,303.7	2,556.4	31.0
FY 2006 est. Ending Balance	3.6	468.2	786.2	197.9	338.5	597.8	13.4
FY 2007 est. Beginning Balance	3.6	468.2	786.2	197.9	338.5	575.5	13.4
Estimated Revenues							
Taxes	.0	.0	696.0	.8	2,877.9	76.7	15.9
Federal Grants	.0	7,753.9	1,194.0	17.2	.0	23.0	2.7
Licenses and Fees	2.3	491.4	74.1	301.6	544.6	1,161.2	5.5
Other Income and Transfers	40.0	1,410.3	735.7	129.4	155.8	1,095.2	1.4
Total Resources Available	45.9	10,123.8	3,486.0	646.9	3,916.8	2,931.5	38.9
Proposed Expenditures							
Education	.0	1,836.0	.0	.0	322.4	176.5	.0
Health and Human Services	.0	7,029.8	.0	.0	.0	1,419.1	.0
Public Safety and Protection	.0	265.7	.0	465.5	.0	32.7	.0
General Govt and Tax Relief	.0	11.9	.0	.0	2,393.4	176.6	.0
Transportation and Development	.0	290.2	2,562.3	.0	.0	326.8	.0
Environment and Natural Resources	.0	69.7	.0	.0	.0	170.7	26.0
Executive, Legislative and Judicial	43.9	28.4	.0	.0	.0	70.6	.0
Other Spending and Transfers	.0	.0	209.5	24.3	862.4	11.0	1.0
Total Proposed Expenditures	43.9	9,531.6	2,771.8	489.9	3,578.2	2,384.1	27.0
FY 2007 est. Ending Balance	2.0	592.3	714.2	157.1	338.6	547.5	11.9

Table B-4 (Continued)
Fund Balance Calculations by GAAP Fund Type and Budget Fund Group for FYs 2006 and 2007
(Dollars in Millions)

	Special Revenue Funds (Continued)					
	WILDLIFE	OTHER SPECIAL REVENUE	INTERNAL SERVICE FUNDS	AGENCY FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS
FY 2006 est. Beginning Balance	21.8	637.9	.0	418.9	4.0	297.7
Estimated Revenues						
Taxes	.0	.0	.0	3,321.4	.0	.0
Federal Grants	13.1	.0	.0	.0	.0	.0
Licenses and Fees	36.5	.3	.0	6.7	.0	.0
Other Income and Transfers	5.2	1,227.8	.0	2,997.3	733.5	445.0
Total Resources Available	76.7	1,866.0	.0	6,744.4	737.5	742.7
Proposed Expenditures						
Education	.0	639.9	.0	.0	.0	.0
Health and Human Services	.0	.0	.0	131.7	.0	.0
Public Safety and Protection	.0	.0	.0	2.2	.0	.0
General Govt and Tax Relief	.0	.0	.0	6,084.2	733.0	.0
Transportation and Development	.0	250.7	.0	.0	.0	400.9
Environment and Natural Resources	56.7	10.0	.0	3.5	.0	.0
Executive, Legislative and Judicial	.0	.0	.0	31.8	.0	.0
Other Spending and Transfers	.0	343.5	.0	.1	.0	.0
Total Proposed Expenditures	56.7	1,244.1	.0	6,253.4	733.0	400.9
FY 2006 est. Ending Balance	19.9	621.9	.0	490.9	4.5	341.8
FY 2007 est. Beginning Balance	19.9	621.9	.0	490.9	4.5	341.8
Estimated Revenues						
Taxes	.0	.0	.0	3,511.1	.0	.0
Federal Grants	13.1	.0	.0	.0	.0	.0
Licenses and Fees	37.3	.3	.0	6.7	.0	.0
Other Income and Transfers	5.2	1,204.3	.0	3,085.0	817.3	350.0
Total Resources Available	75.6	1,826.4	.0	7,093.6	821.8	691.8
Proposed Expenditures						
Education	.0	639.9	.0	.0	.0	.0
Health and Human Services	.0	.0	.0	131.7	.0	.0
Public Safety and Protection	.0	.0	.0	2.2	.0	.0
General Govt and Tax Relief	.0	.0	.0	6,353.2	817.3	.0
Transportation and Development	.0	250.7	.0	.0	.0	310.9
Environment and Natural Resources	57.7	10.0	.0	2.5	.0	.0
Executive, Legislative and Judicial	.0	.0	.0	31.8	.0	.0
Other Spending and Transfers	.0	443.0	.0	.1	.0	.0
Total Proposed Expenditures	57.7	1,343.6	.0	6,521.5	817.3	310.9
FY 2007 est. Ending Balance	17.9	482.8	.0	572.2	4.5	380.9

Capital Improvements and Long-Term Financing

Capital Budgeting Process

In even-numbered years the state performs a separate budgeting process for capital expenditures – the construction or rehabilitation of structures and acquisition of real estate (or interest therein) and equipment and furnishings. The purpose of Ohio's capital planning and budgeting process is to facilitate decisions regarding the allocation of dollars available for capital improvements for use by various state agencies and local communities. As with virtually all budget processes, the demand for resources exceeds their availability. The capital budgeting process attempts to balance the needs of different agencies and communities and structures a two-year budget that is affordable within projected available resources.

The process for developing the capital budget involves the affected state agencies, the Office of Budget and Management (OBM), the Governor, and the General Assembly. OBM issues guidelines to agencies describing the format and content for agency capital budget requests.

Concurrent with the receipt of agency requests, OBM projects the affordable size of capital appropriations. This projection involves consideration of a number of factors. Projections of the possible level of capital appropriations from non-debt sources reflect available cash, projected revenues, and competing uses for those funds. OBM projects the amount of debt-supported appropriations that can be authorized by considering such factors as the amount of debt already issued by the state, the amount of debt authorized but not yet issued, the existing debt's maturity schedule, the projected level of the state revenue(s) pledged to repay the debt, and projected interest rates. Determinations regarding the amount of General Revenue Fund (GRF) debt-supported appropriations that may be authorized in the capital budget are also subject to a 1999 constitutional amendment under which additional state obligations payable from the GRF or net state lottery proceeds may not be issued if future fiscal year debt service on those new and the already outstanding obligations would exceed 5 percent of the total estimated GRF revenues plus net state lottery proceeds during the fiscal year of issuance. The director of OBM is authorized to make those determinations.

The Office of Budget and Management works with the Governor and the legislature to devise a capital spending plan that fits within the available resources, reflects the Governor's priorities, and meets the needs of state agencies and local entities. The capital plan is then drafted into a bill and submitted to the legislature for the same review and process described in the discussion of the operating bill.

Current Capital Appropriations

In December 2002, the state appropriated $1.27 billion in capital projects in H.B. 675 of the 124th General Assembly for the fiscal year 2003-2004 biennium. The 124th General Assembly also made additional capital appropriations of $1.13 billion in other bills effective during the 2003-2004 biennium, bringing the new capital appropriations (GRF and non-GRF) total for the biennium to $2.41 billion. Of that amount, $2.18 billion will be funded by the issuance of bonds backed by the GRF. Capital appropriations made from various non-GRF sources effective for the fiscal year 2003-2004 capital biennium total $225.6 million and include appropriations from, among others, the public school building fund, the highway safety fund, the clean Ohio revitalization fund, and the waterways safety fund.

The School Facilities Commission received a total of $314.2 million both in GRF-backed debt appropriation and in cash appropriation in the fiscal year 2003-2004 capital bill. Additional capital appropriations for the School Facilities Commission totaling $793.4 million were also made for the biennium in other bills. Together, these appropriations continue the state's commitment to partner with local school districts to provide appropriate educational facilities for Ohio's public school students. The Board of Regents received appropriations totaling $504.5 million to address the facility needs of Ohio's higher education institutions. In the capital reappropriations bill (Am. Sub. S.B. 189), new appropriations totaling $522.6 million were provided for the Ohio School Facilities Commission for the financing of capital improvements for elementary and secondary public schools, $120 million was provided to the Public Works Commission for the financing of capital improvement projects of local

subdivisions of the state and $50 million was provided to the Board of Regents for the Third Frontier Initiative to expand research and technology development facilities.
At the time of publication for this document, the capital bill for fiscal years 2005 and 2006 had yet to be enacted.

Capital Budget's Impact on the Operating Budget

The capital budget's most obvious relationship to the operating budget is the debt service requirements it generates. Debt service is the payment of interest and principal to retire debt created by the issuance of bonds or notes to finance major capital projects. The section titled "Overview of Capital Financing" provides information on state capital financing purposes that will require approximately $3.13 billion for debt service in the 2006-2007 biennium. This includes $2.35 billion to be paid from the GRF.

The capital budget also relates to the operating budget in other ways. Projects that lead to an expansion of space and service levels generally will require additional employees to provide services and maintain that space. As a result, agencies that receive capital appropriations may experience increases in their operating budgets once a project has been completed. Agencies such as the Ohio Veterans' Home, which opened a new 168-bed nursing facility in Georgetown in 2004, required an increase in its operating budget in the fiscal year 2004-2005 biennium.

Overview of Capital Financing

Ohio began major capital construction programs for highway and non-highway capital projects after constitutional amendments were passed by the voters starting in 1953. These capital programs have resulted in the construction and improvement of highways, public school buildings, higher education facilities, parks and recreation facilities, mental health and correctional facilities, airports, pollution control facilities, and local government infrastructure. The projects have been financed largely by the issuance of bonds that are retired over a period of years (currently ranging from 7 to 20 years) because the cost of such projects could not be funded from current revenues. This financing method allows payments of the capital costs to be spread over the useful life of the facilities.

Capital improvements are financed by issuing several types of obligations, including general obligation bonds, special obligation bonds (revenue bonds and lease-rental bonds), economic development bonds, certificates of participation, and by using current revenues.

General Obligation Bonds

Since 1953, many capital improvements have been financed through the issuance of general obligation bonds, which are backed by the state's full faith and credit. General obligation bonds are issued by the Ohio Public Facilities Commission and by the Treasurer of State. Unless expressly exempted, state revenues from almost all tax and non-tax sources are pledged to the repayment of these general obligations. Exceptions are highway user receipts which may only be used for highway projects and state lottery profits which may only be used for financing primary and secondary education facilities. Such general obligation debt must be authorized by a constitutional amendment approved by the voters before it can be issued.

Ohio Public Facilities Commission. The Ohio Public Facilities Commission issues general obligation bonds for the following capital improvements: primary and secondary education, higher education, natural resources, coal research and development, and conservation projects. Each of these currently authorized programs is described below.

> *Primary and Secondary Education.* A 1999 constitutional amendment authorizes general obligation debt, in amounts authorized by the legislature, to be issued to pay the costs of capital facilities for a system of common schools throughout the state. The amount of authorized debt is determined in each capital bill. There is no constitutional limit on the amount of debt that can be outstanding at any time. The full faith and credit, revenue (including net state lottery proceeds) and taxing power (excluding highway user receipts) of the state are pledged to retire this debt.

Higher Education. That same 1999 constitutional amendment authorizes general obligation debt, in amounts authorized by the legislature, to be issued to pay the cost of capital facilities for state-supported and state-assisted institutions of higher education. The amount of authorized debt is determined in each capital bill. There is no constitutional limit on the amount of debt that can be outstanding at any time. The full faith and credit, revenue (excluding net state lottery proceeds), and taxing power (excluding highway user receipts) of the state are pledged to retire this debt.

Natural Resources. A 1993 constitutional amendment authorizes $200 million of general obligation debt to be issued to finance capital facilities for parks and natural resources improvements. Additional debt may be issued as outstanding debt is retired, provided that no more than $200 million is outstanding at any time. Not more than $50 million may be issued in any fiscal year. The full faith and credit, revenue (excluding net state lottery proceeds), and taxing power (excluding highway user receipts) of the state are pledged to retire this debt.

Coal Research and Development. A 1985 constitutional amendment authorizes $100 million of general obligation debt to be issued to finance grants, loans, or loan guarantees for research and development of coal technology that will encourage the use of Ohio coal. Funding is available to any individual, association, or corporation doing business in the state, or to any educational or scientific institution located in the state. Additional debt may be issued as outstanding debt is retired, provided that not more than $100 million is outstanding at any time. The full faith and credit, revenue (excluding net state lottery proceeds), and taxing power (excluding highway user receipts) of the state are pledged to retire this debt.

Conservation. A 2000 constitutional amendment authorizes $200 million of general obligation debt to be issued to finance preservation of green space, development of recreational trails and protection of farmland, all through partnerships with local governments. Additional debt may be issued as outstanding debt is retired, provided that not more than $200 million is outstanding at any time. The full faith and credit, revenue (excluding net state lottery proceeds), and taxing power (excluding highway user receipts) of the state are pledged to retire this debt.

Treasurer of State. The Treasurer of State issues general obligation bonds for highway construction and local infrastructure improvement programs. Each of these currently authorized programs is described below.

Highway (Capital Improvements). The Treasurer of State is authorized by a 1995 constitutional amendment to issue general obligation debt for highway construction. The amendment provides that as debt is retired, additional debt may be issued without voter approval as long as no more than $1.2 billion is outstanding at any time. No more than $220 million may be issued in any fiscal year. The primary sources of revenue to pay the debt service on these general obligations are highway user receipts (including the motor vehicle fuel tax).

Infrastructure Improvements. The Treasurer of State issues general obligation debt, pursuant to a constitutional amendment passed in 1995 for local government infrastructure improvements. That amendment authorizes the issuance of $1.2 billion of general obligation debt to finance or assist the financing of public infrastructure capital improvements of municipal corporations, counties, townships, and other government entities as designated by law. No more than $120 million may be issued in any fiscal year. The full faith and credit, revenue (excluding net state lottery proceeds), and taxing power of the state (excluding highway user receipts) are pledged to retire this debt.

The following table provides summary information for the state's general obligation bonds as of June 30, 2004 ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued(a)	Maturing through Fiscal Year	Outstanding Balance
Infrastructure Improvements	1990-04	$1,919,986	2024	$1,245,103(b)
Coal Research and Development	1992-04	150,000	2013	48,710
Natural Resources	1995-04	240,000	2018	170,355
Highway Capital Improvements(c)	1997-04	3,040,000	2014	794,000
Higher Education Facilities	2000-04	1,250,000	2024	1,131,395
Common School Facilities	2000-04	1,790,000	2024	1,684,135(d)
Conservation Projects	2002-04	100,000	2019	95,315
Total				$5,169,013

(a) The amount of bonds issued for refunding purposes is excluded in determining the amount issued.
(b) Includes $285,025,000 in adjustable rate bonds.
(c) Includes Highway Obligation bonds, for which issuance authority was repealed in 1996 and with a final maturity in 2005.
(d) Includes $67,000,000 in adjustable rate bonds.

Special Obligation Lease-Rental Bonds

Until recent years, most of the state's capital projects had been funded via lease-rental bonds. These bonds constitute a special type of bonded debt because the lease-rental payments are made from biennial GRF appropriations in the state's operating budget. Current state issuers of lease-rental bonds are:

Ohio Building Authority. As authorized by the Constitution and the legislature, the Ohio Building Authority issues lease-rental bonds to finance the capital costs of certain state facilities, including office buildings (some shared by local governments), adult and juvenile corrections, local jails, transportation and public safety, workers' compensation, and cultural facilities. These bonds are paid from GRF lease-rental appropriations, except for the bonds for (i) highway transportation building and public safety facilities which are retired by payments from the Highway Operating Fund and State Highway Safety Fund, and (ii) workers' compensation facilities which are retired by payments from the Bureau of Workers' Compensation Administrative Fund.

Treasurer of State. As authorized by the Constitution and the legislature, the Treasurer of State issues lease-rental bonds to finance capital facilities for mental health and mental retardation and for parks and recreation facilities.

The following table presents summary information for the state's lease-rental bonds as of June 30, 2004 ($ in thousands).

Issuer / Purpose	Fiscal Years Issued	Amount Issued(a)	Maturing through Fiscal Year	Outstanding Balance
Ohio Building Authority				
Prison Facilities	1986-04	$1,659,500	2024	$ 903,780
Juvenile Facilities	1993-03	232,000	2019	174,260
Administrative Service Facilities	1992-04	1,363,300	2024	849,015
Cultural Facilities	1993-03	323,690	2018	189,705
Natural Resource Facilities	1988	12,160	2009	4,775
Transportation Facilities(b)	1993-02	155,800	2011	50,520
Public Safety Facilities(b)	1995-04	133,600	2021	89,955
Workers' Compensation(b)	1993-03	214,255	2015	142,500
Treasurer				
Higher Education Facilities	1992-01	4,817,590	2014	1,125,945
Mental Health Facilities	1992-03	1,237,085	2018	259,990
Parks & Recreation Facilities	1993-04	289,900	2019	121,610
Elementary & Secondary Education	1995-99	333,640	2008	106,615
Total				$4,018,670

(a) The amount of bonds issued for refunding purposes is excluded in determining the amount issued.
(b) Debt service paid from non-GRF sources.

Certificates of Participation

The Department of Transportation and the Department of Administrative Services have entered into lease-purchase agreements (in connection with which Certificates of Participation were issued) to finance various transportation and building projects. The lease payments are made from charges to the user and/or biennial appropriations for repayments that are included in the biennial budget.

The following table presents summary information for certificate of participation financing arrangements as of June 30, 2004 ($ in thousands).

Using Agency / Purpose	Fiscal Year Issued	Amount Issued	Maturing through Fiscal Year	Outstanding Balance
Department of Transportation				
Panhandle Rail Line Project	1992	$ 8,680	2012	$ 5,105
Rickenbacker Port Authority	1996	10,155	2007	1,375
Department of Administrative Services				
Youngstown Central Area Community Improvement District	1998	6,615	2029	6,365
Rickenbacker Port Authority	1998	16,455	2023	14,425
Total				$27,270

Bonds Paid from Other State Funds

Economic Development. These bonds are issued by the Treasurer of State for the Department of Development's Direct Loan, Innovation Ohio and Research & Development programs under Chapter 166 of the Revised Code. These bonds provide financing for loans to businesses within the state that cannot obtain conventional financing for economic development projects that create or retain jobs in the state. The bonds are backed by profits derived from the sale of spirituous liquor.

Clean Ohio Revitalization Program. These bonds are issued by the Treasurer of State for the Clean Ohio Council, which consists of the directors of the Department of Development, Environmental Protection Agency, Public Works Commission, four members of the Ohio General Assembly, and seven citizens appointed by the Governor. The bonds provide financing for grants and loans to projects that provide for the environmentally safe and productive development and use or reuse of publicly- and privately-owned lands within the state. These bonds are payable from revenues and receipts designated by the General Assembly (currently a portion of the state's profits derived from the sale of spirituous liquor).

The following table presents summary information for those bonds paid from state liquor profits as of June 30, 2004 ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued	Maturing through Fiscal Year	Outstanding Balance
Economic Development	1997-04	$268,740	2024	$233,560
Revitalization	2003	50,000	2018	47,590
Total				$281,150

Highway State Infrastructure Bank (GARVEE). The Treasurer of State issues these bonds for the Ohio Department of Transportation for selected highway construction projects that have been approved by the U.S. Department of Transportation. The debt service charges are paid from pledged Federal Title 23 Highway Funds.

Transportation Improvement District (Butler County). These bonds were issued by a Transportation Improvement District through a lease-purchase agreement with the Ohio Department of Transportation to support selected regional and local highway construction projects that have been approved by the U.S. Department of Transportation. The debt service charges are paid from pledged Federal Title 23 Highway Funds.

State Infrastructure Bank bonds and Transportation Improvement District bonds outstanding, as of June 30, 2004, were as follows ($ in thousands).

Purpose	Fiscal Years Issued	Amount Issued	Maturing through Fiscal Year	Outstanding Balance
Major New State Infrastructure	1998-04	$438,765	2011	$306,585
Butler County TID	1998	154,485	2017	116,130
Total				$422,715

Revenue Bonds

Revenue bonds are used by the state to finance a specific project or category of projects. Debt service is paid from revenues or fees that are charged for the use of facilities rather than from the pledge of the full faith and credit, revenue, and taxing power of the state. Various state authorities and commissions have been created by the legislature and given the authority to issue revenue bonds. These include the Ohio Turnpike Commission, the Higher Education Facilities Commission, the Ohio Housing Finance Agency, the Ohio Water Development Authority, and the Petroleum Underground Storage Tank Release Compensation Board. The funds borrowed by these authorities and the funds for the debt service payments on their obligations are outside the state treasury and are not appropriated by the legislature.

The Department of Development, the Ohio Water Development Authority, and the Ohio Air Quality Development Authority have also issued industrial development or pollution control revenue bonds, the debt service on which is paid solely by the benefited business (not from state revenues).

Debt Service and Outstanding Debt

The following table (Table B-5) shows certain historical debt information and comparisons. These tables include only outstanding bonds of the state secured by pledges of taxes and excises, and those lease-rental obligations that are paid from the General Revenue Fund. Highway obligations and obligations issued by the Ohio Building Authority for Department of Transportation, Department of Public Safety, and Bureau of Workers' Compensation are not included since they are paid from non-GRF sources.

Table B-5
Debt Service Expenses as a Percent of GRF Revenues

Year	Principal Amount Outstanding (as of July 1)	Outstanding Debt Per Capita	Outstanding Debt As % of Annual Personal Income
1980	$1,991,915,000	$184	1.83%
1990	$3,690,154,994	$340	1.81%
2000	$6,308,680,025	$556	1.96%
2001	$6,570,863,174	$578	2.02%
2002	$7,086,317,648	$623	2.18%
2003	$7,559,386,132	$661	2.21%(b)
2004	$8,110,709,343	$708(a)	2.37%(b)

(a) Based on July 2004 population estimate.
(b) Based on 2003 personal income data.

Fiscal Year	Debt Service Payable	Total GRF Revenue and Net State Lottery Proceeds	Debt Service as % of GRF Revenue and Lottery Proceeds	Debt Service as % of Annual Personal Income
1980	$187,478,382	$4,835,670,223	3.88%	0.17%
1990	$488,676,826	$12,230,681,298	4.00%	0.24%
2000	$871,313,814	$20,711,678,217	4.21%	0.27%
2001	$918,248,422	$21,921,275,724	4.19%	0.28%
2002	$926,142,216	$22,072,703,100	4.20%	0.28%
2003	$959,489,678	$23,055,920,100	4.16%	0.28%(a)
2004	$1,013,222,412	$24,678,909,000	4.11%	0.30%(a)

(a) Based on 2003 personal income data.

Status of Capital Improvements Debt

The following tables show summary and selected information concerning changes in long-term obligations as of June 30, 2004 (Table B-6), and estimated issuance amounts and debt service costs for the fiscal year 2004-2005 biennium (Table B-7). The debt service appropriations for general obligation bonds are in the Governor's proposed operating budget for each of the benefiting state agencies for which obligations have been issued. The appropriations to cover the debt service on special obligation bonds are included in the budgets of the Board of Regents, Department of Mental Health, Department of Mental Retardation and Developmental Disabilities, Department of Natural Resources, Department of Rehabilitation and Correction, Department of Administrative Services, Department of Youth Services, Cultural Facilities Commission, School Facilities Commission, Department of Transportation, Department of Public Safety, Department of Education, and the Bureau of Workers' Compensation.

Table B-6
Changes in General Long-Term Obligations ($ in thousands)

	General Obligation Bonds	Special Obligation Bonds	Certificates of Participation	Economic Development	State Infrastructure and Butler County Bonds	Total
Principal Outstanding as of July 1, 2002	$3,639,797	$4,573,141	$31,620	$144,760	$276,430	$8,665,748
Additions: Debt Issued	2,819,379	1,142,095	0	150,000	248,765	4,360,239
Deductions: Debt Retirement/ Refundings/ Defeasances	1,290,163	1,696,566	4,350	13,610	102,480	3,107,169
Principal Outstanding as of June 30, 2004	$5,169,013	$4,018,670	$27,270	$281,150	$422,715	$9,918,818

Table B-7
Summary of State Debt as of 6-30-04 and FY 2006 and 2007 Estimated Issuance Amounts
($ in thousands)

Security and Purpose	Constitutional Citation	Amount Authorized by the Legislature[a]	Amount Issued As of 6/30/04	Amount Outstanding on 6/30/04	Estimated Amount to be Issued in FYs 2006-2007	Estimated Debt Service Costs for FYs 2006-2007[b]
General Obligations						
Higher Education	Sec 2n, Art. VIII	$1,851,000	$1,250,000	$1,131,395	$600,000	$289,714
Common Schools	Sec 2n, Art. VIII	2,505,000	1,790,000	1,684,135	1,200,000	413,636
Coal Development	Sec 15, Art. VIII	150,000	150,000	48,710	15,000	16,052
Natural Resources	Sec 2l, Art. VIII	287,000	240,000	170,355	30,000	50,225
Highway[c]	Sec 2i&2m, Art. VIII	3,515,000	3,040,000	794,000	430,000	377,086[d]
Infrastructure	Sec 2k&2m, Art. VIII	2,160,000	1,919,986	1,245,103	240,000	332,877
Conservation	Sec 2o, Art. VIII	100,000	100,000	95,315	50,000	30,856
Third Frontier	n.a.	n.a.	n.a.	n.a.	100,000	13,910
Total		$10,568,000	$8,489,986	$5,169,013	$2,665,000	$1,524,356
Special Obligations						
Adult Corrections	Sec 2i, Art. VIII	$1,828,000	$1,659,500	$903,780	$75,000	$252,971
Juvenile Correct.	Sec 2i, Art. VIII	257,000	232,000	174,260	25,000	42,150
Admin. Services	Sec 2i, Art. VIII	1,461,000	1,363,300	849,015	40,000	231,832
Cultural	Sec 2i, Art. VIII	385,000	323,690	189,705	40,000	76,373
DNR – Fount. Sq.	Sec 2i, Art. VIII	12,160	12,160	4,775	0	2,117
Higher Education	Sec 2i, Art. VIII	4,817,590	4,817,590	1,125,945	0	401,415
Mental Health	Sec 2i, Art. VIII	1,315,000	1,237,085	259,990	60,000	94,260
Parks & Recreation	Sec 2i, Art. VIII	313,000	289,900	121,610	50,000	39,662
Prim./Sec. Educ.	Sec 2i, Art. VIII	333,640	333,640	106,615	0	63,295
Transportation	Sec 2i, Art. VIII	155,800	155,800	50,520	0	23,998[d]
Public Safety	Sec 2i, Art. VIII	143,000	133,600	89,955	4,400	27,794[d]
Workers' Comp.	Sec 2i, Art. VIII	214,255	214,255	142,500	0	39,863[e]
Total		$11,235,445	$10,772,520	$4,018,670	$294,400	$1,295,728
Other						
Highway Infrastructure	Sec 13, Art. VIII	n.a.	$438,765	$306,585	$265,000	$210,385[f]
Economic Development	Sec 13, Art. VIII	n.a.	268,740	233,560	150,000	71,388[g]
Revitalization	Sec 2o, Art. VIII	$100,000	50,000	47,950	50,000	23,226[g]
Total		$100,000	$757,505	$588,095	$465,000	$304,999

Notes:

[a] Includes appropriations passed by the General Assembly as of 6/30/2004.
[b] Debt service or lease payments paid from General Revenue Fund unless otherwise noted. Totals may not add due to rounding.
[c] Includes highway obligations and highway capital improvement bonds.
[d] Debt service is paid from highway user receipts (including the motor vehicle fuel tax receipts).
[e] Debt service is paid from appropriations from the BWC Administrative Cost Fund.
[f] Debt service on these "GARVEE " bonds is paid from federal transportation grants (Title 23 of the U.S. Code).
[g] Debt service is paid from profits derived from the sale of spirituous liquor.

Tobacco Revenue Budget

Overview

In March 2000, Governor Bob Taft signed into law Amended Substitute Senate Bill 192 of the 123rd General Assembly. The act established Ohio's plan for using the revenue received from the Tobacco Master Settlement Agreement and made the first appropriations of tobacco revenue for fiscal years 2001 and 2002.

The tobacco budget is prepared in accordance with Section 126.022 of the Ohio Revised Code. The tobacco budget is on a separate biennial budget cycle from the state's main operating budget (the biennial budget cycle for the Tobacco Revenue Budget coincides with the cycle for the capital budget). Appropriations for the current biennium, fiscal years 2005 and 2006, can be found in Substitute House Bill 434 of the 125th General Assembly.

The Executive Budget for fiscal years 2006 and 2007 does not contain any proposals for using tobacco revenue. However, because the Governor's Executive Budget typically includes an overview of the state's entire financial picture, this summary of pertinent information related to the tobacco settlement, the amount of tobacco revenue received to date, and agency appropriations has been included.

The Tobacco Master Settlement Agreement

In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers. This agreement ended litigation brought by the Attorneys General against the manufacturers in 1996 for state health care expenses attributed to smoking-related claims. The remaining four states (Florida, Minnesota, Mississippi, and Texas) settled separately.

The main source of tobacco revenue to the states comes from what are called "base payments." Base payments are made annually, and Ohio's share of these payments is 5.04 percent, which is expected to total $9.9 billion by the end of 2025. Revenue estimates made by the National Association of Attorneys General end in 2025, but under the terms of the MSA, payments are to continue into perpetuity.

While Ohio's share of the base payments will not change over time, the amount of each payment is subject to a number of adjustment factors including inflation and volume adjustments. Some adjustments, inflation for example, should contribute to an increase in the amount of the payments, while other factors may cause a decrease. The net effect of the adjustment factors on future payments is very uncertain, making it difficult to estimate what Ohio's future payments will be. It should be noted as well that the volume factor probably will be affected by the efforts of Ohio, other states, and the federal government to reduce tobacco consumption.

In addition to a share of the base payments, Ohio will receive ten annual payments from the Strategic Contribution Fund between 2008 and 2017. Allocations from this fund are based on the state's contribution to the litigation and settlement with the tobacco companies. These payments are subject to the adjustment factors in the MSA. The total pre-adjusted revenue number for Ohio from the Strategic Contribution Fund is $239.5 million.

Ohio's Plan for the Tobacco Revenue

In March 1999, a bipartisan 15-member task force was created under Governor Bob Taft's leadership. The task force issued a report October 5, 1999, making recommendations to the Governor and the legislature as to how Ohio should use the MSA revenue.

Am. Sub. S.B. 192 of the 123rd General Assembly was enacted in response to the task force's recommendations and established Revised Code Chapter 183, which provides a comprehensive plan for using the state's tobacco revenue through fiscal year 2012. For the period from fiscal 2012 through fiscal 2025, the act contained a plan for using a portion of the revenue. No provision has been made for using the revenue beyond 2025.

This act created a number of funds for managing the revenue and a formula for distributing tobacco revenue among these funds. It also specified how moneys are to be used and made appropriations for fiscal years 2001 and 2002.

The act created the Biomedical Research and Technology Transfer Commission, housed for administrative purposes in the Board of Regents, and two new state agencies: the Tobacco Use Prevention and Control Foundation and the Southern Ohio Agricultural and Community Development Foundation.

The Tobacco Revenue Budget for Fiscal Years 2005 and 2006

Ohio has received $1.8 billion in tobacco settlement payments through fiscal year 2004 and expects to receive an additional $289.8 million in tobacco revenue in fiscal year 2005. This revenue plus any interest earnings will be distributed to the various funds pursuant to the distribution plan and appropriations made in Sub. H. B. 434 of the 125th General Assembly.

Amended Substitute House Bill 95 diverted some tobacco revenues to the General Revenue Fund. The remaining funds were distributed as follows:

School Facilities. The School Facilities Commission uses the tobacco revenue that goes to the School Facilities Trust Fund, along with other non-tobacco funds, for the construction, renovation, and repair of Ohio's primary and secondary schools. The School Facilities Commission received an appropriation of $25.6 million in fiscal years 2003 and 2004 and will receive $243.2 million for fiscal years 2005 and 2006.

Tobacco Use Prevention. The Tobacco Use Prevention and Control Foundation (TUP) uses funds to develop and implement programs to reduce tobacco use in Ohio. By law, TUP was to receive approximately $221.2 million in fiscal years 2003 and 2004. However, in order to help offset reduced revenues to the General Revenue Fund (GRF), Am. Sub. H.B. 405 of the 124th General Assembly diverted these funds to the GRF. The transferred amounts will be repaid from the tobacco revenue received in fiscal years 2013 and 2014. Am. Sub. H.B. 95 diverted tobacco revenues that would have been appropriated in fiscal year 2005. Because of this diversion, the Foundation will receive appropriations in fiscal year 2006 only in the amount of $107.5 million. The funds diverted in fiscal year 2005 will be repaid in fiscal year 2015.

Southern Ohio Agricultural and Community Development. The Southern Ohio Agricultural and Community Development Foundation (SOA) uses funds for agricultural and community development programs in Ohio counties where tobacco has traditionally been grown to mitigate the adverse economic impact of reduced tobacco production and to replace the production of tobacco with other agricultural products. SOA received appropriations of $32.4 million in fiscal years 2003 and 2004 and will receive a total of $25.8 million in appropriations in fiscal years 2005 and 2006.

Health Priorities. Ohio's Public Health Priorities Trust Fund was created to fund five health priorities. Four agencies administer programs in one of more of the following five priority areas:

- The Departments of Health and Alcohol and Drug Addiction Services, and the Commission on Minority Health administer minority health programs, on which not less than 25 percent of the annual appropriations from the trust fund are to be expended.
- The Department of Public Safety receives an appropriation to enforce Ohio's underage tobacco use laws (ORC Section 2927.02).
- The Department of Alcohol and Drug Addiction Services administers alcohol and drug abuse prevention programs, including programs for adult and juvenile offenders in state institutions and aftercare programs.
- The Department of Health administers a non-entitlement program to provide emergency assistance, including medication, oxygen, or both, to low-income seniors whose health has been adversely affected by tobacco use. Five percent of the annual appropriations from the trust fund must be made for this purpose.
- The Department of Health administers a program that provides a partial reimbursement, on a county basis, to hospitals, free medical clinics, and similar organizations that provide free, uncompensated care to the general public.

Overall, the Public Health Priorities Trust Fund received appropriations of $22.4 million in fiscal years 2003 and 2004 and will receive $23.3 million in appropriations in fiscal years 2005 and 2006.

Biomedical Research and Technology Transfer. Funds are used to make strategic assessments of current biomedical research and technology transfer programs in Ohio. A special focus of the assessments is the capacity to create jobs and improve the health of Ohioans. Based on these assessments, competitive grants are awarded to public and private research institutions and companies for biomedical research and technology initiatives in the fields of human genetics and genomics, structural biology, biomedical engineering, computational biology, environmental biology, and plant biology. In fiscal years 2003 and 2004, appropriations totaling $51.0 million were received by the Biomedical Research and Technology Transfer Commission housed within the Board of Regents. The fiscal year 2003-2004 capital bill, H.B. 675, abolished this commission and transferred all of its functions to the Third Frontier Commission housed in the Department of Development. The Third Frontier Commission will receive appropriations of $48.0 million in fiscal years 2005 and 2006.

Education Technology. SchoolNet received an appropriation of $33.0 million in fiscal years 2003 and 2004 and will receive $15.5 million in fiscal years 2005 and 2006. Among other things, these funds will be used for the SchoolNet Plus program to complete the purchase of computers for sixth grade students and to begin purchasing one computer for every five seventh-grade students. The fiscal year 2006 and 2007 Executive Budget recommendation to merge SchoolNet with the Educational Telecommunications Network Commission affects this appropriation. For additional detail, please refer to the State Controlling Board narrative under Tab E, Agency Budget Recommendations.

Law Enforcement Improvements. The Attorney General's Office received an appropriation of $7.2 million in fiscal years 2003 and 2004 to maintain, upgrade, and modernize its law enforcement training, technology, and laboratory facilities and will receive $11.6 million in fiscal years 2005 and 2006.

Tobacco Settlement Oversight, Administration, and Enforcement. The Attorney General and the Department of Taxation receive appropriations to ensure compliance with provisions of the MSA. The Department of Taxation is responsible for enforcing the excise tax on tobacco for each brand of cigarettes and roll-your-own cigarette tobacco that is not covered by the MSA. The Attorney General provides legal research, civil litigation assistance, and monitors all MSA-related documents. These two agencies received an appropriation of $1.5 million for fiscal years 2003 and 2004 and will receive $1.6 million for fiscal years 2005 and 2006.

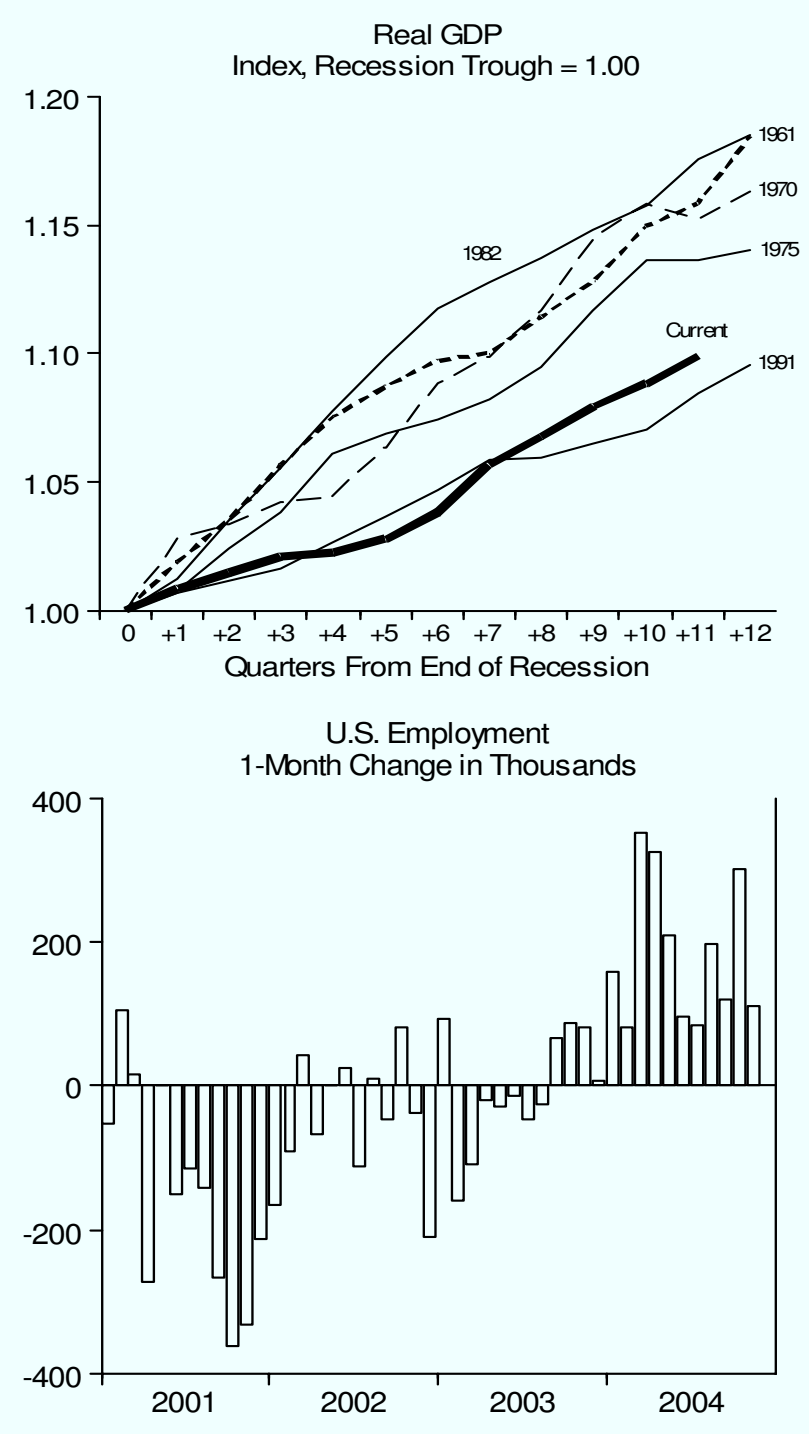
Economic Overview and Forecast

Overview

The U.S. economy has expanded for three straight years, despite the large decrease in financial wealth during 2000-2002, the uncertainty generated by the war in Iraq, the rise of oil prices to an all-time high, a series of devastating hurricanes, and continuing corporate scandals. In addition, record trade and federal budget deficits, the depreciation of the dollar in foreign exchange markets, and concerns about outsourcing labor to other countries have raised doubts about the sustainability of economic growth.

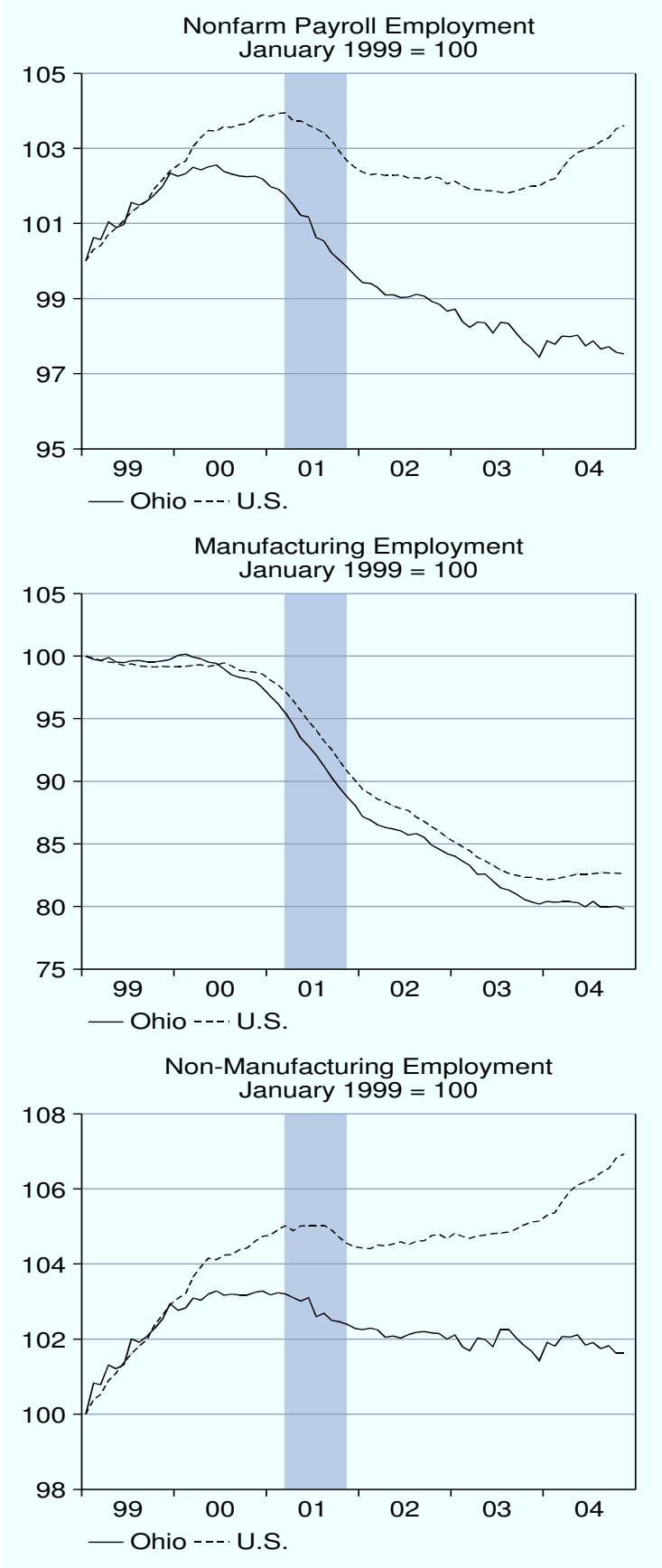
Yet at 3.5%, the growth rate of real Gross Domestic Product (GDP) since the end of the 2001 recession has exceeded the consensus among forecasters. Growth has matched approximately the long-run potential of the U.S. economy, though it fell short of growth rates during the early years of most previous business cycle expansions. (See Real GDP chart.) The lone recent exception is the expansion that began in 1991. Real GDP growth during the first three years of that expansion was only 3.1%. In many respects, the current period is much like that of the early 1990s, with moderate but disappointing economic growth, low inflation and interest rates, and modest growth in employment. (See U.S. Employment chart.)

In many respects the economic expansion was on track by late 2002. Economic activity was disrupted by the run-up to war in Iraq, as the price of oil increased by approximately 75% in a year's time, consumer confidence fell sharply to a new cyclical low, and employment and manufacturing orders and shipments slumped.

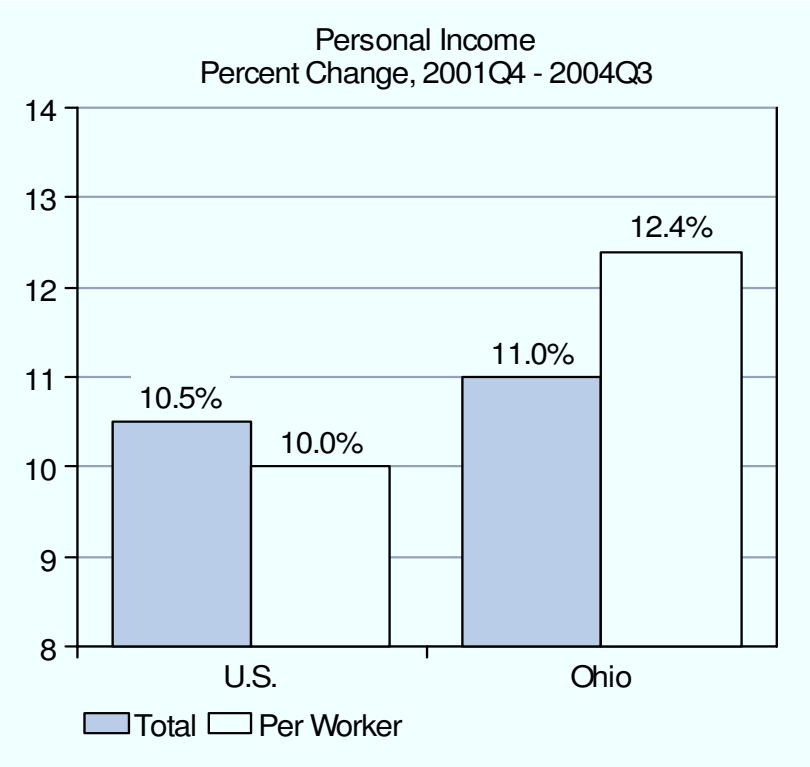


The economy returned to the expansion path quickly as military operations proceeded as planned, but by September 2003, U.S. employment was one million jobs below the level at the end of the recession. Not until April 2004 did employment rise to a new post-recession high. By the close of 2004, employment was approximately 1.25 million jobs higher than at the end of the recession and more than two million jobs higher than at the end of 2003. Still, job gains are only up to an average of about 180,000 per month. Employment grew significantly faster during the third year of expansions following the four major recessions since 1970.

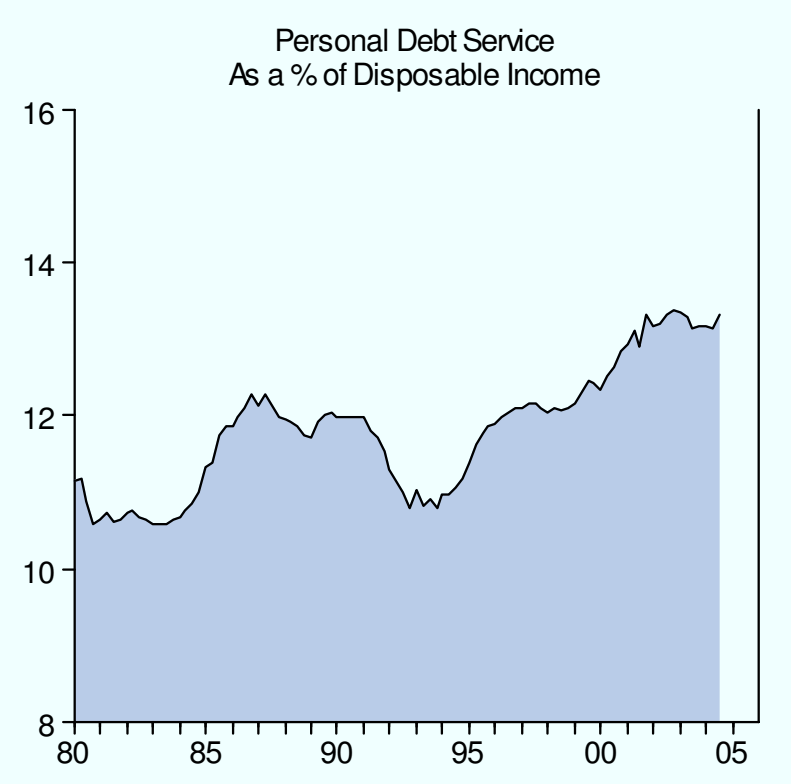
Ohio employment has grown by less than overall U.S. employment growth. (See Nonfarm Payroll Employment chart.) From the cyclical low in December 2003, Ohio employment increased by 31,900 jobs by May 2004. But from May to November, Ohio employment fell by 27,500 jobs, leaving the total 4,400 jobs ahead of the year-end 2003 level. The under-performance of Ohio employment relative to U.S. employment is due not so much to greater losses in manufacturing jobs in Ohio, but to the failure of Ohio non-manufacturing jobs to increase. (See Manufacturing Employment and Non-Manufacturing Employment charts.) The decline in manufacturing is very significant for Ohio because it is the base of the state economy, the percent employed is 40% greater than the national average, and many service jobs depend on manufacturing companies.



Despite the underperformance of employment in Ohio, growth in personal income has outstripped growth at the national level during the expansion. Total personal income expanded 10.5% from the fourth quarter of 2001 through the third quarter of 2004, compared with an increase of 11.0% in Ohio. (See Personal Income chart.) Personal income per employee, however, rose 2.4 percentage points faster in Ohio than across the country. The greater share of manufacturing, where productivity growth has been the highest, in Ohio than in the U.S. partially explains the faster growth in personal income per worker.



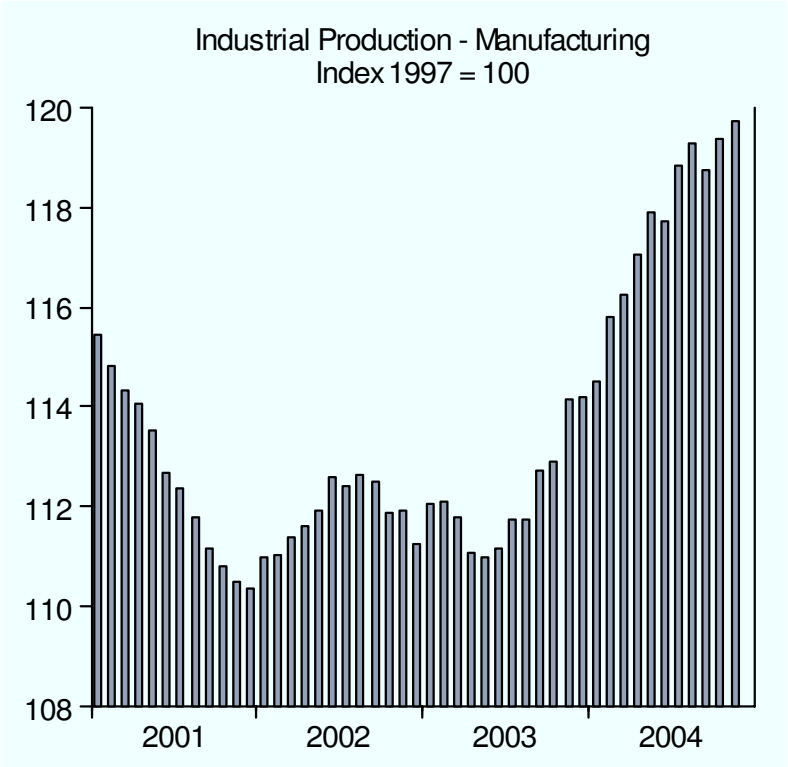
To a significant extent, the moderate pace of increase in U.S. economic activity in this expansion reflects the modest degree of the 2001 recession. Real GDP declined in only three quarters, but never in two consecutive quarters and never on a year-over-year basis. Personal consumption expenditures helped offset the severe decline in corporate profits, business investment, and government financial conditions during the recession. Fiscal and monetary policy stimuli in the form of tax cuts, additional federal government spending, and extremely low interest rates supported activity in cyclical and interest sensitive areas of the economy, such as motor vehicles and housing. Pricing and production decisions by U.S auto manufacturers further boosted vehicle sales.



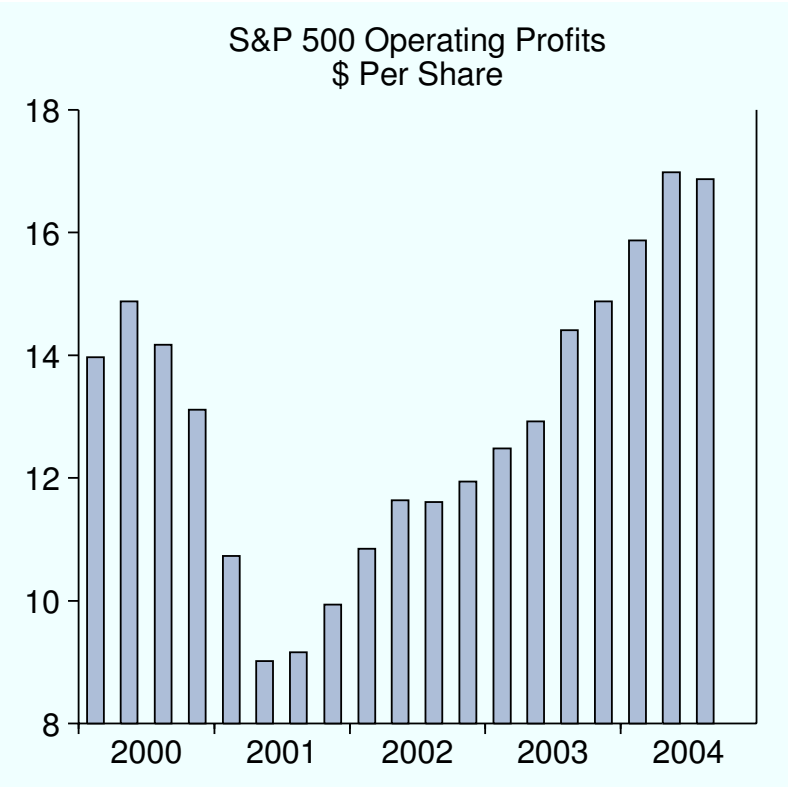
The thrust from consumer spending has continued, despite a high consumer debt service burden and an already low saving rate. (See Personal Debt Service chart.) Consumer spending has accounted for about two-thirds of overall GDP growth during the

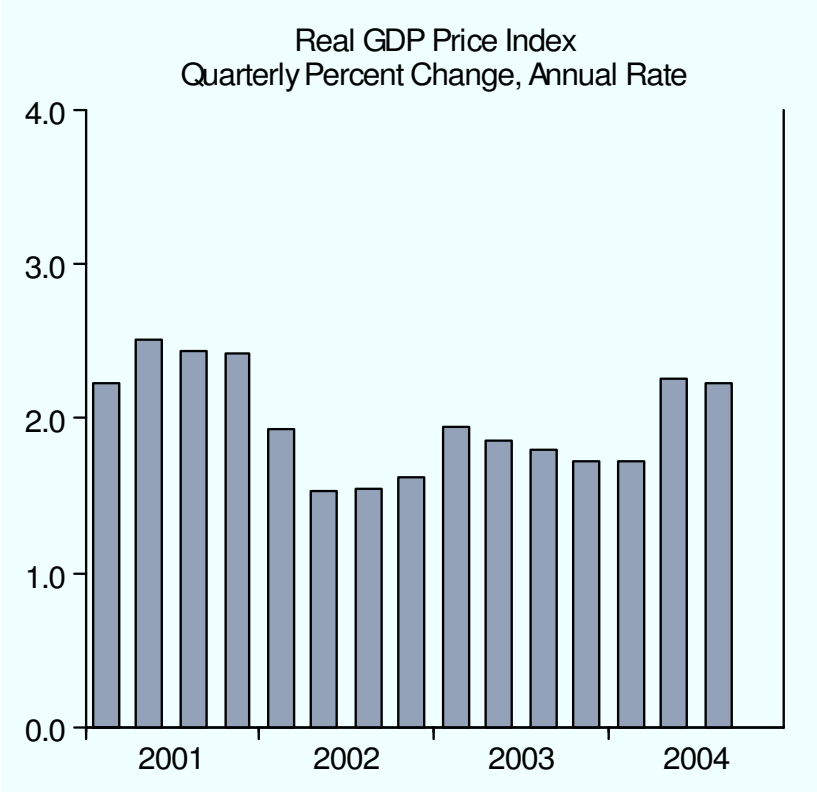
last three years. More recently, business capital spending has responded to the improving economic environment and federal tax incentives, growing at a compound annual rate of 14% during the last year and a half. Increases in business inventories, housing construction, exports, and federal government consumption have been the other major drivers of growth.

In tandem with increases in consumer, business, and government spending, manufacturing activity has strengthened. (See Industrial Production – Manufacturing chart.) In the past year and a half, industrial production in the manufacturing sector has increased by 7.7%, raising the rate of capacity use by four percentage points. Production advanced even more rapidly in the Transportation Equipment, Primary Metal, and Machinery industries, which account for one-third of manufacturing employment in Ohio. Production in the Fabricated Metal industry, which also has a significant representation in Ohio, has been growing more slowly than overall manufacturing output. The strongest category of manufacturing has been Computers and Electronic Products, which accounts for less than 5 percent of Ohio manufacturing employment.



Corporate profits are both reflecting and contributing to the improved economic situation. After decreasing by 40% from peak to trough during the recession, operating earnings per share of S&P 500 companies have nearly doubled from the low-point. (See S&P 500 Operating Profits chart.) In the year ending in the third quarter of 2004, profits are up 25% from the same period a year earlier. Higher unit sales and increased worker productivity are largely responsible for the increase in profits, which in turn has triggered stepped-up hiring and strong growth in capital spending.





One of the important sustaining features of this expansion has been the low and relatively stable rate of inflation. Consumer prices have increased at an annual rate in the 1% to 3% range during the last two years. Driven by the significant rise in energy prices, inflation has trended higher recently, but remains well below levels that have disrupted the economy in the past. The broader GDP price index has increased at a rate between 1.5% and 2.5% since the onset of the 2001 recession. (See Real GDP Price Index chart.)

Tame inflation has permitted the Federal Reserve to raise the overnight borrowing rate at a measured pace of one-half percentage point approximately every three months since May 2004. Forecasters expect the rate to rise from the level of 2.25% at the end of 2004 to the 3.0% to 3.5% range by the end of 2005, depending on the strength of economic growth. The low rate of inflation and high confidence of investors in the commitment and ability of the Federal Reserve to contain inflation has kept long-term interest rates from rising during this expansion. Low mortgage rates continue to fuel a strong housing sector, a high level of motor vehicle production and sales, and a moderate level of mortgage refinancing, which further adds to consumer spending power.

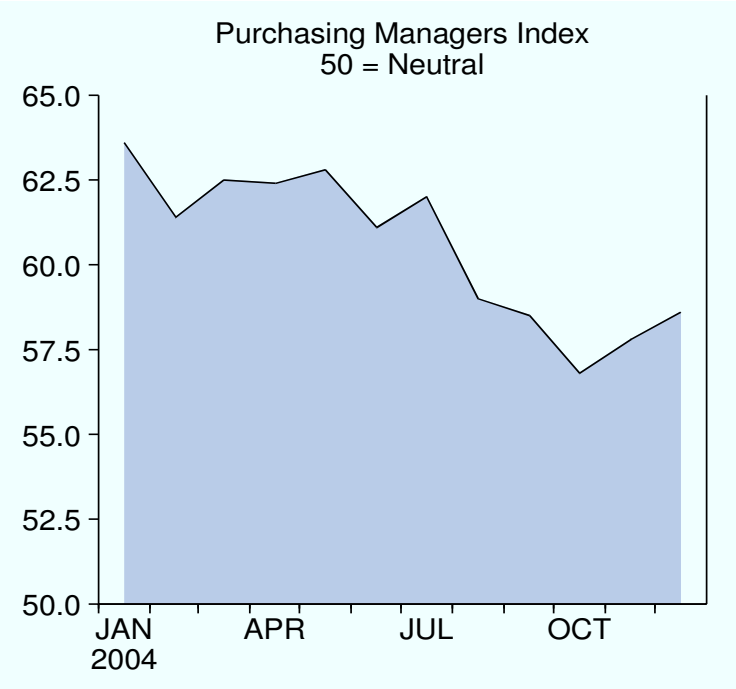
This backdrop of improving economic growth with low and relatively stable interest rates has become a positive — but not strong — environment for state tax revenue. Growth has started to rebound in most states with the usual lag. Continued improvement is highly dependent on the future course of the economy.

Slower Growth Ahead

- Expectations about the economy have fluctuated with oil prices and perceptions of strength in labor markets. The economy hit a so-called "soft patch" in mid-year, but managed to grow a healthy 3.5% during that time. Real GDP appeared on track to at least match that rate in the final quarter of 2004. A number of indicators point toward sustained, but slower growth ahead:

- The Leading Economic Index compiled by the Conference Board decreased for five straight months before rising in November 2004. The indicator is a combination of 10 separate measures that tend to move before the rest of the economy. The largest contributor to the recent weakness has been the narrowing of the spread between long-term and short-term interest rates, which reflects recent actions by the Federal Reserve. The growth rate of the Weekly Leading Index from the Economic Cycle Research Institute (ECRI) paints a similar picture, having flattened out after posting a marked decline. The patterns of both indices are consistent with continued, but slower economic growth in 2005.

- Growth rates in the manufacturing sector appear to have peaked. The Purchasing Managers Index (see chart) and its key components decreased significantly in 2004 after rising sharply the year before. New orders, production, employ-ment, and order backlogs are all reported to be expanding, but at a much slower rate than a year ago. Growth rates in new orders, production, and shipments of factory goods have all turned south.



- High energy prices have cut into real spending by consumers and businesses. The price of oil remains near its record-high in nominal terms, reducing dollars available for spending on other goods and services. The elevated price of oil is estimated to have reduced real economic growth by as much as one percentage point in 2004. The greater energy efficiency of the economy today than during past price spikes and the largely demand-based source of the increase point toward a slowdown, but not a recession.

- Consumer spending could contribute less to overall growth due to higher energy prices, less mortgage refinancing activity, the tepid pace of hiring, the already low saving rate and high debt service burden, and the apparent peaking in income growth. The largest impediment to robust consumer spending could be the softness in labor markets. Job growth has improved notably in the past year, but remains lackluster compared with previous expansions. In addition, the lofty level of motor vehicle sales owes much to rising sales incentives, which could be scaled back as interest rates ratchet higher.

Among factors supporting continued economic expansion are the still-low level of interest rates, the depreciation of the dollar, fiscal stimulus, and strong corporate balance sheets. The rally in stock prices and the record-high level in November of the Business Optimism Index of the National Federation of Independent Business also point toward continued growth. Although short-term interest rates are on the rise, they remain at a low level. The cheaper dollar will begin to aid U.S. exporters in 2005, although the impact is muted by the fact that the Chinese currency is pegged to the dollar.

The Forecast

The economic forecast for the U.S. and Ohio was compiled at a meeting of the Governor's Council of Economic Advisors in early November 2004. The consensus that was formulated by the Council calls for the economic expansion to continue at a slower pace near the long-run trend rate through calendar year 2006. Employment is expected to pick up and the unemployment rate to fall slightly. Inflation is projected to remain low.

After reaching an estimated 4.4% in calendar year 2004, real GDP growth is projected to decrease to 3.4% in both 2005 and 2006. (Council forecasts are for calendar years.) Council members cited high energy costs and uncertainty about developments in Iraq as leading factors behind the slowdown.

U.S. employment growth is projected to increase from an estimated 1.0% in 2004 to 1.8% in 2005 and 1.6% in 2006. Continued declines in jobless claims point toward steady, if unspectacular, improvement in labor markets. Some industries, such as trucking, are reporting difficulty in finding qualified workers. The U.S. unemployment rate is projected to edge down from 5.5% in 2004 to 5.3% in 2005 and 2006.

After rising decidedly during the first half of the year, Ohio employment stalled and retraced some of its steps through November. Weakness has been evident in both manufacturing and service industries. The Council anticipates, however, that December 2003 marked the low-point for Ohio employment and that the number of jobs will grow 1.1% on average in 2005 and 1.4% in 2006. The Ohio unemployment rate, which was 6.5% in November 2004, is projected to fall to an average of 5.8% in 2005 and 5.6% in 2006.

Despite solid income growth, growth in consumer spending is expected to slow. U.S. personal income is projected to grow 5.0%, 5.1%, and 5.2% in 2004, 2005, and 2006, respectively. Retail sales growth is projected to slow from 7.1% in 2004 to 4.5% and 4.6% in 2005 and 2006. Ohio personal income is projected to rise less rapidly than at the national level – by 4.7% in both 2005 and 2006. During the year ending in the third quarter of 2004, both U.S. and Ohio personal income increased by 5.0%.

Light motor vehicle sales are projected to remain near recent highs, reflecting a sound willingness and ability to buy, as measured by motor vehicle prices, disposable income, household debt, inflation, and the stock market. Unit sales are projected at 16.8 million units in 2005 and 16.7 million units in 2006, compared with an estimated 16.8 million unit selling pace in 2004.

Housing construction is expected to fade somewhat, but remain at a historically high level reflecting low interest rates and strong immigration. U.S. housing starts are projected to decrease from an estimated 1.9 million units in 2004 to 1.8 million units in 2005 and 1.7 million units in 2006. Housing starts in Ohio are projected to remain near 50 thousand units from 2004 through 2006.

Substantial excess manufacturing capacity globally is expected to restrain inflation, aided by strong inflation-fighting credibility of the Federal Reserve. In today's highly competitive environment, businesses face difficulty in sustaining price increases. After rising an estimated 2.6% in 2004, consumer prices are projected to rise 2.3% and 2.1% in 2005 and 2006, respectively.

Risks to the Forecast

The chief risks to the outlook include:

- The price of oil. Nine of the 10 recessions since World War II have been associated with appreciable increases in the price of oil. Research suggests that the threshold beyond which a spike in the price of oil would precipitate a recession in current circumstances is above recent levels. Additional significant

increases, however, especially if they occurred in combination with one or more other shocks, could result in a more drastic slowdown than projected.

- The decrease in the foreign exchange value of the dollar is expected to help U.S. exports in the near term by rendering U.S.-made goods less expensive overseas. However, additional large declines in the dollar could signal inflation problems in the U.S., reduce the demand for dollar-denominated assets by foreign investors, and drive interest rates sharply higher.

- Inflation. The Federal Reserve has pegged short-term interest rates at long-time lows for an extended period, raising the possibility that inflation will rise unexpectedly. Higher-than-anticipated inflation would cause a significant rise in interest rates — possibly for an extended period — which would reduce activity in interest sensitive sectors of the economy.

- A turn for the worse in Iraq could negatively affect the U.S. and Ohio economies through its impact on the price of oil, confidence of consumers and businesses in the economic outlook, or the fiscal position of the federal government.

- A large-scale terrorist attack on U.S. soil could likewise undermine confidence and bring about a further increase in the allocation of national resources away from productive pursuits and to security.

Implications for the State of Ohio

The consensus forecast of sustained but slower economic growth translates into moderate revenue growth for the state's General Revenue Fund during 2005-2007. The Ohio economy appears to have turned the corner, however tentatively, benefiting from strength in certain manufacturing industries that are prominent in Ohio and increased price-competitiveness of U.S. exports on many world markets.

Table C-1

Economic Variables

Historical and Forecast for CY 1999-2006

Annual Percentage Change (except where noted)

	Actual					Forecast*		
	1999	2000	2001	2002	2003	2004	2005	2006
National Product								
Real GDP	4.5	3.7	0.8	1.9	3.0	4.4	3.4	3.4
Nominal GDP	6.0	5.9	3.2	3.5	4.9	6.6	5.5	5.4
Income								
U.S. Personal Income	5.1	8.0	3.5	1.8	3.2	5.0	5.1	5.2
Ohio Personal Income	3.5	5.3	1.6	1.9	3.2	3.6	4.7	4.7
Prices								
Consumer Price Index	2.2	3.4	2.8	1.6	2.3	2.6	2.3	2.1
GDP Price Index	1.4	2.2	2.4	1.7	1.8	2.1	1.9	1.9
Consumption and Business								
U.S. Corporate Profits before Taxes	8.0	-0.3	-8.5	7.1	15.4	13.6	10.2	5.3
U.S. Light Vehicle Sales (million units)	16.9	17.3	17.1	16.8	16.6	16.7	16.8	16.7
U.S. Housing Starts (million units)	1.65	1.57	1.60	1.71	1.85	1.93	1.78	1.69
Employment								
U.S. Unemployment Rate (%)	4.2	4.0	4.8	5.8	6.0	5.5	5.3	5.3
Ohio Unemployment Rate (%)	4.3	4.1	4.3	5.7	6.2	6.0	5.8	5.6

*The forecast is based on the November 10, 2004 meeting of the Governor's Council of Economic Advisors.

Revenue Estimates and Methodology

Overview

The Office of Budget and Management (OBM) relied heavily on the advice of the Governor's Council of Economic Advisors and the economic forecasts of Global Insight, a leading national economic forecasting company, in preparing the economic forecast and revenue projections for the fiscal years 2005 through 2007. Revenue estimating involves the development of national estimates of economic activity. These national estimates are translated into a forecast of state economic activity. The state economic forecast is then used to derive estimates of the state's revenues for the next biennium.

Several statistical methods are employed to project General Revenue Fund receipts. For the major tax sources, such as the sales and use tax, the personal income tax, the corporate franchise tax, and the cigarette tax, regression analyses are used. With the use of mathematical equations, the underlying assumption in regression analysis is that patterns, trends, and cause-effect relationships, which have developed over time, will remain in effect for future periods.

For other tax sources, trend analysis is used. This method is applied to the tax sources that have not experienced substantial and volatile change over time. Trend analysis assumes that historical growth rates and patterns will continue in the future. For example, the insurance tax and the liquor gallonage tax estimates were prepared using the trend analysis technique.

The baseline revenue estimates are based on state law governing tax and revenue sources. The General Revenue Fund estimates continue to reflect the portion of state revenues that are to be deposited in the General Revenue Fund under current law, plus any proposed tax law changes in the Executive Budget for fiscal years 2006 and 2007. Receipts from the sales and use tax, the personal income tax, the corporate franchise tax, the public utility excise tax, and the kilowatt-hour tax are deposited directly into the General Revenue Fund and the three local government funds. The local government funds include the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Revenue Assistance Fund.

The passage of Senate Bill 3 by the 123rd General Assembly created the kilowatt hour tax, which replaces tax revenue from electric companies previously collected through the public utility excise tax. This change caused receipts from public utility excise tax to decline as receipts from the kilowatt hour tax began to grow. The Executive Budget proposes that deposit amounts from the public utility excise tax and kilowatt hour tax into the local government funds be adjusted to more closely reflect the relative magnitude of those revenue sources.

The Executive Budget also proposes to limit the growth of deposits into and distributions from the three local government funds. As a result of House Bill 95, the fiscal year 2004-2005 Biennial Budget Bill, distributions from all three local government funds were limited to $1,215.3 million per fiscal year. Compared to fiscal year 2005 distribution levels, the proposed monthly distributions would reduce funding to libraries by 5%, to townships and villages by 10%, and to counties and cities by 20% in fiscal years 2006 and 2007. Different reduction levels are proposed due to the variation in the local recipient governments' average reliance on state aid relative to their general and special revenue funding. Distribution changes will begin on January 1, 2006, the start of FY 2006 for local governments and the last half of FY 2006 for the State of Ohio. The impact of this proposal on the General Revenue Fund revenue estimates is reflected separately in the estimates for the appropriate tax sources.

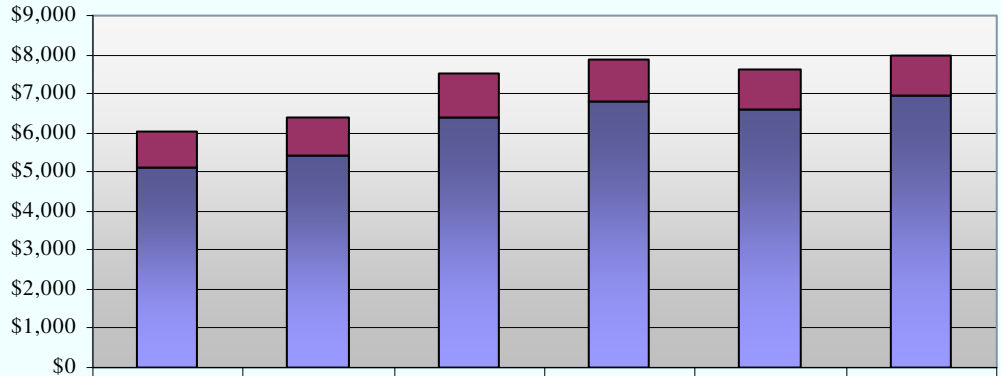
Tax Sources

Sales and Use Tax

The state sales and use tax on retail sales and the rental and repair of personal property and selected services has been levied at a rate of 5.0 percent since 1981. However, House Bill 95, the fiscal year 2004-2005 Biennial Budget Bill, temporarily increased the sales and use tax rate to 6.0 percent for those two fiscal years. This rate change increased revenue by an estimated $1.2 billion each fiscal year. Beginning on July 1, 2005 the tax rate is scheduled to return to 5.0 percent.

For revenue projection purposes, the sales and use tax is separated into two components: auto and non-auto sales tax revenue. The auto component consists of the tax collected from the sale or use of automobiles and trucks. The non-auto component includes all other sales and use tax collections, including the sales and use tax on automobile leases.

Chart C-1: Sales and Use Tax GRF Revenues
(in millions)



	FY 2002 actual	FY 2003 actual	FY 2004 actual	FY 2005 estimate	FY 2006 forecast	FY 2007 forecast
Auto	$928	$966	$1,123	$1,100	$1,019	$1,014
Non-Auto	$5,110	$5,432	$6,408	$6,780	$6,585	$6,944

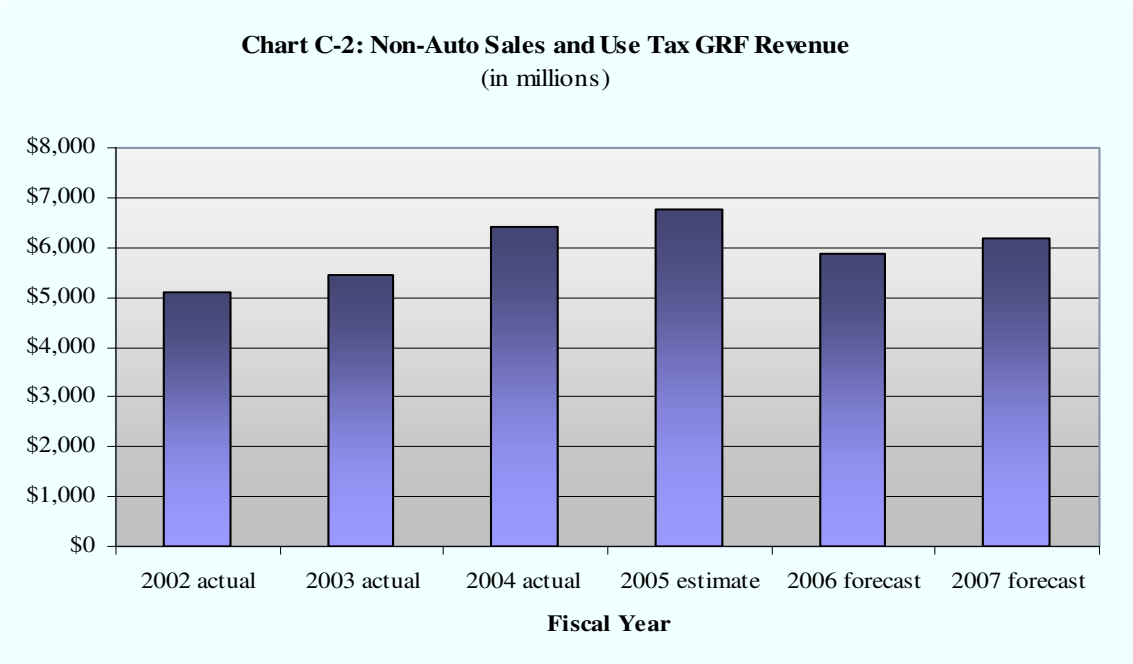
The fiscal year 2006-2007 Executive Budget proposes a sales and use tax rate of 5.5 percent. This would increase the tax rate of 5.0 percent by 0.5 percent. However, due to the temporary tax rate of 6.0 percent passed in House Bill 95, the tax rate in fiscal years 2006 and 2007 would actually be lower than its current level.

Under the proposed the sales and use tax rate of 5.5 percent, sales and use tax revenues will decrease slightly in fiscal year 2006. However, economic growth, tax reform, and gains from limiting the local government funds leave estimated revenues for fiscal year 2007 above fiscal year 2005 receipts. The projected decrease from fiscal year 2005 to fiscal year 2006 is -3.5 percent; the projected increase from fiscal year 2006 to fiscal year 2007 is 4.7 percent.

Non-Auto Sales and Use Tax

The baseline estimate for the non-auto sales and use tax results from a regression of non-auto sales and use tax receipts against Ohio wage and salary income data from the Governor's Council of Economic Advisors and Global Insight. Various specifications were tested and the resulting estimate is an average of the four regression estimates. The estimates for fiscal years 2005, 2006, and 2007 were then adjusted to reflect the actual performance of fiscal year 2004.

Estimated receipts from the non-auto sales and use tax also reflect changes resulting from House Bill 40 passed by the 125th General Assembly. House Bill 40 altered the historical pattern of sales and use tax payments beginning in April 2003. Under prior law, monthly sales and use tax receipts reflected taxable transactions of the previous month. House Bill 40 created advanced payment requirements for large taxpayers. Therefore current monthly receipts reflect activity from both current and prior months. House Bill 40 provided a one-time revenue acceleration of $240.3 million in the fourth quarter of fiscal year 2003.



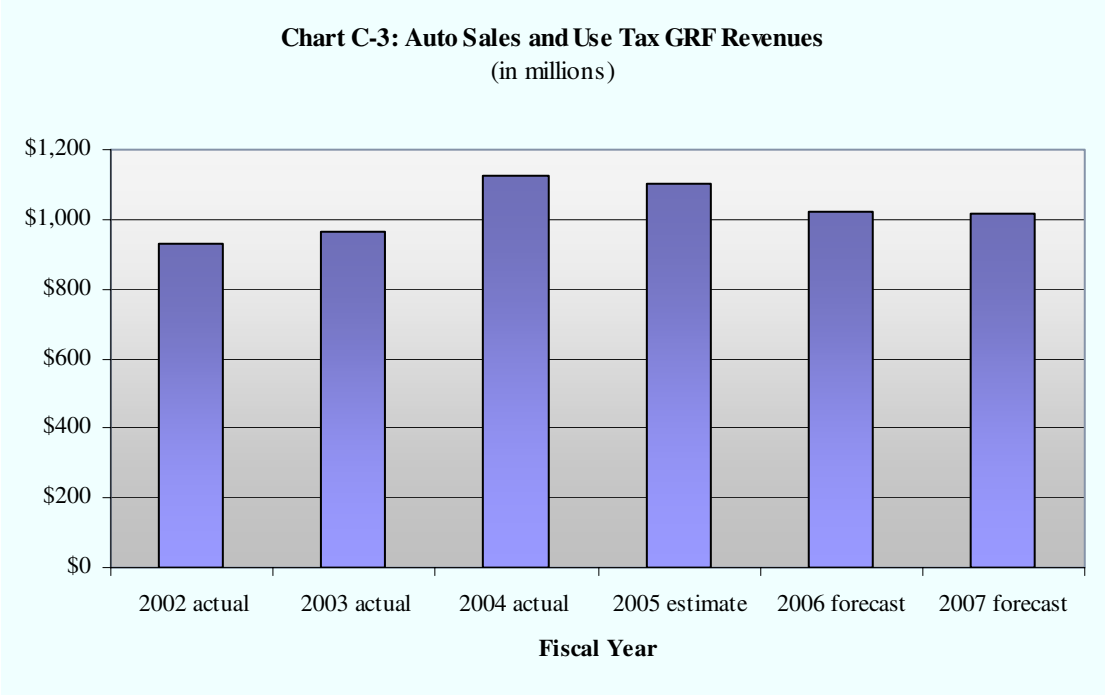
In addition to the tax rate change and limiting the local government funds, one additional change resulting from House Bill 95 will begin to affect non-auto sales and use tax reciepts in fiscal year 2006. On June 26, 2003, Governor Taft signed into law House Bill 95, which included language needed to bring Ohio into compliance with the Streamlined Sales Tax System. The Streamlined Sales Tax System is a multi-state effort to simplify sales and use tax laws. Under this national effort Ohio will convert to destination-based sourcing of the sales and use tax. This will allow the state to collect some of the sales and use tax revenue lost through e-commerce transactions. Originally destination-based sourcing was scheduled to take effect on January 1, 2005. However, the passage of House Bill 204 pushed back the effective date until July 1, 2005. Vendors may switch to destination-based sourcing anytime between January 1, 2005 and July 1, 2005. The state does not expect to gain any sales and use tax revenue due to the Streamlined Sales tax law in fiscal year 2005. In fiscal year 2006 and fiscal year 2007 the state expects total use tax revenue to increase by $25 million and $100 million, respectively, as a result of increased voluntary use tax compliance by out-of-state sellers. The estimated gain from this change in the law is included in the baseline estimate for the non-auto portion of the sales and use tax.

Baseline revenues increased significantly in fiscal years 2004 and 2005 as a result of the 1.0 percent temporary increase in the tax rate for the sales and use tax. The baseline estimates for fiscal year 2006 and 2007 use a 5.0 percent tax rate. A detailed examination of projected General Revenue Fund receipts for fiscal years 2006 and 2007 can be found in Table C-2 below.

Table C-2: Non-Auto Sales and Use Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	5,110	5,432	6,408	6,780	5,895	6,185
Proposed 5.5% Tax Rate				0	623	656
Limit on Local Government Funds				0	68	104
Total GRF Estimate				6,780	6,585	6,944

Auto Sales and Use Tax
The estimate for the auto sales and use tax is based on a regression of auto sales and use tax receipts against monthly national motor vehicle unit sales. Estimates resulting from the regression analysis for fiscal years 2005, 2006, and 2007 were adjusted to reflect the actual performance of fiscal year 2004.



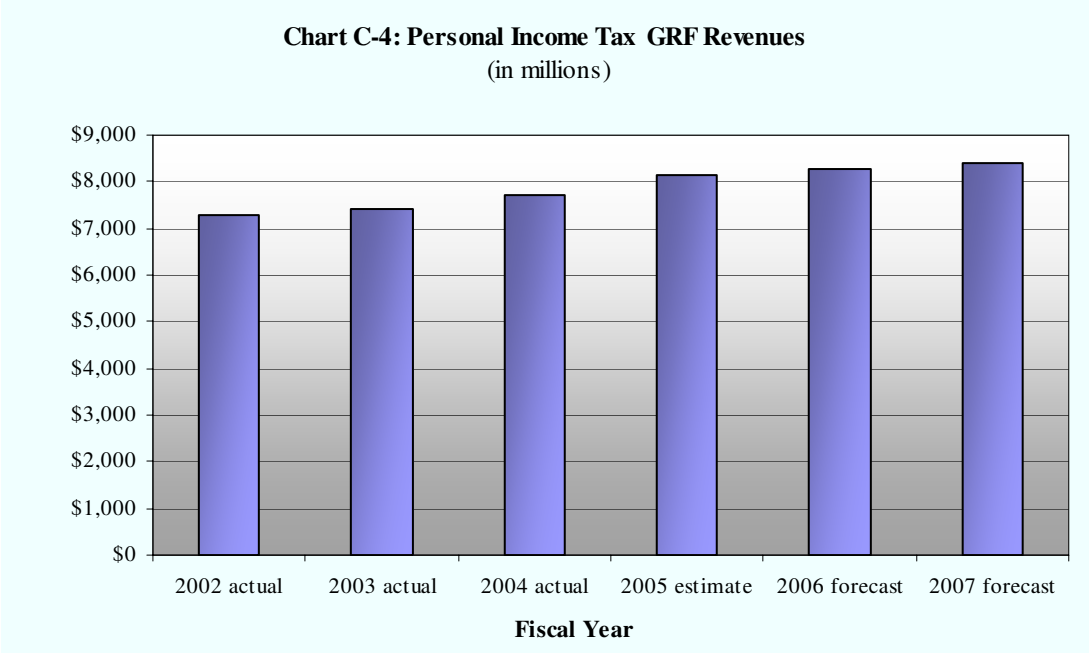
Auto sales and use tax revenue is projected to decrease over the next two fiscal years. Economic conditions for auto sales have been particularly good the past three years. This is largely due to better incentives offered by auto makers and historically low interest rates. However, according to the Governor's Council of Economic Advisors, vehicle sales over the next two years will remain stable at 2004 sales levels. Thus increases in the auto sales tax due to economic conditions are unlikely. Economic conditions combined with the changes in the tax rate result in a decrease in auto sales and use tax receipts in fiscal years 2006 and 2007. Table C-3 gives a detailed look at estimated General Revenue Fund receipts from the auto sales and use tax. Revenue figures for fiscal years 2004 and 2005 reflect a 6.0 percent sales and use tax rate, otherwise a 5.0 percent tax rate is used to calculate baseline revenues.

Table C-3: Auto Sales and Use Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	928	966	1,123	1,100	913	905
Proposed 5.5% Tax Rate				0	96	96
Limit on Local Government Funds				0	10	13
Total GRF Estimate				1,100	1,019	1,014

Personal Income Tax

Ohio has a graduated income tax levied upon residents and non-residents who earn or receive income in Ohio. Trusts were also subject to income tax in taxable years 2002-2004. Ohio taxable income is based on federal adjusted gross income for individuals or taxable income for estates and trusts, with certain adjustments. Graduated tax rates are applied to this income base to arrive at tax liability before credits. Final tax liability is obtained after certain credits are subtracted.



The baseline estimates of the personal income tax revenues as listed in Table C-4 were derived by breaking down this tax source into different components: employer withholdings, quarterly estimated payments, annual returns, refunds, and other collections. The collections from each component in fiscal years 2006 and 2007 were estimated using a combined method of regression analysis and trend analysis. To estimate the growth rate for withholding revenues, Ohio wage and salary data from Global Insight was employed in building up the regression models. The growth rates for the non-wage components of personal income tax were predicted by taking into account not only the estimated growth rate for withholding revenues but also the stock market performance and the other factors that affect non-wage income.

Prior to the enactment of Senate Bill 261 by the 124th General Assembly, Ohio was the only state with a broad-based income tax that did not apply to trust income. According to Senate Bill 261, trust income is taxable during the tax years 2002-2004. The Executive Budget proposes to make the income tax on trusts permanent.

There are nine brackets in the Ohio personal income tax with a top marginal tax rate of 7.5 percent. The top rate, especially when added to the municipal income tax rates, makes Ohio's rates less attractive to higher-

salary professionals and corporate executives choosing a state in which to locate their facilities. The Executive Budget proposes a phased tax rate reduction of 21 percent, with a 4.2 percent reduction each year in the next five years for all income brackets, starting in tax year 2005. For example, the top tax rate of 7.5 percent will be reduced by 0.315 percentage points (4.2% of 7.5 percent) each tax year in the next five tax years and the new top tax rate will become 5.925 percent starting in tax year 2009. Bracket indexing is suspended until tax year 2010. The personal income tax credits are adjusted so that the filers with Federally Adjusted Gross Income under $10,000 do not pay income taxes. Please refer to the Tax Reform section in Tab D, Special Analysis, for details.

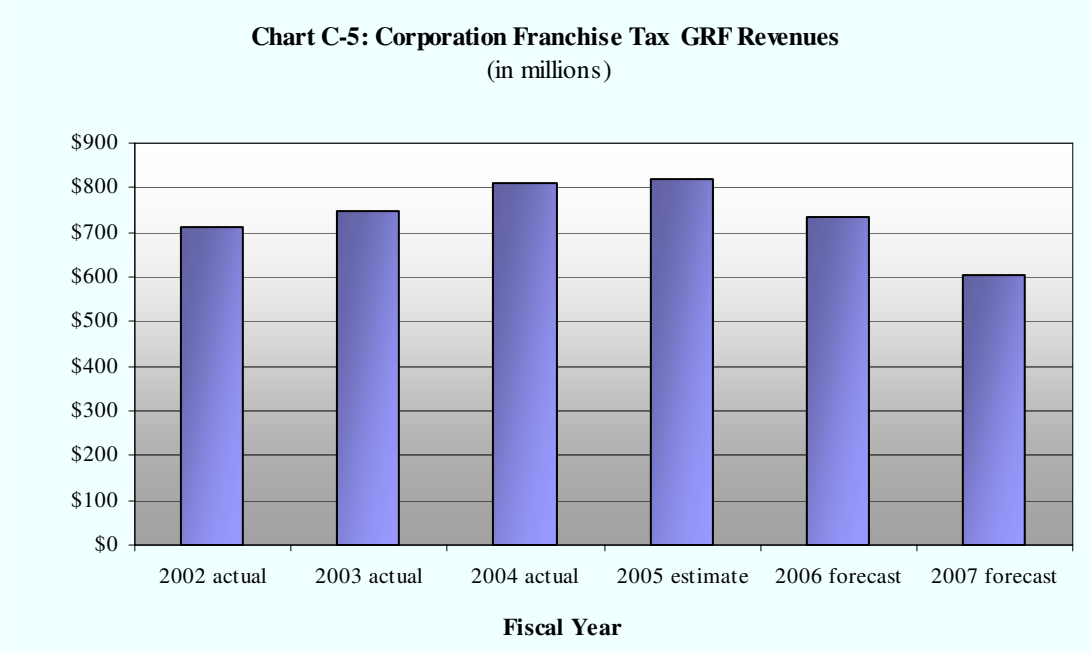
The Executive Budget proposes to eliminate the income tax deduction for college tuition in fiscal year 2007 (tax year 2006). The Executive Budget also proposes to reduce the distributions to the local government funds from the personal income tax collections, starting in January 2006. The historical and projected General Revenue Fund receipts from personal income tax for fiscal years 2002-2007 are listed in Table C-4. The numbers are also graphed in Chart C-4.

Table C-4: Personal Income Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	7,304.2	7,420.7	7,696.9	8,153.2	8,390.0	8,741.7
Proposed Trust Tax				0	19.0	55.0
Proposed Tax Rate Reduction				0	-325.0	-690.0
Removal of College Tuition Deduction				0	0	13.4
Limit on Local Government Funds				0	207.0	280.3
Total GRF Estimate				8,153.2	8,291.0	8,400.4

Corporation Franchise Tax

The corporation franchise tax is assessed on all corporations organized for profit that do business in Ohio, except for those that are specifically exempt. Corporations are taxed on the basis of either net worth or net income, depending on which produces the greater tax liability.



The baseline estimates of corporation franchise tax revenues for fiscal years 2006 and 2007, as listed in Table C-5, were constructed from elasticity analysis and simulation analysis. The elasticity analysis linked

the growth rate of current payments on this tax with the growth rate of the U.S. corporate profits before tax. The consensus economic forecast by the Governor's Council of Economic Advisers predicts a steady yet slower growth of U.S. pre-tax corporate profits in fiscal years 2006-2007 relative to fiscal years 2004-2005. The elasticity of the corporation franchise tax payments with respect to U.S corporate pre-tax profits is also expected to be lower in fiscal years 2006-2007 than the average elasticity in mid 1990's, largely due to more extensive tax planning. Simulation analysis was used to estimate the tax credits. The net revenue estimates from this tax were determined after subtracting the tax credits and refunds from the estimated current payments.

The Executive Budget proposes to phase-out the corporation franchise tax in the next five years, except for financial institutions. The proposed phase-out will start with tax year 2006. The Ohio corporation franchise tax is not as productive as comparable taxes are in other states, in spite of the relatively high tax rate. The double based tax with numerous credits, deductions, and exemptions also creates a very complicated tax structure. The most serious problem with this tax system, which has also been the focus of the historical reforms on this tax, is that the tax allows extensive and aggressive tax planning. Not only does the state forego tax revenues due to the tax planning, but the tax planning also creates horizontal and vertical inequity among tax payers. As an example, the corporate groups are allowed to elect the filing method that results in the lowest tax liability. Such tax planning practices are normally concentrated among large and multistate corporations. Tax planning has grown so sophisticated that as long as the state bases the corporation tax on net income, new tax planning techniques will turn up. The proposed phase-out of this tax for non-financial businesses acknowledges this aspect of the corporation franchise tax planning, especially among non-financial corporations. A new tax called the Commercial Activity Tax is proposed to be phased-in over the next five years. This new tax will also replace much of the local tangible personal property tax. Please refer to the Tax Reform section in Tab D, Special Analysis, for more details.

Table C-5 displays in detail the General Revenue Fund receipts from the corporation franchise tax.

Table C-5: Corporation Franchise Tax GRF Revenues

($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	712.3	747.2	809.2	820.0	870.0	890.0
Phase-Out for Non-Financial Institutions				0	-142.0	-292.0
Limit on Local Government Funds				0	6.0	6.9
Total GRF Estimate				820.0	734.0	604.9

Commercial Activity Tax

The Executive Budget proposes to phase-in the commercial activity tax over the next five years, beginning July 2005. The tax would be levied upon all non-financial businesses in Ohio on the basis of gross receipts. Starting from tax year 2010, this new tax will replace the current corporation franchise tax for non-financial institutions and much of the local tangible personal property tax.

The commercial activity tax intends to meet the five guiding principles of a quality state and local tax structure: simplicity, equity, stability, neutrality, and competitiveness. After the phase-in period, one tax rate of 0.26% will apply to all non-financial businesses. For businesses with gross revenues less than or equal to $5 million, $1 million in sales will be exempted from this tax. A minimum tax of $100 will be collected if the gross revenues are less than $1 million. The tax will generally be paid quarterly after the close of the measurement period.

The baseline estimate for the commercial activity tax is based on a simulation analysis. The Ohio receipts data categorized by North American Industry Classification System (NAICS), as reported in the IMPLAN database, was used in the simulation analysis. This data was then matched with the 1992 Census Enterprise Statistics for Ohio to estimate the tax revenues by NAICS categories.

The Executive Budget proposes to phase out the tangible personal property taxes on machinery and equipment by tax year 2007, and on inventories by tax year 2010. (Please refer to the Tax Reform section in Tab D, Special Analysis, for details.) A portion of the commercial activity tax receipts will be directed to non-GRF funds to provide payments to school districts and other political subdivisions to offset the local tax losses due to the phase-out of these portions of the tangible personal property tax. The non-GRF receipts from the commercial activity tax are estimated to be $45 million in fiscal year 2006 and $345 million in fiscal year 2007. The projected General Revenue Fund receipts from the commercial activity tax are $220.0 million in fiscal year 2006 and $205.0 million in fiscal year 2007.

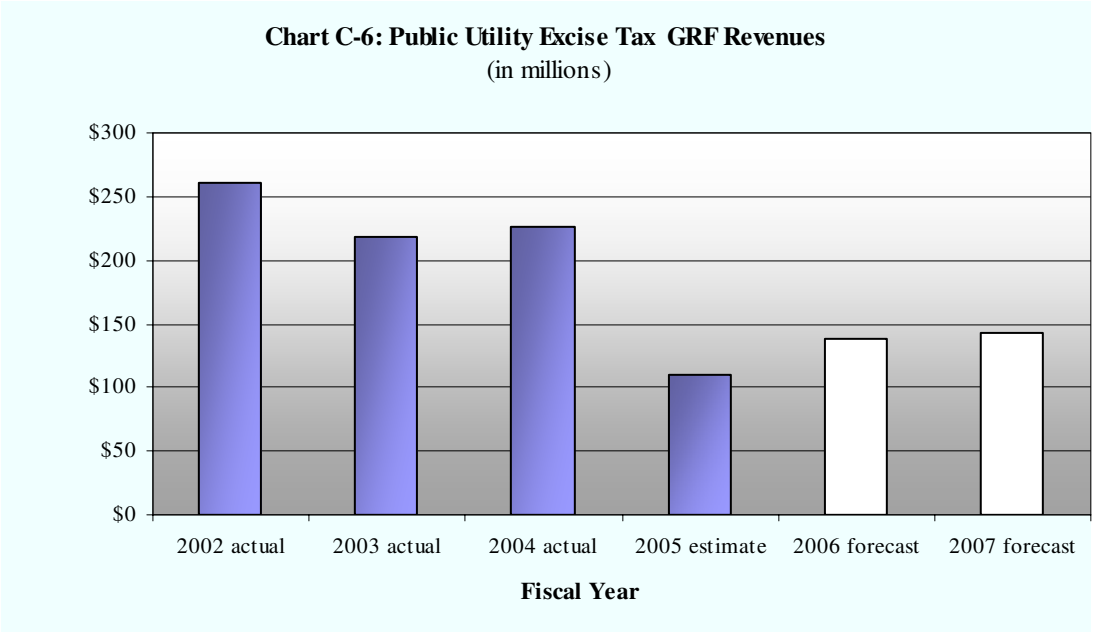
Table C-6: Commercial Activity Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	N/A	N/A	N/A	N/A	220.0	205.0

Public Utility Excise Tax

The public utility excise tax has been levied upon most public utility companies as classified by statutes on the basis of gross receipts since 1894. Companies liable for this tax on gross receipts are not subject to corporation franchise tax and their services are not subject to sales and use tax.

Recently, there have been two major changes to this tax. In Senate Bill 3, the 123rd Ohio General Assembly replaced the excise tax on electric and rural electric companies with the kilowatt-hour tax. This became effective May 1, 2001. In House Bill 95, the 125th General Assembly removed the telephone companies from the public utility excise tax, beginning in tax year 2005. This last change accounts for the sharp drop in the public utility excise tax revenue from fiscal year 2004 to fiscal year 2005.



With the local telephone companies subject to the sales and use tax and the corporate franchise tax instead, the major contributors to the public utility excise tax are the natural gas utilities. The minor contributors are the pipeline, heating, waterworks, and water transportation companies. The baseline estimates of the public utility excise tax revenues were derived for these two categories, natural gas and non-natural gas utilities, separately. The estimation methods are a combination of regression analysis and trend analysis.

The public utility excise tax is a tax based on gross receipts. To predict the growth rate of natural gas gross receipts in fiscal years 2006 and 2007, the price and residential consumption information for the Midwest region provided by Energy Information Administration was employed. The estimated growth trend was then adjusted by taking into account the effect of the weather and the budget payment plan available to the natural gas residential users. The excise tax receipts on the pipeline, heating, waterworks, and water transportation companies in fiscal years 2006 and 2007 are expected to be quite close to the level in fiscal year 2004. The actual revenues from local telephone companies in the first half of the fiscal year 2005 were the last collections from these companies under this tax.

The 2006-2007 Executive Budget proposes a reduced distribution to local government funds from the excise tax receipts relative to the distribution level in fiscal year 2005. Although the contributions to the local government funds from the public utility excise tax are proposed to be limited, those contributions are still at a higher level than would be provided under statutory law; it is for this reason that the effects of the limit on local government funds are shown to be negative. Table C-7 and Chart C-6 display the historical and projected General Revenue Fund receipts from public utility excise tax.

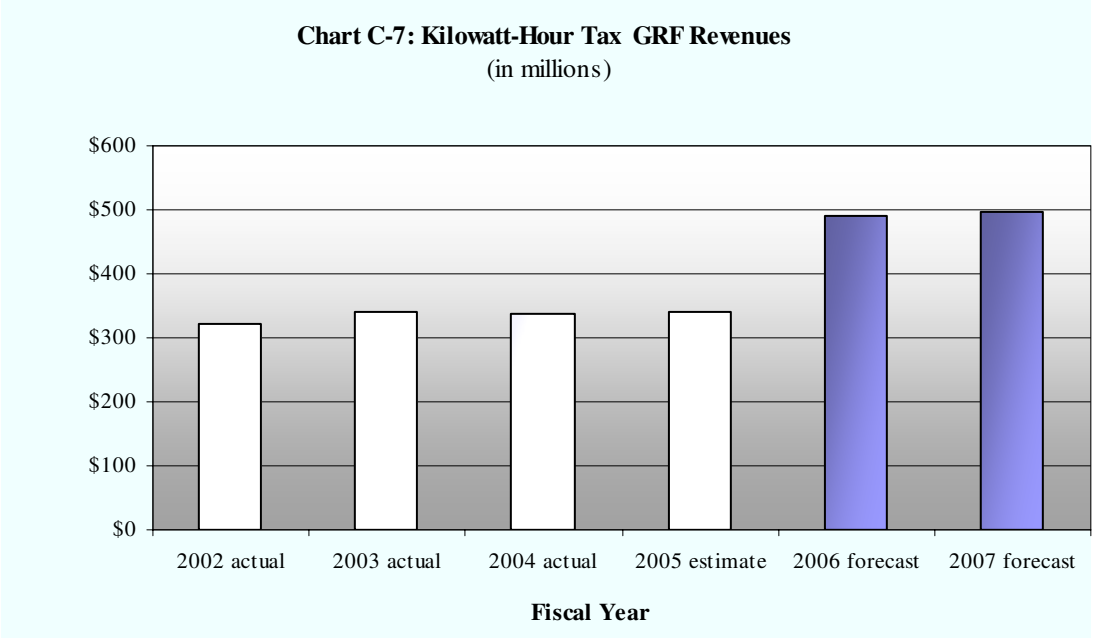
Table C-7: Public Utility Excise Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	260.1	218.7	226.4	110.0	145.0	149.0
Limit on Local Government Funds				0	-6.4	-5.3
Total GRF Estimate				110.0	138.6	143.7

Kilowatt-Hour Tax

The kilowatt-hour tax was introduced through Senate Bill 3 of the 123rd Ohio General Assembly as part of electric utility deregulation. The tax is levied on the electric distribution companies with end-users in Ohio. Effective May 2001, this tax replaced the public utility excise tax on electric and rural electric companies. The revenues from this tax also compensate the tax losses for school districts and local governments due to the reduced tangible personal property tax assessment rates for electric and rural electric companies.

The kilowatt-hour tax collection is based upon the end-user's consumption of electricity, as measured in kilowatt-hours. Three marginal tax rates are applied: 0.465 cents per kilowatt-hour for the first 2,000 kilowatt-hours consumed in a month, 0.419 cents per kilowatt-hour for the next 13,000 kilowatt-hours, and 0.363 cents for all consumption over 15,000 kilowatt-hours. For certain large consumers of electricity (called “self-assessors”), the tax is based partially on consumption and partially on price.



The national electricity sales to ultimate consumers projected by Global Insight were used to come up with the baseline estimate of the kilowatt-hour tax revenues. The tax revenues were expected to grow slower than the national electricity sales would, due to the slower population growth in Ohio.

The Executive Budget proposes to increase the kilowatt-hour tax rate by 30 percent for all tax brackets (including the self-assessors) and the increased tax revenue would be distributed to the General Revenue Fund. Reduced distributions to the local government funds are also proposed. Table C-8 gives predicted General Revenue Fund receipts from kilowatt-hour tax.

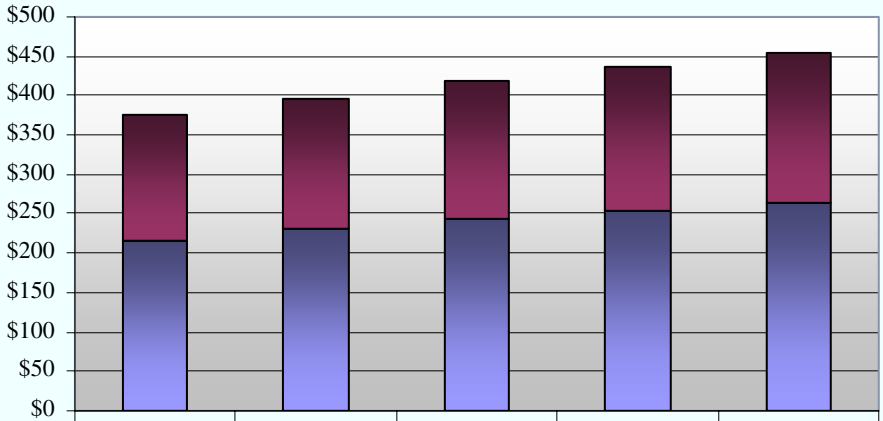
Table C-8: Kilowatt-Hour Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	323.3	339.9	339.0	341.0	328.5	333.0
Proposed Tax Rate Increase				0	162.0	164.0
Limit on Local Government Funds				0	-1.1	0.2
Total GRF Estimate				341.0	489.4	497.2

Insurance Tax

Under Ohio law insurance companies fall into two categories: domestic and foreign. Domestic insurance companies are organized under Ohio law; foreign insurance companies are not. Ohio has two separate taxes: one levied against domestic insurers and one levied against foreign insurers. In 1997 both taxes underwent extensive restructuring. This restructuring gradually took effect from fiscal year 1999 through fiscal year 2002, finally reaching a stable rate and base in fiscal year 2003. The tax base for both taxes consists of all premiums written for Ohio consumers. Premiums are taxed at a rate of 1.4 percent, with the exception of health insurance premiums, which are taxed at a rate of 1.0 percent. Additionally, foreign insurance companies are subject to a retaliatory tax, which is explained further below.

Chart C-8: Insurance Tax GRF Revenues
(in millions)

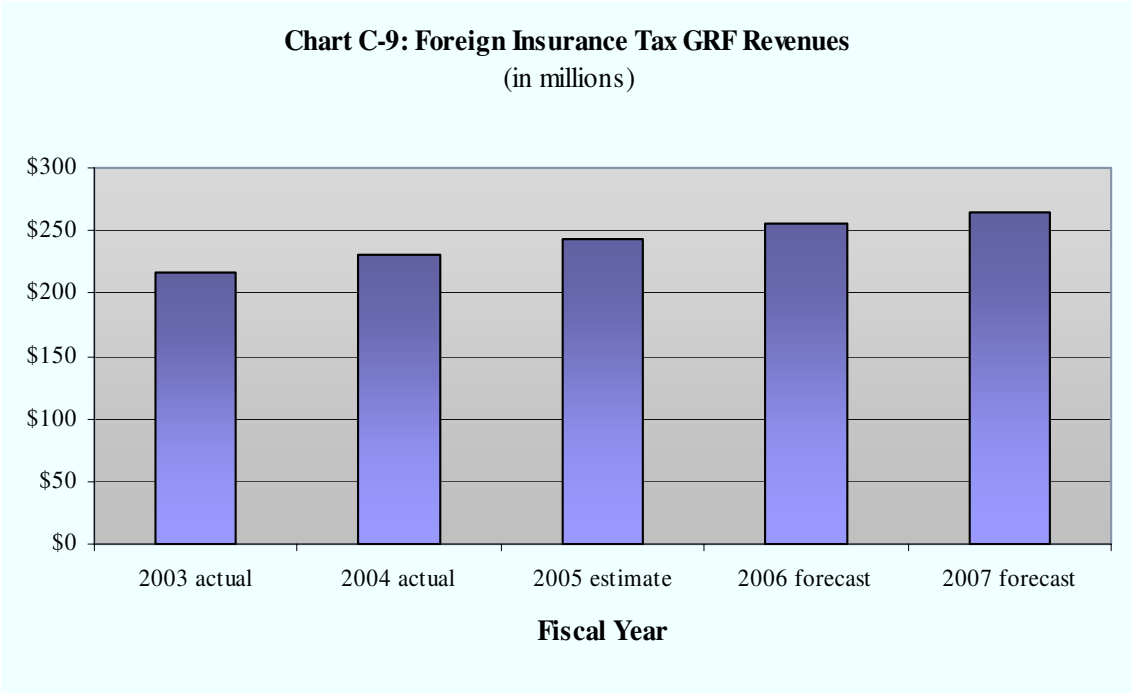


	FY 2003 actual	FY 2004 actual	FY 2005 estimate	FY 2006 forecast	FY 2007 forecast
Domestic Insurance	$160	$166	$174	$182	$190
Foreign Insurance	$216	$231	$244	$255	$265

Chart C-8 shows estimated revenue from the foreign and domestic insurance tax. Estimates resulted from an in-depth trend analysis of data from the Department of Insurance on each of the four major categories of insurance: property and casualty, health, life, and other. Trends of total premiums written in Ohio as well as trends in premiums written by each type of insurance company also influences estimates. September 11, 2001 greatly affected the insurance market and increased insurance premiums across the nation. This trend helped grow GRF tax revenues in fiscal year 2003 and fiscal year 2004. Estimates assume this trend will continue with projected revenue growth of 5.0 percent in fiscal years 2005 and 2006, and growth of 4.0 percent in fiscal year 2007.

Foreign Insurance Tax

The foreign insurance tax applies to the insurance companies that are not organized under Ohio law, but sell insurance policies in Ohio. The tax is based on the gross amount of premiums written for Ohio risks during the preceding calendar year, less specified deductions. Additionally, if the state in which the insurance company is organized imposes a higher tax on premiums than Ohio, the company must also pay a retaliatory tax equal to the difference between total tax under Ohio law and total tax under law in its state of origin. In recent years the retaliatory portion of the tax has grown significantly due to decreases in Ohio's tax rate and because a company's entire tax liability is shown as a retaliatory tax payment, not just the extra tax due from the higher home state tax rate.



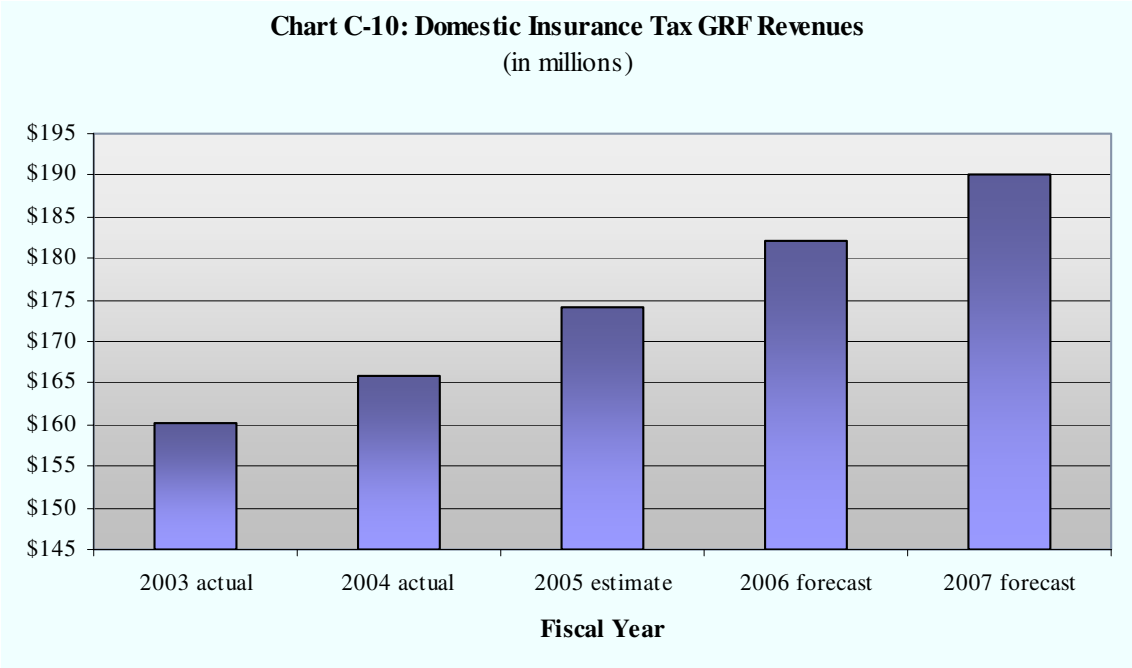
Foreign insurance premiums in Ohio are dominated primarily by life insurance premiums and secondarily by property and casualty insurance premiums. Taxable life insurance premiums and property and casualty insurance premiums grew at an annual rate of 8.0 percent and 9.0 percent respectively from fiscal year 2003 to fiscal year 2004. Projected annual growth rates for total foreign insurance premiums ranges from 8.2 percent to 6.2 percent over the next three fiscal years. This translates into projected annual growth for the foreign insurance tax to be 5.6 percent in fiscal year 2005, 4.5 percent in fiscal year 2006, and 4.0 percent in fiscal year 2007.

Table C-9: Foreign Insurance Tax GRF Revenues ($ in millions)

	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline GRF Revenue	216.3	230.5	244.0	255.0	265

Domestic Insurance Tax

The domestic insurance tax applies to insurance companies that are organized under Ohio law. The tax is levied on the gross amount of premiums written to cover risks in Ohio less specific deductions.



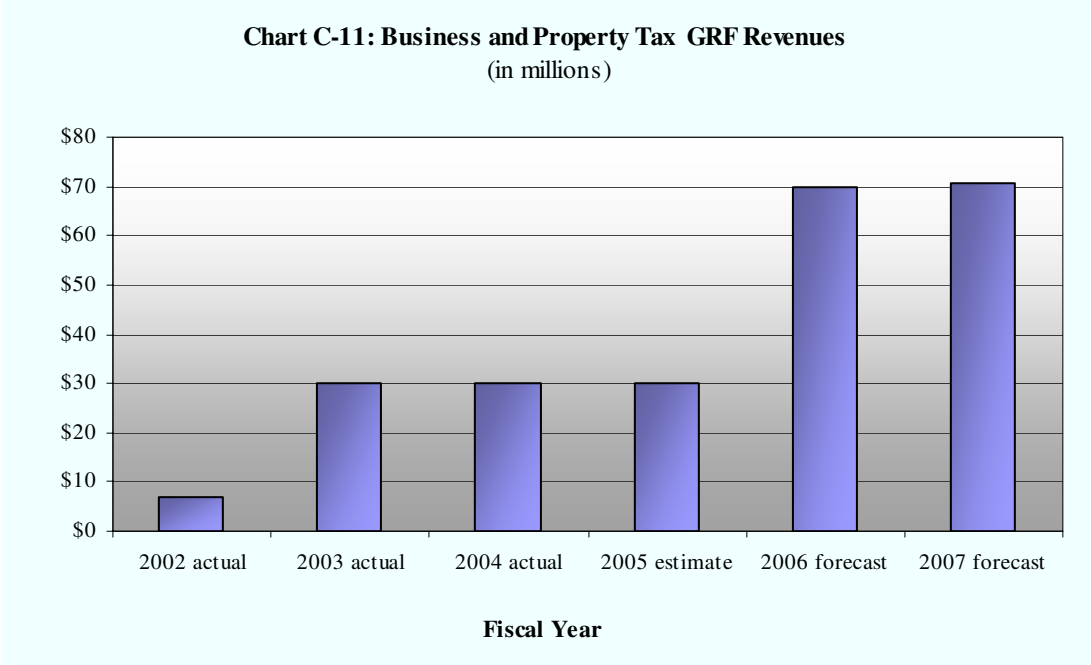
The domestic insurance tax is expected to grow at a rate of 5.0 percent for all three fiscal years projected: 2005, 2006, 2007. Receipts from the domestic insurance tax are driven primarily by property and casualty insurance premiums which make up 63.0 percent of the taxable base. In the domestic market, property and casualty premiums have experienced year-over-year growth of at least 8.0 percent for the past three years. This trend is expected to continue over the next three years, but at a slightly more moderate pace.

Table C-10: Domestic Insurance Tax GRF Revenues
($ in millions)

	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline GRF Revenue	160.1	165.9	174.0	182.0	190.0

Business and Property Tax

This revenue category primarily includes the dealers in intangibles tax. The dealers in intangibles tax is imposed on firms engaged in lending money or in buying, selling, or discounting intangibles such as mortgages, stocks, and bonds. Dealers in intangibles are currently not subject to the corporation franchise tax or the tangible personal property tax.



As the revenues from the business and property tax have been stable recently, small growth rates were applied to construct the baseline estimates of the receipts from this tax. The baseline estimation results for the General Revenue Fund receipts from this tax are displayed in Table C-11.

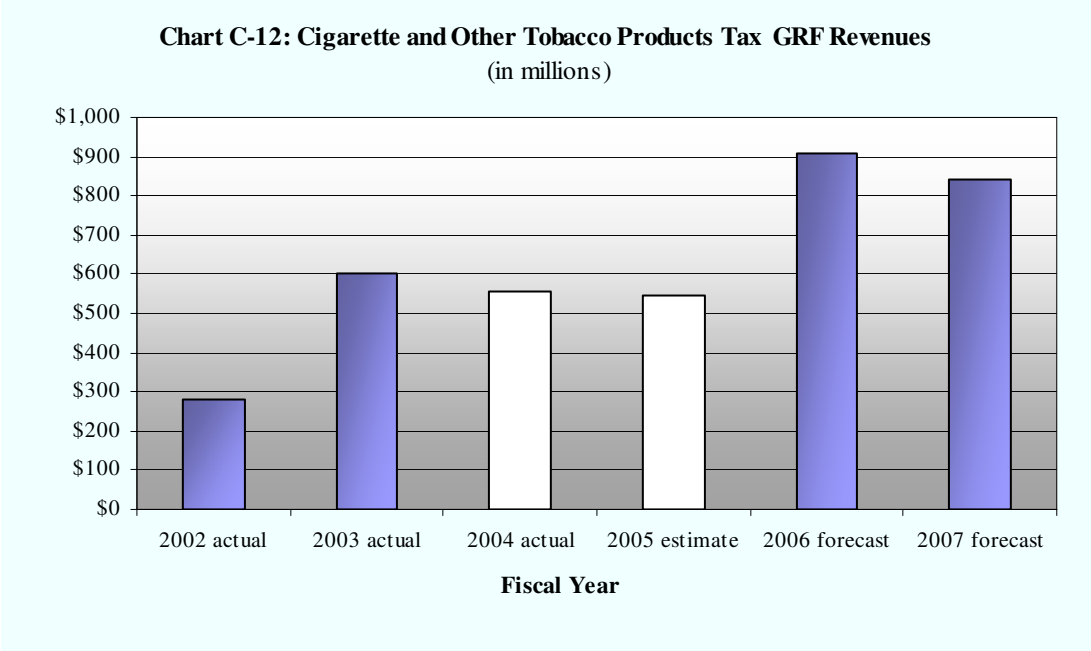
The 2006-2007 Executive Budget proposes that the state impose a one mill (0.1 percent) tax on real property transfers beginning in fiscal year 2006. The revenues from this real property transfer tax will be deposited in the General Revenue Fund accounted for in the Business and Property Tax category.

Table C-11: Business and Property Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	7.1	30.0	29.9	30.0	30.0	30.5
Proposed Real Property Transfer Tax				0	40.0	40.0
Total GRF Estimate				30.0	70.0	70.5

Cigarette and Other Tobacco Products Tax

The excise tax on cigarettes has been levied since 1931. Senate Bill 261 of the 124th General Assembly increased the tax rate to 55 cents per package of 20 cigarettes, effective July 2002. The tax rate had been 24 cents per package from January 1993 until then. The excise tax on other tobacco products was enacted effective February 1993 and applies to cigars, chewing tobacco, snuff, smoking tobacco, and other tobacco products. Other tobacco products are currently taxed at 17 percent of their wholesale price.



The baseline estimates of the revenues from cigarette and other tobacco products tax developed through a regression analysis, which linked the growth rates of the revenues with those of Ohio disposable income and Ohio population. The estimated growth rates were then adjusted down to a negative value because of such factors as various anti-smoking campaigns and the indoor smoking ban passed in certain cities in Ohio.

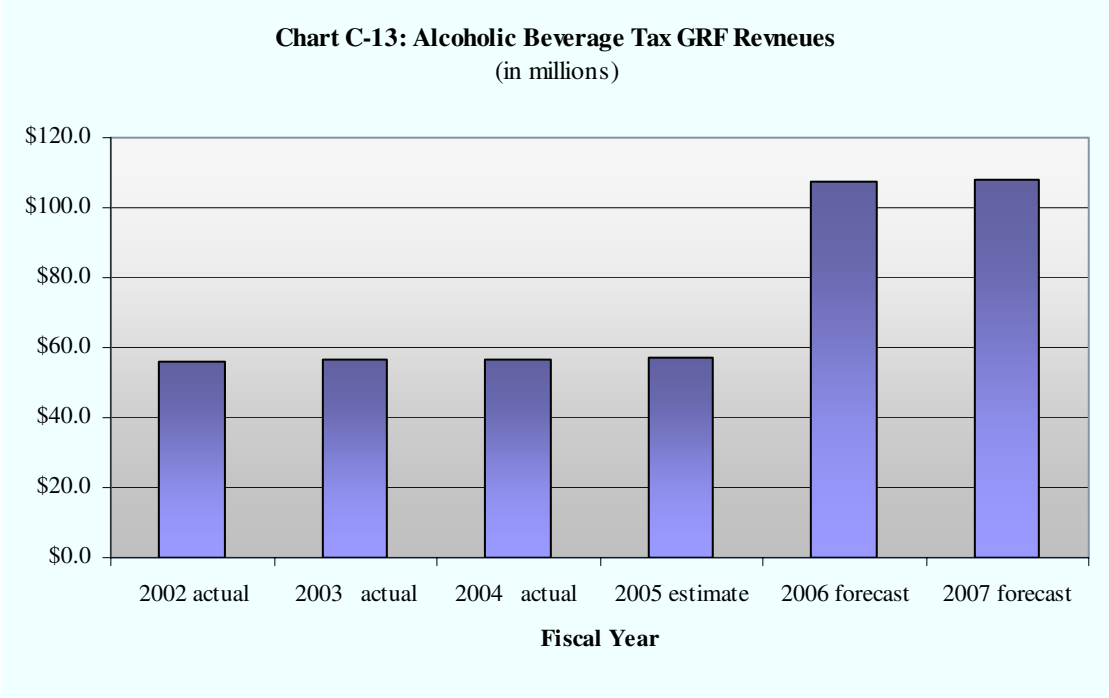
The 2006-2007 Executive Budget proposes a 45-cent increase per package of 20 cigarettes. A corresponding "floor tax" of 45 cents per package would also apply to the cigarette stamps already on hand on the date of the tax increase. (A floor tax was levied with the tax increase in fiscal year 2003.) The tax rate on other tobacco products would increase to 30 percent. The historical and projected General Revenue Fund receipts from the cigarette and other tobacco products tax are depicted in Table C-12 and Chart C-12.

Table C-12: Cigarette and Other Tobacco Products Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	281.3	599.9	557.5	548.0	537.0	526.0
Proposed 45-cent Increase per Pack				0	305.0	298.0
Proposed Floor Tax				0	45.0	0.0
Proposed Tax Rate Increase on Other Tobacco Products				0	20.0	20.0
Total GRF Estimate				548.0	907.0	844.0

Alcoholic Beverage Tax

The alcoholic beverage tax applies to sales of beer and malt beverages, wine, and mixed alcoholic beverages. The tax is based on a per-container rate depending on the type of beverage sold. Most of the receipts are deposited in the General Revenue Fund except for five cents per gallon of wine sold, which is deposited in the Ohio Grape Industries Special Revenue Fund. In addition, 1.0 percent of the tax is deposited in the Beverage Tax Administration Fund.



As Chart C-13 illustrates, the alcoholic beverage tax has experienced a flattening trend over the past three years, with annual growth rates of less than 2.0 percent. The baseline estimate projects this trend will continue.

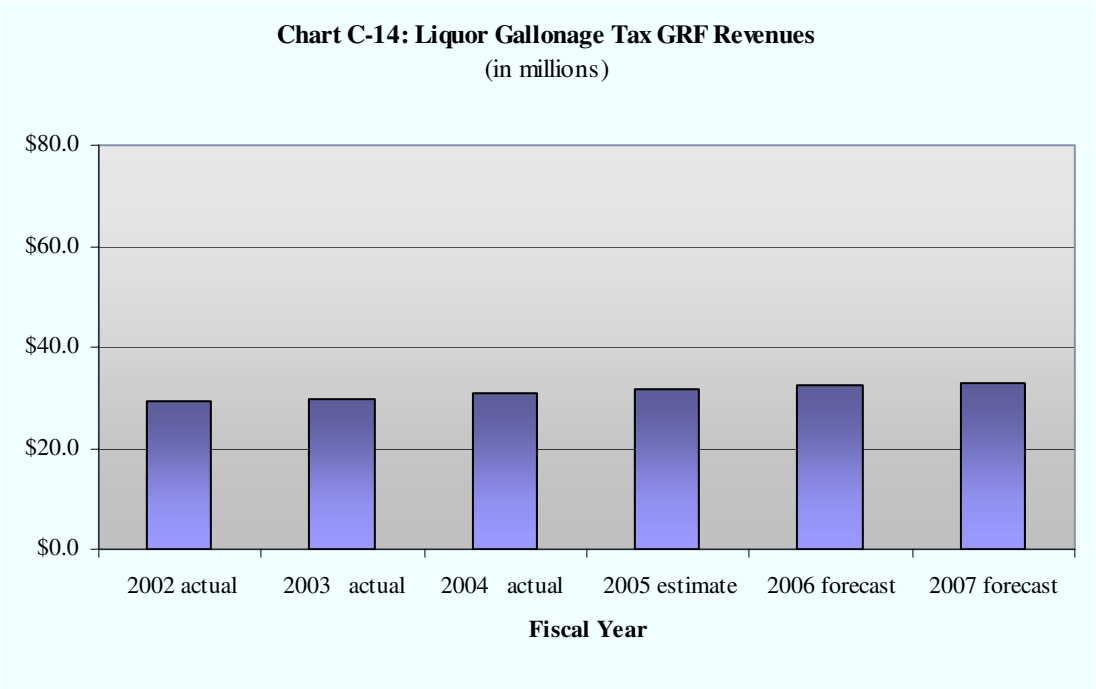
The fiscal year 2006-2007 Executive Budget proposes doubling the excise tax on beer, wine, vermouth, champagne, mixed beverages, and cider. The state's excise taxes on these products were last increased in 1993. Doubling the current tax rate would increase revenue by $50.0 million each fiscal year. Table C-13 gives a detailed look at estimated receipts by the General Revenue Fund from the alcoholic beverage tax.

Table C-13: Alcoholic Beverage Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	55.7	56.6	56.5	57.0	57.5	58.0
Impact of Doubling Tax Rate				0	50.0	50.0
Total GRF Estimate				57.0	107.5	108.0

Liquor Gallonage Tax

The liquor gallonage tax is currently levied at the rate of $3.38 per gallon of spirituous liquor sold by the Department of Commerce. The entire tax is deposited in the General Revenue Fund.



Liquor dollar sales have been on the rise the last three fiscal years and this trend is expected to continue in the future. However, gains in liquor sales do not immediately transfer to gains in the liquor gallonage tax since the tax is volume based not dollar sales based. Therefore the baseline estimate assumes moderate growth throughout the biennium, with annual growth rates of 2.0 percent to 3.0 percent.

Table C-14: Liquor Gallonage Tax GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	29.3	29.7	30.9	31.5	32.5	33.0

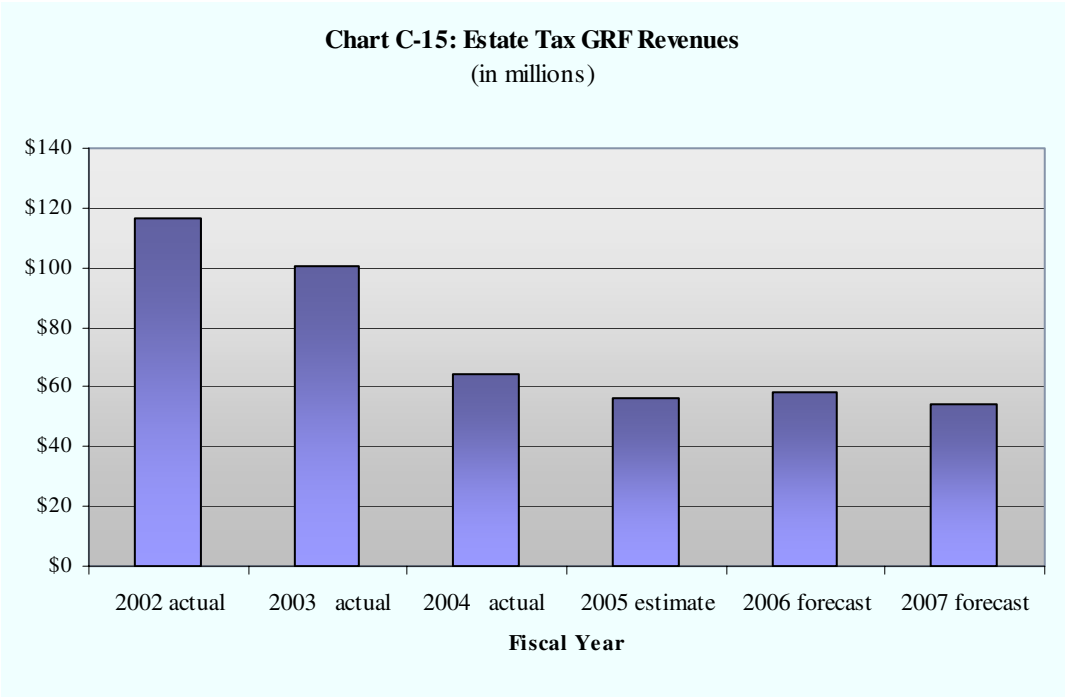
Estate Tax

The estate tax is a progressive tax levied on the value of the decedent's estate, less deductions and other exemptions. Currently, 20 percent of receipts are deposited in the General Revenue Fund while the remaining 80 percent is distributed to the municipal corporation or township of origin.

In the past the state covered all administration expenses for the estate tax. Due to the passage of Senate Bill 189, as of June 29, 2004, the cost of administration of the estate tax is now shared with the state paying 20 percent and the applicable local government paying 80 percent. The resulting estimated GRF revenue increase is $2.0 million for fiscal year 2005 and $4.0 million for fiscal years 2006 and 2007. These increases are included in the baseline revenue estimates.

Senate Bill 108, which was passed by the 123rd Ohio General Assembly and became effective in September 2000, made significant changes to the estate tax. Under prior law estates were granted a $500 tax credit. Under the current law the tax credit granted to estates increased to $13,900. The distribution of revenue from the estate tax to the state and local governments of origin changed as well. Previously the state

collected 36 percent of estate tax revenue. Now the state collects 20 percent of the estate tax revenue. The bill also granted a deduction for qualified family owned business interest.



Historically the estate tax has been volatile in nature and difficult to predict. The death of one particularly wealthy individual can greatly influence receipts for the year, at times making up 10% of total receipts. As Chart C-15 shows, in recent years receipts from this tax have declined. This is in part due to recent increases in the size of tax credits and decreases in the percent of the tax received by the state, but also a function of the wealth of individuals who died in those years. The baseline forecast employs an adjusted trend analysis that takes into consideration fiscal year 2004 results as well as fiscal year 2005 results thus far.

The estate tax has been further complicated by a pending court case, Wise v. State of Ohio. The most recent decision would require Ohio to update state law with federal legislation passed in 2001 that eliminated the estate tax credit for paying estate taxes to their state of residence. Currently Ohio requires tax payers to pay the higher of two formulas, the state formula or the federal tax credit amount under the pre-2001 federal law. The Executive Budget proposes the elimination of the federal tax credit formula. Taxpayers of the Ohio estate tax would pay the state formula amount only. Table C-15 illustrates the effects of this change on General Revenue Fund receipts from the estate tax.

Table C-15: Estate Tax GRF Revenues
($ in millions)

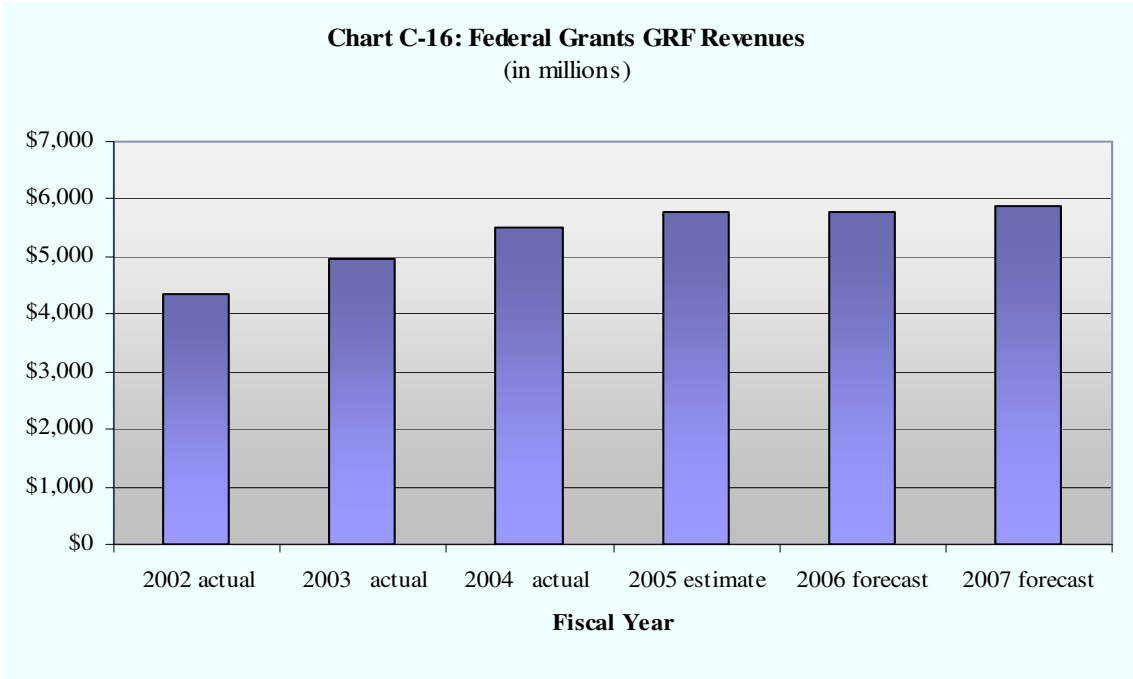
	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	116.3	100.8	64.2	56.0	60.0	62.0
Elimination of Federal Tax Credit Formula				0.0	-2.0	-8.0
Total GRF Estimate				56.0	58.0	54.0

Non-Tax Sources

Federal Grants and Aid

Receipts from this source are provided as federal reimbursements for programs administered by the Department of Job and Family Services. Reimbursement for Medicaid services account for 98 percent of the aid; the remaining funds reimburse the state for Medicaid administration, Food Stamp administration, and Title IV-E administration.

Federal grants estimates result from the projection of expenses for the human services programs mentioned above that have federal participation. The federal reimbursement percentage for Medicaid is determined by the federal government prior to each federal fiscal year and is called the Federal Medical Assistance Percentage (FMAP). The FMAP is the federal government's share of a state's Medicaid expenditures. In general, each state's FMAP rate is based on the ratio of the state's per capita income to the U.S. per capita income. The FMAP rate varies by service and ranges from 50 percent to 90 percent. Ohio's weighted average FMAP rate is projected to be 59.6 percent in fiscal year 2006 and 59.7 percent in fiscal year 2007.



Spending is determined by caseload projections, utilization levels and rates for services. The amounts in fiscal year 2003 and fiscal year 2004 include one federal payment of the Jobs and Growth Tax Relief Reconciliation Act. This one time federal payment was distributed to the states in two installments, Ohio received two payments of $193.0 million – the first in June, 2003 and the second in October, 2003 (fiscal year 2004). This same federal act also provided a temporary increase in the state's FMAP rate. This amount was equal to 2.95 percent of total state expenditures for Medicaid from April 2003 to June 2004. This additional money was placed in a non-GRF account, Fund 5Y9 and will be used in fiscal year 2005. This money will be transferred to the General Revenue Fund and will not show up in this revenue category.

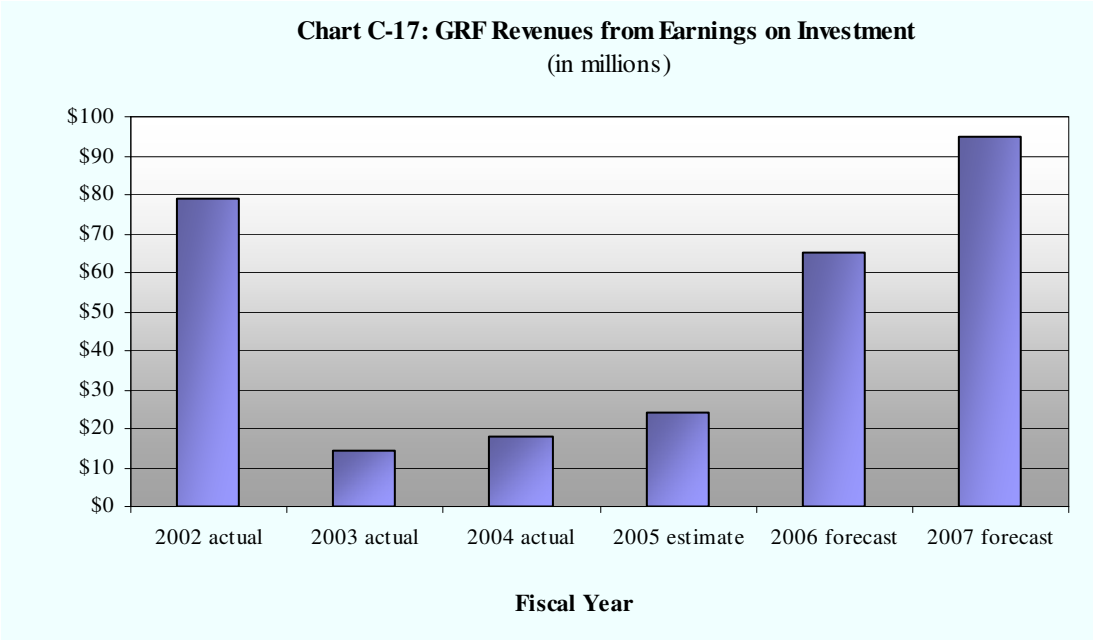
Any changes in state spending on Medicaid or reimbursable operating expenditures will change receipts from federal grants. Table C-16 shows the growth of total General Revenue Fund receipts from federal grants over the past three fiscal years and the estimated receipts for the next three fiscal years. For further information on Department of Job and Family Services programs, please see Tab E, Agency Budget Recommendations.

Table C-16: Federal Grant GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	4,361	4,972	5,516	5,774	5,761	5,878

Earnings on Investments

Earnings on investments are determined by the amount of cash in the state's portfolio and the level of interest rates at which the funds are invested. The General Revenue Fund's share of total earnings on investments is determined by the average daily cash balance in the General Revenue Fund and all the non-interest-earning funds, including the Budget Stabilization Fund. The Treasurer of State is responsible for managing the state's portfolio and investing the state funds. State funds are invested in a diversified portfolio concentrated on short-term to medium term securities issued by Federal government and its agencies.



As the historical trend and economic conditions affect the average daily cash balance in the state funds, the average daily cash balance was estimated by regressing the growth rate of this balance against the growth rate of real Gross Domestic Product, and the return on Standard and Poor's 500 index. The interest rates on investment were estimated by regressing this interest rate against the discount rates on short-term treasury bills and yields on treasury notes with maturity of no more than five years. The baseline estimate of investment earnings is the product of the estimated cash balance and interest rate. The average daily balances are expected to be stable and interest rates are expected to increase over the fiscal year 2005 to 2007 period, therefore, the investment earnings are predicted to grow.

The 2006-2007 Executive Budget proposes to transfer the interest accrued from many other state funds into the General Revenue Fund. The state funds that are excluded from this provision are mostly debt related funds or funds that are constitutionally restricted. The General Revenue Fund estimates of receipts from earnings on investments are displayed in Chart C-17 and Table C-17. The historical data are shown as well.

Table C-17: GRF Revenues from Earnings on Investment
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	79.0	14.2	18.0	24.0	40.0	60.0
Proposed Accrual to GRF				0.0	25.0	35.0
Total GRF Estimate				24.0	65.0	95.0

Licenses and Fees

This source includes licenses and fees collected from businesses, occupations, and motor vehicles. The licenses and fees category also includes insurance agent fees, factory building fees, motor carrier fees, and fees from occupations and businesses not elsewhere classified.

The fiscal year 2006-2007 Executive Budget proposes to eliminate the tax exemptions from the tax on premiums written by surplus line insurers, risk purchasing groups and risk retention groups. Elimination of the exemptions is projected to increase license and fee revenues by $12.0 million each fiscal year.

Table C-18: License and Fee GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	31.1	33.7	50.2	62.4	62.4	62.4
Surplus Line Exemption Elimination					12.0	12.0
Total GRF Estimate					74.4	74.4

Other Income

Other income consists of various miscellaneous revenues from refunds and recoveries, fines and forfeitures, sales of goods and services, receipts from local governments, and other revenue not elsewhere classified. In addition, these revenues include repayments of various loans made from the General Revenue Fund, canceled warrants, and refunds of prior-year expenditures.

The Executive Budget proposes a transfer of unclaimed funds from the Department of Commerce of $50.0 million in fiscal year 2006 and $50.0 million in fiscal year 2007. Table C-19 reflects this transfer below.

Table C-19: Other Income GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	159.3	139.4	119.1	82.0	82.0	82.0
Unclaimed Funds Transfer					50.0	50.0
Total GRF Estimate					132.0	132.0

Intrastate Transfer Vouchers (ISTV)

Intrastate transfer vouchers consist mainly of appropriation reimbursements from other funds for services rendered by state agencies that receive General Revenue Fund appropriations. The Executive Budget estimate for fiscal years 2006 and 2007 also assumes a continuation of the transfer of lottery funds to pay part of the debt service of elementary and secondary education bonds. The transfer of lottery funds to the General Revenue Fund is a reimbursement for a portion of debt service payments that are made from the General Revenue Fund appropriations to the Ohio School Facilities Commission. A significant decrease in intrastate transfer vouchers revenue occurred between fiscal year 2003 and fiscal year 2004. This was a

result of no ISTV transfers from the Tobacco Master Settlement or the Budget Stabilization Fund. Currently no ISTV transfers are expected into or out of the Budget Stabilization Fund in fiscal years 2005, 2006, and 2007.

Table C-20: Intrastate Transfer Vouchers GRF Revenues
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	848.9	454.4	68.9	75.0	67.0	67.0

Liquor Profit Transfer

Liquor profits are generated by the sale of spirituous liquor by the Division of Liquor Control within the Department of Commerce. Liquor profit transfers to the General Revenue Fund are the net of all operating costs and the payment of debt service on industrial development bonds.

In the baseline estimate, total liquor profit transfers are expected to grow at a rate of 5.0 percent. Additionally, the Executive Budget proposes to increase liquor profit transfers by $15.0 million per year. The additional profits will result from price increases determine by the Division of Liquor Control. However, growth in funds available for transfer to the General Revenue Fund will be limited by the expected increase in the use of liquor profit funds to pay the debt service costs for the sale of development bonds. Debt service payments from liquor profit funds are expected to increase by at least 25 percent for fiscal years 2005, 2006, and 2007. Table C-21 shows in detail the effects of the profit increase and projected debt service payments on liquor profit transfers to the General Revenue Fund.

Table C-21: Liquor Profit Transfer to the GRF
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	128.0	134.5	140.4	147.4	154.8	162.5
Profit Increase					15.0	15.0
Debt Service Payment	-16.0	-19.5	-22.4	-30.1	-41.9	-52.7
Total GRF Estimate	112.0	115.0	118.0	117.4	127.9	124.8

Transfers–In

Transfers-In include various transfers to the General Revenue Fund from other state funds. In fiscal year 2005 the baseline estimate includes transfers from the Medicaid relief fund and federal fiscal relief fund totaling $316.9 million. Funds from these two sources are no longer available in fiscal years 2006 and 2007. The baseline estimates for fiscal years 2006 and 2007 for this category include a transfer of $8.0 million each year from the Securities Division within the Department of Commerce. In addition, a transfer of $85.0 million in each fiscal year is expected through the school district property tax replacement fund. This is the kilowatt hour tax revenue dedicated to the school district property tax replacement fund that is made through formula payments out of the General Revenue Fund. Finally the Executive Budget proposes a series of non General Revenue Fund transfers that will amount to an additional $30.0 million in General Revenue Funds each fiscal year in the 2006-2007 biennium.

Table C-22: Transfers-In to the GRF
($ in millions)

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Forecast	FY 2007 Forecast
Actual/Baseline Revenue	384.0	389.2	380.6	416.8	98.0	98.0
Rotary Transfers					30.0	30.0
Total GRF Estimate					128.0	128.0

Actual and Estimated Revenues

The table beginning on the next page, Table C-2, shows; by budget fund group, revenue history for fiscal years 2002, 2003, and 2004 and revenue estimates for fiscal years 2005, 2006 and 2007. The first page of the table shows total revenue for all funds and, beginning on the table's second page are the revenues for each budget fund group. The revenues are presented by income source and the amounts displayed are in millions of dollars. Except for the Department of Transportation, whose capital funding is historically appropriated on the same cycle as the main operating budget, no capital fund revenue has been assumed for fiscal years 2006 and 2007, because a capital bill had yet to be enacted at the time of publication. Fiscal year 2005 estimates assume revenue to support the capital reappropriations per Am. Sub. Senate Bill 189 of the 125th General Assembly.

Table C-2
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
All Funds						
Taxes						
Auto Sales and Use	968.4	1,007.1	1,163.8	1,140.9	1,055.4	1,046.5
Non-Auto Sales and Use	6,771.2	7,155.4	8,191.1	8,652.8	8,496.6	8,913.6
Personal Income	9,129.6	9,307.6	9,596.8	10,087.7	10,273.0	10,448.4
Corporate Franchise	1,011.4	1,015.0	1,060.6	1,080.1	983.9	855.7
Public Utility	323.9	258.8	275.8	161.9	167.5	171.7
Kilowatt-Hour	569.1	625.8	614.8	624.5	789.5	798.9
Foreign Insurance	233.2	237.9	256.9	265.0	272.0	280.0
Domestic Insurance	132.5	160.2	166.1	174.2	182.2	190.2
Misc Business and Property	1,708.7	1,806.0	1,909.3	2,024.3	2,203.4	2,238.0
Cigarette	281.7	601.0	557.5	553.0	912.0	849.0
Alcoholic Beverage	56.5	57.6	57.5	57.9	108.4	108.9
Liquor Gallonage	29.3	29.7	30.9	31.5	32.5	33.0
Estate	116.3	100.8	64.2	56.0	58.0	54.0
Racing	17.4	15.6	16.0	18.0	15.9	15.7
Commercial Activity Tax	.0	.0	.0	.0	265.0	550.0
Total Tax Receipts	21,349.2	22,378.5	23,961.3	24,927.8	25,815.3	26,553.6
Non-Taxes						
Federal Grants	10,768.3	11,856.1	13,080.1	14,160.0	14,471.0	14,945.4
Earnings/Investment	312.2	200.5	104.4	93.4	124.5	151.0
Licenses and Fees	1,704.4	1,762.3	1,982.0	2,618.3	2,703.3	2,762.7
Other Income	6,639.8	6,824.0	7,365.0	6,118.7	6,408.2	6,287.7
Interagency (ISTV'S & IDC'S)	2,570.4	2,545.9	2,238.6	2,771.2	2,760.9	2,928.2
Total Non-Tax Receipts	21,995.1	23,188.8	24,770.1	25,761.6	26,467.9	27,075.0
Total Revenues	43,344.2	45,567.3	48,731.4	50,689.4	52,283.2	53,628.6
Transfers						
Liquor Transfers	112.0	115.0	118.0	117.0	128.0	125.0
Lottery Transfers	610.2	606.4	648.1	637.9	637.9	637.9
Transfers In-Other	3,026.3	3,205.1	3,312.7	3,608.5	1,989.3	1,888.9
Transfer In-BSF	40.4	115.4	.0	.0	.0	.0
Total Transfers	3,788.9	4,041.9	4,078.8	4,363.4	2,755.2	2,651.8
Total Sources	$ 47,133.1	$ 49,609.2	$ 52,810.2	$ 55,052.8	$ 55,038.4	$ 56,280.4

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
General Revenue Fund						
Taxes						
Auto Sales and Use	927.5	966.2	1,122.9	1,100.0	1,019.2	1,013.8
Non-Auto Sales and Use	5,110.4	5,431.7	6,407.7	6,780.0	6,585.1	6,944.1
Personal Income	7,304.1	7,420.7	7,696.9	8,153.2	8,291.0	8,400.4
Corporate Franchise	712.3	747.2	809.2	820.0	734.0	604.9
Public Utility	260.1	218.7	226.4	110.0	138.6	143.7
Kilowatt-Hour	323.3	339.9	339.0	341.0	489.4	497.2
Foreign Insurance	214.3	216.4	230.5	244.0	255.0	265.0
Domestic Insurance	132.4	160.1	165.9	174.0	182.0	190.0
Misc Business and Property	7.1	30.0	29.9	30.0	70.0	70.5
Cigarette	281.3	599.9	557.5	548.0	907.0	844.0
Alcoholic Beverage	55.7	56.6	56.5	57.0	107.5	108.0
Liquor Gallonage	29.3	29.7	30.9	31.5	32.5	33.0
Estate	116.3	100.8	64.2	56.0	58.0	54.0
Commercial Activity Tax	.0	.0	.0	.0	220.0	205.0
Total Tax Receipts	15,474.1	16,317.9	17,737.5	18,444.7	19,089.3	19,373.6
Non-Taxes						
Federal Grants	4,361.4	4,972.4	5,516.4	5,773.6	5,760.5	5,878.1
Earnings/Investment	79.0	14.3	18.0	24.0	65.0	95.0
Licenses and Fees	31.1	33.7	50.2	62.4	74.4	74.4
Other Income	159.6	139.8	119.4	82.0	132.0	132.0
Interagency (ISTV'S & IDC'S)	848.9	454.0	68.5	75.0	67.0	67.0
Total Non-Tax Receipts	5,480.0	5,614.2	5,772.5	6,017.0	6,098.9	6,246.5
Total Revenues	20,954.0	21,932.1	23,510.0	24,461.7	25,188.2	25,620.1
Transfers						
Liquor Transfers	112.0	115.0	118.0	117.0	128.0	125.0
Transfers In-Other	356.2	287.1	402.9	436.4	141.3	128.0
Transfer In-BSF	40.4	115.4	.0	.0	.0	.0
Total Transfers	508.6	517.5	520.9	553.4	269.3	253.0
Total Sources	$ 21,462.6	$ 22,449.6	$ 24,030.9	$ 25,015.1	$ 25,457.5	$ 25,873.1
General Services Fund Group						
Taxes						
Misc Business and Property	1.3	1.3	1.8	1.8	1.8	1.8
Total Tax Receipts	1.3	1.3	1.8	1.8	1.8	1.8
Non-Taxes						
Federal Grants	58.7	58.0	413.3	65.6	72.5	63.4
Earnings/Investment	4.1	3.5	2.1	2.2	2.4	2.5
Licenses and Fees	76.2	88.1	82.2	93.8	88.5	60.1
Other Income	181.7	188.4	208.2	224.0	237.8	238.2
Interagency (ISTV'S & IDC'S)	498.0	489.3	485.6	530.1	578.9	588.4
Total Non-Tax Receipts	818.7	827.3	1,191.4	915.7	980.1	952.6
Total Revenues	820.0	828.6	1,193.2	917.5	981.9	954.4
Transfers						
Transfers In-Other	42.0	29.7	82.0	43.1	38.1	34.9
Total Transfers	42.0	29.7	82.0	43.1	38.1	34.9
Total Sources	$ 862.0	$ 858.3	$ 1,275.2	$ 960.6	$ 1,020.0	$ 989.3

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Budget Stablization Fund						
Transfers						
Transfers In-Other	13.1	.0	.0	.0	.0	.0
Total Transfers	13.1	.0	.0	.0	.0	.0
Total Sources	$ 13.1	$ .0	$ .0	$ .0	$ .0	$ .0
Workers' Compensation Fund Group						
Non-Taxes						
Other Income	333.0	342.7	327.3	420.2	386.4	385.0
Interagency (ISTV'S & IDC'S)	3.9	4.1	1.4	3.0	4.9	5.0
Total Non-Tax Receipts	336.9	346.8	328.7	423.2	391.3	390.0
Total Revenues	336.9	346.8	328.7	423.2	391.3	390.0
Transfers						
Transfers In-Other	.1	.0	3.2	.0	.0	.0
Total Transfers	.1	.0	3.2	.0	.0	.0
Total Sources	$ 337.0	$ 346.8	$ 331.9	$ 423.2	$ 391.3	$ 390.0
Liquor Control Fund Group						
Non-Taxes						
Licenses and Fees	1.0	1.0	1.0	1.0	1.0	1.0
Other Income	466.3	485.6	521.9	543.1	575.1	603.3
Interagency (ISTV'S & IDC'S)	.1	.0	.0	.0	.0	.0
Total Non-Tax Receipts	467.4	486.6	522.9	544.1	576.1	604.3
Total Revenues	467.4	486.6	522.9	544.1	576.1	604.3
Transfers						
Transfers In-Other	.3	.0	.0	.0	.0	.0
Total Transfers	.3	.0	.0	.0	.0	.0
Total Sources	$ 467.7	$ 486.6	$ 522.9	$ 544.1	$ 576.1	$ 604.3
State Lottery Fund Group						
Non-Taxes						
Earnings/Investment	44.0	59.6	28.5	27.2	21.1	17.1
Licenses and Fees	.0	.0	.1	.0	.1	.1
Other Income	918.3	860.4	1,022.8	908.8	899.7	897.1
Interagency (ISTV'S & IDC'S)	.2	.1	.1	.6	1.4	1.4
Total Non-Tax Receipts	962.5	920.1	1,051.5	936.6	922.3	915.7
Total Revenues	962.5	920.1	1,051.5	936.6	922.3	915.7
Transfers						
Transfers In-Other	35.3	40.4	6.3	11.5	10.2	5.0
Total Transfers	35.3	40.4	6.3	11.5	10.2	5.0
Total Sources	$ 997.8	$ 960.5	$ 1,057.8	$ 948.1	$ 932.5	$ 920.7

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Underground Parking Garage Fund						
Non-Taxes						
Earnings/Investment	.1	.1	.0	.0	.0	.0
Licenses and Fees	2.1	2.0	2.0	1.9	2.1	2.1
Interagency (ISTV'S & IDC'S)	.6	.6	.6	.6	.6	.6
Total Non-Tax Receipts	2.8	2.7	2.6	2.5	2.7	2.7
Total Revenues	2.8	2.7	2.6	2.5	2.7	2.7
Total Sources	$ 2.8	$ 2.7	$ 2.6	$ 2.5	$ 2.7	$ 2.7
Fed Special Revenue Fund Group						
Non-Taxes						
Federal Grants	5,299.6	5,827.5	6,185.9	7,191.1	7,406.4	7,753.9
Earnings/Investment	3.8	2.8	1.2	.5	.5	.4
Licenses and Fees	1.5	2.4	1.2	444.4	498.5	491.4
Other Income	149.6	143.2	144.6	88.3	84.0	84.2
Interagency (ISTV'S & IDC'S)	836.9	1,017.6	1,057.4	1,313.1	1,178.5	1,254.3
Total Non-Tax Receipts	6,291.4	6,993.5	7,390.3	9,037.4	9,167.9	9,584.2
Total Revenues	6,291.4	6,993.5	7,390.3	9,037.4	9,167.9	9,584.2
Transfers						
Transfers In-Other	6.4	.0	35.9	64.5	71.5	71.5
Total Transfers	6.4	.0	35.9	64.5	71.5	71.5
Total Sources	$ 6,297.8	$ 6,993.5	$ 7,426.2	$ 9,101.9	$ 9,239.4	$ 9,655.7
Highway Operating Fund Group						
Taxes						
Misc Business and Property	362.9	385.5	488.7	590.0	690.0	696.0
Total Tax Receipts	362.9	385.5	488.7	590.0	690.0	696.0
Non-Taxes						
Federal Grants	974.5	946.0	921.2	1,074.0	1,174.0	1,194.0
Earnings/Investment	42.6	24.5	8.9	8.3	8.2	8.3
Licenses and Fees	67.4	70.8	70.5	72.1	73.1	74.1
Other Income	50.7	87.2	88.9	68.8	83.2	83.2
Interagency (ISTV'S & IDC'S)	8.3	2.9	7.5	7.6	7.6	7.6
Total Non-Tax Receipts	1,143.5	1,131.4	1,097.0	1,230.8	1,346.1	1,367.2
Total Revenues	1,506.4	1,516.9	1,585.7	1,820.8	2,036.1	2,063.2
Transfers						
Transfers In-Other	532.6	524.0	528.1	520.0	615.7	636.7
Total Transfers	532.6	524.0	528.1	520.0	615.7	636.7
Total Sources	$ 2,039.0	$ 2,040.9	$ 2,113.8	$ 2,340.8	$ 2,651.8	$ 2,699.9

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
State Highway Safety Fund Group						
Taxes						
Misc Business and Property	1.6	1.0	.8	.8	.8	.8
Total Tax Receipts	1.6	1.0	.8	.8	.8	.8
Non-Taxes						
Federal Grants	12.6	11.5	12.4	17.1	17.2	17.2
Earnings/Investment	7.2	5.0	2.5	2.4	2.4	2.3
Licenses and Fees	106.1	105.0	244.9	293.6	299.5	301.6
Other Income	47.5	50.9	46.5	48.3	49.6	50.1
Interagency (ISTV'S & IDC'S)	11.1	13.5	13.1	19.9	14.9	15.0
Total Non-Tax Receipts	184.5	185.9	319.4	381.3	383.6	386.2
Total Revenues	186.1	186.9	320.2	382.1	384.4	387.0
Transfers						
Transfers In-Other	210.5	205.4	175.3	119.6	89.2	62.0
Total Transfers	210.5	205.4	175.3	119.6	89.2	62.0
Total Sources	$ 396.6	$ 392.3	$ 495.5	$ 501.7	$ 473.6	$ 449.0
Revenue Distribution Fund Group						
Taxes						
Auto Sales and Use	40.9	40.9	40.9	40.9	36.2	32.7
Non-Auto Sales and Use	262.5	260.4	260.4	260.4	229.7	208.3
Personal Income	848.8	829.8	829.7	829.8	777.3	743.3
Corporate Franchise	48.7	47.4	47.4	47.4	37.9	38.0
Public Utility	39.8	36.7	36.7	36.7	13.7	12.8
Kilowatt-Hour	245.8	283.3	275.4	283.0	299.6	301.2
Misc Business and Property	1,053.0	1,105.1	1,106.8	1,135.9	1,176.5	1,194.1
Racing	2.9	2.6	2.5	2.4	2.4	2.4
Commercial Activity Tax	.0	.0	.0	.0	45.0	345.0
Total Tax Receipts	2,542.4	2,606.2	2,599.8	2,636.5	2,618.3	2,877.8
Non-Taxes						
Earnings/Investment	2.1	1.5	.7	.6	.6	.6
Licenses and Fees	523.1	530.8	520.9	561.4	544.6	544.6
Other Income	.1	.1	.1	.0	.0	.0
Total Non-Tax Receipts	525.3	532.4	521.7	562.0	545.2	545.2
Total Revenues	3,067.7	3,138.6	3,121.5	3,198.5	3,163.5	3,423.0
Transfers						
Transfers In-Other	.0	1.8	51.1	95.3	135.0	155.2
Total Transfers	.0	1.8	51.1	95.3	135.0	155.2
Total Sources	$ 3,067.7	$ 3,140.4	$ 3,172.6	$ 3,293.8	$ 3,298.5	$ 3,578.2

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
State Special Revenue Fund Group						
Taxes						
Non-Auto Sales and Use	15.8	16.3	17.7	17.6	17.6	17.6
Personal Income	4.2	6.0	4.6	4.7	4.7	4.7
Corporate Franchise	13.3	13.6	14.0	12.7	12.0	12.8
Public Utility	.0	.1	.2	.2	.2	.2
Foreign Insurance	15.9	17.4	22.3	16.0	12.0	10.0
Domestic Insurance	.1	.1	.2	.2	.2	.2
Misc Business and Property	13.5	13.1	17.6	17.2	17.1	17.1
Alcoholic Beverage	.7	.8	.8	.7	.7	.7
Racing	14.5	13.0	13.5	15.6	13.5	13.3
Total Tax Receipts	78.0	80.4	90.9	84.9	78.0	76.6
Non-Taxes						
Federal Grants	49.3	28.3	13.0	20.6	23.0	23.0
Earnings/Investment	17.2	15.2	11.8	17.0	15.1	15.1
Licenses and Fees	845.1	879.7	962.9	1,036.9	1,070.2	1,161.2
Other Income	499.7	513.6	680.4	870.4	1,040.1	820.0
Interagency (ISTV'S & IDC'S)	84.2	86.6	129.8	209.6	208.7	210.3
Total Non-Tax Receipts	1,495.5	1,523.4	1,797.9	2,154.5	2,357.1	2,229.6
Total Revenues	1,573.5	1,603.8	1,888.8	2,239.4	2,435.1	2,306.2
Transfers						
Transfers In-Other	33.8	36.5	34.7	34.6	40.3	49.7
Total Transfers	33.8	36.5	34.7	34.6	40.3	49.7
Total Sources	$ 1,607.3	$ 1,640.3	$ 1,923.5	$ 2,274.0	$ 2,475.4	$ 2,355.9
Waterways Safety Fund Group						
Taxes						
Misc Business and Property	12.1	12.7	13.5	14.5	15.7	15.9
Total Tax Receipts	12.1	12.7	13.5	14.5	15.7	15.9
Non-Taxes						
Federal Grants	2.4	3.1	2.1	5.2	4.3	2.7
Earnings/Investment	.9	.7	.4	.3	.3	.3
Licenses and Fees	5.5	5.5	5.4	5.4	5.5	5.5
Other Income	.1	.2	.2	.1	.1	.1
Interagency (ISTV'S & IDC'S)	.1	.1	.0	.0	.0	.0
Total Non-Tax Receipts	9.0	9.6	8.1	11.0	10.2	8.6
Total Revenues	21.1	22.3	21.6	25.5	25.9	24.5
Transfers						
Transfers In-Other	1.1	.0	.0	.0	3.0	1.0
Total Transfers	1.1	.0	.0	.0	3.0	1.0
Total Sources	$ 22.2	$ 22.3	$ 21.6	$ 25.5	$ 28.9	$ 25.5

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Wildlife Fund Group						
Non-Taxes						
Federal Grants	9.8	9.0	15.8	12.8	13.1	13.1
Earnings/Investment	1.7	1.1	.5	.5	.5	.5
Licenses and Fees	28.1	29.8	31.0	35.5	36.5	37.3
Other Income	3.3	3.1	3.2	3.7	3.7	3.7
Interagency (ISTV'S & IDC'S)	1.1	1.0	.9	1.0	1.0	1.0
Total Non-Tax Receipts	44.0	44.0	51.4	53.5	54.8	55.6
Total Revenues	44.0	44.0	51.4	53.5	54.8	55.6
Transfers						
Transfers In-Other	.8	.0	.0	.0	.0	.0
Total Transfers	.8	.0	.0	.0	.0	.0
Total Sources	$ 44.8	$ 44.0	$ 51.4	$ 53.5	$ 54.8	$ 55.6
Coal Research/Development Fund						
Non-Taxes						
Earnings/Investment	.5	.5	.1	.1	.1	.1
Other Income	30.2	.0	13.0	.0	.0	.0
Total Non-Tax Receipts	30.7	.5	13.1	.1	.1	.1
Total Revenues	30.7	.5	13.1	.1	.1	.1
Transfers						
Transfers In-Other	15.4	46.4	.0	37.6	34.0	13.6
Total Transfers	15.4	46.4	.0	37.6	34.0	13.6
Total Sources	$ 46.1	$ 46.9	$ 13.1	$ 37.7	$ 34.1	$ 13.7
Facilities Establishment Fund						
Non-Taxes						
Earnings/Investment	4.3	2.9	2.6	1.5	1.7	1.9
Licenses and Fees	.1	3.1	.3	.3	.3	.3
Other Income	37.8	47.7	139.6	47.0	48.9	47.5
Total Non-Tax Receipts	42.2	53.7	142.5	48.8	50.9	49.7
Total Revenues	42.2	53.7	142.5	48.8	50.9	49.7
Transfers						
Transfers In-Other	8.1	1.8	4.1	118.3	120.1	120.0
Total Transfers	8.1	1.8	4.1	118.3	120.1	120.0
Total Sources	$ 50.3	$ 55.5	$ 146.6	$ 167.1	$ 171.0	$ 169.7

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Local Transp Improv Program Fund						
Non-Taxes						
Earnings/Investment	4.9	3.2	1.5	1.0	1.0	1.0
Interagency (ISTV'S & IDC'S)	.0	.0	.1	.0	.0	.0
Total Non-Tax Receipts	4.9	3.2	1.6	1.0	1.0	1.0
Total Revenues	4.9	3.2	1.6	1.0	1.0	1.0
Transfers						
Transfers In-Other	62.2	62.9	63.8	64.0	64.0	64.0
Total Transfers	62.2	62.9	63.8	64.0	64.0	64.0
Total Sources	$ 67.1	$ 66.1	$ 65.4	$ 65.0	$ 65.0	$ 65.0
Lottery Profits/Educ Fund Group						
Non-Taxes						
Earnings/Investment	3.7	2.2	1.0	.8	.8	.8
Other Income	1.1	2.1	2.2	2.3	2.3	2.3
Total Non-Tax Receipts	4.8	4.3	3.2	3.1	3.1	3.1
Total Revenues	4.8	4.3	3.2	3.1	3.1	3.1
Transfers						
Lottery Transfers	610.2	606.4	648.1	637.9	637.9	637.9
Transfers In-Other	25.0	65.0	7.5	16.6	.8	.8
Total Transfers	635.2	671.4	655.6	654.5	638.7	638.7
Total Sources	$ 640.0	$ 675.7	$ 658.8	$ 657.6	$ 641.8	$ 641.8
School Building Assistance Fund						
Non-Taxes						
Earnings/Investment	27.5	13.0	5.6	.0	.0	.0
Other Income	407.2	450.0	601.6	.0	.0	.0
Total Non-Tax Receipts	434.7	463.0	607.2	.0	.0	.0
Total Revenues	434.7	463.0	607.2	.0	.0	.0
Transfers						
Transfers In-Other	422.1	455.9	603.5	400.0	.0	.0
Total Transfers	422.1	455.9	603.5	400.0	.0	.0
Total Sources	$ 856.8	$ 918.9	$ 1,210.7	$ 400.0	$ .0	$ .0
Accrued Leave Liability Fund Grp						
Non-Taxes						
Earnings/Investment	1.6	1.3	.8	.7	.6	.6
Interagency (ISTV'S & IDC'S)	22.6	35.1	31.6	107.2	112.4	120.7
Total Non-Tax Receipts	24.2	36.4	32.4	107.9	113.0	121.3
Total Revenues	24.2	36.4	32.4	107.9	113.0	121.3
Total Sources	$ 24.2	$ 36.4	$ 32.4	$ 107.9	$ 113.0	$ 121.3

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Agency Fund Group						
Taxes						
Non-Auto Sales and Use	1,382.5	1,447.0	1,505.3	1,594.8	1,664.2	1,743.6
Personal Income	972.5	1,051.1	1,065.6	1,100.0	1,200.0	1,300.0
Corporate Franchise	237.1	206.8	190.0	200.0	200.0	200.0
Public Utility	24.0	3.3	12.5	15.0	15.0	15.0
Kilowatt-Hour	.0	2.6	.4	.5	.5	.5
Foreign Insurance	3.0	4.1	4.1	5.0	5.0	5.0
Misc Business and Property	190.2	190.3	207.3	211.1	231.5	241.8
Cigarette	.4	1.1	.0	5.0	5.0	5.0
Alcoholic Beverage	.1	.2	.2	.2	.2	.2
Total Tax Receipts	2,809.8	2,906.5	2,985.4	3,131.6	3,321.4	3,511.1
Non-Taxes						
Earnings/Investment	2.4	2.9	1.1	1.0	1.1	1.4
Licenses and Fees	5.4	5.3	5.9	6.6	6.6	6.6
Other Income	2,271.3	2,164.4	2,121.1	2,285.1	2,285.5	2,285.9
Interagency (ISTV'S & IDC'S)	243.2	428.0	431.0	494.2	566.2	644.5
Total Non-Tax Receipts	2,522.3	2,600.6	2,559.1	2,786.9	2,859.4	2,938.4
Total Revenues	5,332.1	5,507.1	5,544.5	5,918.5	6,180.8	6,449.5
Transfers						
Transfers In-Other	2.4	1.7	.8	2.5	2.5	3.0
Total Transfers	2.4	1.7	.8	2.5	2.5	3.0
Total Sources	$ 5,334.5	$ 5,508.8	$ 5,545.3	$ 5,921.0	$ 6,183.3	$ 6,452.5
Holdng Acct Redist Fund Group						
Taxes						
Misc Business and Property	33.8	37.1	35.0	23.0	.0	.0
Total Tax Receipts	33.8	37.1	35.0	23.0	.0	.0
Non-Taxes						
Earnings/Investment	.4	.2	.1	.1	.1	.1
Licenses and Fees	.0	.0	.1	.7	.1	.1
Other Income	4.5	2.2	5.5	7.3	2.7	2.7
Interagency (ISTV'S & IDC'S)	3.9	2.8	2.8	.0	3.6	3.6
Total Non-Tax Receipts	8.8	5.2	8.5	8.1	6.5	6.5
Total Revenues	42.6	42.3	43.5	31.1	6.5	6.5
Total Sources	$ 42.6	$ 42.3	$ 43.5	$ 31.1	$ 6.5	$ 6.5
Volunteer Firemen's Depndnts Fnd						
Non-Taxes						
Other Income	.1	.2	.3	.2	.3	.3
Total Non-Tax Receipts	.1	.2	.3	.2	.3	.3
Total Revenues	.1	.2	.3	.2	.3	.3
Total Sources	$ .1	$ .2	$ .3	$ .2	$ .3	$ .3

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Debt Service Fund Group						
Taxes						
Misc Business and Property	33.2	29.9	7.9	.0	.0	.0
Total Tax Receipts	33.2	29.9	7.9	.0	.0	.0
Non-Taxes						
Earnings/Investment	6.6	4.9	2.1	2.0	3.0	3.0
Licenses and Fees	9.8	3.1	1.3	.0	.0	.0
Other Income	244.5	322.8	395.4	485.9	551.9	620.9
Total Non-Tax Receipts	260.9	330.8	398.8	487.9	554.9	623.9
Total Revenues	294.1	360.7	406.7	487.9	554.9	623.9
Transfers						
Transfers In-Other	136.5	131.0	161.5	153.6	178.6	193.5
Total Transfers	136.5	131.0	161.5	153.6	178.6	193.5
Total Sources	$ 430.6	$ 491.7	$ 568.2	$ 641.5	$ 733.5	$ 817.4
Sports Facilities Bldg Fund Grp						
Non-Taxes						
Earnings/Investment	1.3	.2	.0	.0	.0	.0
Total Non-Tax Receipts	1.3	.2	.0	.0	.0	.0
Total Revenues	1.3	.2	.0	.0	.0	.0
Transfers						
Transfers In-Other	25.9	.4	.0	.0	.0	.0
Total Transfers	25.9	.4	.0	.0	.0	.0
Total Sources	$ 27.2	$ .6	$ .0	$ .0	$ .0	$ .0
Highway Safety Building Fund						
Non-Taxes						
Earnings/Investment	1.0	.5	.1	.0	.0	.0
Other Income	.0	.0	10.0	.0	.0	.0
Total Non-Tax Receipts	1.0	.5	10.1	.0	.0	.0
Total Revenues	1.0	.5	10.1	.0	.0	.0
Transfers						
Transfers In-Other	21.0	.5	16.6	3.0	.0	.0
Total Transfers	21.0	.5	16.6	3.0	.0	.0
Total Sources	$ 22.0	$ 1.0	$ 26.7	$ 3.0	$ .0	$ .0

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Administrative Building Fund						
Non-Taxes						
Earnings/Investment	4.4	1.7	.9	.0	.0	.0
Other Income	71.4	.9	174.4	.0	.0	.0
Total Non-Tax Receipts	75.8	2.6	175.3	.0	.0	.0
Total Revenues	75.8	2.6	175.3	.0	.0	.0
Transfers						
Transfers In-Other	4.4	73.5	109.9	97.7	.0	.0
Total Transfers	4.4	73.5	109.9	97.7	.0	.0
Total Sources	$ 80.2	$ 76.1	$ 285.2	$ 97.7	$ .0	$ .0
Adult Correctional Building Fund						
Non-Taxes						
Earnings/Investment	2.7	1.3	.4	.0	.0	.0
Other Income	.1	53.5	60.0	.0	.0	.0
Total Non-Tax Receipts	2.8	54.8	60.4	.0	.0	.0
Total Revenues	2.8	54.8	60.4	.0	.0	.0
Transfers						
Transfers In-Other	2.7	54.8	60.5	75.0	.0	.0
Total Transfers	2.7	54.8	60.5	75.0	.0	.0
Total Sources	$ 5.5	$ 109.6	$ 120.9	$ 75.0	$ .0	$ .0
Juvenile Correctional Bldng Fund						
Non-Taxes						
Earnings/Investment	1.6	.5	.3	.0	.0	.0
Other Income	.0	30.0	.0	.0	.0	.0
Total Non-Tax Receipts	1.6	30.5	.3	.0	.0	.0
Total Revenues	1.6	30.5	.3	.0	.0	.0
Transfers						
Transfers In-Other	1.6	30.5	.3	15.0	.0	.0
Total Transfers	1.6	30.5	.3	15.0	.0	.0
Total Sources	$ 3.2	$ 61.0	$ .6	$ 15.0	$ .0	$ .0

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Arts Facilities Building Fund						
Non-Taxes						
Earnings/Investment	1.7	.8	.2	.0	.0	.0
Other Income	.0	20.0	.0	.0	.0	.0
Total Non-Tax Receipts	1.7	20.8	.2	.0	.0	.0
Total Revenues	1.7	20.8	.2	.0	.0	.0
Transfers						
Transfers In-Other	32.0	.8	53.2	44.0	.0	.0
Total Transfers	32.0	.8	53.2	44.0	.0	.0
Total Sources	$ 33.7	$ 21.6	$ 53.4	$ 44.0	$ .0	$ .0
Parks & Natural Resources Fund						
Non-Taxes						
Earnings/Investment	.8	.6	.2	.0	.0	.0
Other Income	50.2	30.0	.0	.0	.0	.0
Total Non-Tax Receipts	51.0	30.6	.2	.0	.0	.0
Total Revenues	51.0	30.6	.2	.0	.0	.0
Transfers						
Transfers In-Other	50.9	.6	30.2	26.0	.0	.0
Total Transfers	50.9	.6	30.2	26.0	.0	.0
Total Sources	$ 101.9	$ 31.2	$ 30.4	$ 26.0	$ .0	$ .0
Mental Health Facilities Imp Fnd						
Non-Taxes						
Earnings/Investment	1.0	.5	.4	.0	.0	.0
Other Income	31.3	60.5	.1	.0	.0	.0
Total Non-Tax Receipts	32.3	61.0	.5	.0	.0	.0
Total Revenues	32.3	61.0	.5	.0	.0	.0
Transfers						
Transfers In-Other	31.3	30.9	30.4	30.0	.0	.0
Total Transfers	31.3	30.9	30.4	30.0	.0	.0
Total Sources	$ 63.6	$ 91.9	$ 30.9	$ 30.0	$ .0	$ .0

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Higher Education Improvemnt Fund						
Non-Taxes						
Earnings/Investment	3.8	9.8	1.3	.0	.0	.0
Other Income	334.4	325.0	150.3	.0	.0	.0
Total Non-Tax Receipts	338.2	334.8	151.6	.0	.0	.0
Total Revenues	338.2	334.8	151.6	.0	.0	.0
Transfers						
Transfers In-Other	338.2	535.9	276.8	360.0	.0	.0
Total Transfers	338.2	535.9	276.8	360.0	.0	.0
Total Sources	$ 676.4	$ 870.7	$ 428.4	$ 360.0	$ .0	$ .0
Parks & Recreation Improv Fund						
Non-Taxes						
Federal Grants	.0	.3	.0	.0	.0	.0
Earnings/Investment	.6	.7	.2	.0	.0	.0
Other Income	25.0	.0	25.0	.0	.0	.0
Total Non-Tax Receipts	25.6	1.0	25.2	.0	.0	.0
Total Revenues	25.6	1.0	25.2	.0	.0	.0
Transfers						
Transfers In-Other	.6	25.7	25.2	23.1	.0	.0
Total Transfers	.6	25.7	25.2	23.1	.0	.0
Total Sources	$ 26.2	$ 26.7	$ 50.4	$ 23.1	$ .0	$ .0
Highway Capital Improv Fund Group						
Non-Taxes						
Earnings/Investment	6.8	2.9	1.4	.0	.0	.0
Other Income	.1	135.2	160.0	.0	.0	.0
Total Non-Tax Receipts	6.9	138.1	161.4	.0	.0	.0
Total Revenues	6.9	138.1	161.4	.0	.0	.0
Transfers						
Transfers In-Other	6.8	138.0	161.6	140.0	270.0	50.0
Total Transfers	6.8	138.0	161.6	140.0	270.0	50.0
Total Sources	$ 13.7	$ 276.1	$ 323.0	$ 140.0	$ 270.0	$ 50.0

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Infrastructure Bank Obligations						
Non-Taxes						
Earnings/Investment	3.8	2.7	1.2	.0	.0	.0
Other Income	104.6	143.7	120.0	.0	.0	.0
Total Non-Tax Receipts	108.4	146.4	121.2	.0	.0	.0
Total Revenues	108.4	146.4	121.2	.0	.0	.0
Transfers						
Transfers In-Other	108.4	146.7	121.1	.0	175.0	300.0
Total Transfers	108.4	146.7	121.1	.0	175.0	300.0
Total Sources	$ 216.8	$ 293.1	$ 242.3	$ .0	$ 175.0	$ 300.0
Local Infrastruct Cap Imp Fund						
Non-Taxes						
Earnings/Investment	5.8	5.2	2.5	2.0	.0	.0
Other Income	135.6	136.9	139.2	.0	.0	.0
Total Non-Tax Receipts	141.4	142.1	141.7	2.0	.0	.0
Total Revenues	141.4	142.1	141.7	2.0	.0	.0
Transfers						
Transfers In-Other	129.3	135.2	133.4	322.0	.0	.0
Total Transfers	129.3	135.2	133.4	322.0	.0	.0
Total Sources	$ 270.7	$ 277.3	$ 275.1	$ 324.0	$ .0	$ .0
Auditor of State Fund Group						
Non-Taxes						
Licenses and Fees	1.9	2.0	2.1	2.3	2.3	2.3
Other Income	30.0	32.6	32.1	31.1	31.2	31.2
Interagency (ISTV'S & IDC'S)	7.3	8.2	8.2	9.3	8.9	8.8
Total Non-Tax Receipts	39.2	42.8	42.4	42.7	42.4	42.3
Total Revenues	39.2	42.8	42.4	42.7	42.4	42.3
Transfers						
Transfers In-Other	.4	.0	.0	.0	.0	.0
Total Transfers	.4	.0	.0	.0	.0	.0
Total Sources	$ 39.6	$ 42.8	$ 42.4	$ 42.7	$ 42.4	$ 42.3

Table C-2 (Continued)
Income Sources, Fiscal Years 2002 - 2007
(Dollars in Millions)

FUND GROUP/INCOME SOURCES	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 ESTIMATE	FY 2007 ESTIMATE
Tobacco Settlement Fund						
Non-Taxes						
Earnings/Investment	21.3	11.1	4.7	1.2	.0	.0
Other Income	.5	1.1	1.7	1.9	.0	.0
Interagency (ISTV'S & IDC'S)	.0	2.0	.0	.0	.0	.0
Total Non-Tax Receipts	21.8	14.2	6.4	3.1	.0	.0
Total Revenues	21.8	14.2	6.4	3.1	.0	.0
Transfers						
Transfers In-Other	324.2	84.1	88.5	298.8	.0	.0
Total Transfers	324.2	84.1	88.5	298.8	.0	.0
Total Sources	$ 346.0	$ 98.3	$ 94.9	$ 301.9	$ .0	$ .0
Clean Ohio Fund Group						
Non-Taxes						
Earnings/Investment	1.0	1.5	.5	.0	.0	.0
Other Income	50.0	.0	50.0	.2	.0	.0
Interagency (ISTV'S & IDC'S)	.0	.0	.0	.0	.0	.0
Total Non-Tax Receipts	51.0	1.5	50.5	.2	.0	.0
Total Revenues	51.0	1.5	50.5	.2	.0	.0
Transfers						
Transfers In-Other	44.7	7.9	44.3	6.3	.0	.0
Total Transfers	44.7	7.9	44.3	6.3	.0	.0
Total Sources	$ 95.7	$ 9.4	$ 94.8	$ 6.5	$ .0	$ .0
Clean Ohio Revitalization						
Non-Taxes						
Earnings/Investment	.0	1.1	.6	.0	.0	.0
Other Income	.0	50.0	.0	.0	.0	.0
Total Non-Tax Receipts	.0	51.1	.6	.0	.0	.0
Total Revenues	.0	51.1	.6	.0	.0	.0
Transfers						
Transfers In-Other	.0	50.0	.0	50.0	.0	.0
Total Transfers	.0	50.0	.0	50.0	.0	.0
Total Sources	$ .0	$ 101.1	$ .6	$ 50.0	$ .0	$ .0

Tax Reform

Overview

Governor Taft's budget calls for fundamental tax reform in Ohio. Many of the critical economic and policy challenges that we identified two years ago remain. In many ways the need for tax reform now is even clearer than it was then. The national economy has begun rebounding, and with that rebound, the economies of many states have significantly improved. However, the Midwestern economy has lagged behind the nation, and Ohio has been among the slowest to gain ground.

Lagging economic performance is the result of many factors. The nation as whole and Ohio in particular are experiencing a long-term shift of industry to the Sunbelt and overseas. Tax reform, while not able to change the state's economic performance by itself, can be a powerful tool to lift Ohio's economic fortunes.

The tax reform proposal in this budget seeks to reduce the burden on investment, encourage capital formation, increase productivity, and encourage growth in employment and income. Because the state must continue to meet its financial obligations and make strategic public investments in education and infrastructure, these cuts in taxes on capital investment must be phased in over time, and also balanced with innovative proposals to raise the revenue needed to pay for essential public services.

The central theme of Ohio tax reform should be to broaden the tax base and lower the tax rates. This unifying theme satisfies all five of the guiding principles of a quality tax system.

(i) A broader tax base **simplifies** the tax system by eliminating difficult-to-understand exceptions to the general application of taxes.

(ii) This also enhances **equity**, because special interest carve-outs – which favor one industry over another or one set of taxpayers over another - are eliminated.

(iii) The **stability** of the revenue system is improved because a broader base should be less volatile and less prone to dramatic ups and downs in response to the business cycle or to changes in particular industries.

(iv) Base broadening and rate reduction enhances the **neutrality** of the tax system. By adopting a broader tax base and lower tax rates, the incentive to act in ways that minimize taxes rather than in ways that maximize economic output – for example, firms adopting complex legal structures and engaging in tax-motivated transactions rather than focusing on earning the greatest return regardless of taxes – is greatly reduced.

(v) Finally, a broader tax base and lower tax rates would improve Ohio **competitiveness** with other states that currently impose lower tax rates.

If the use of broader tax bases and lower tax rates is good tax policy, why hasn't it been more widely adopted by states before now? The answer to this question lies in part in the evolution of state and local tax systems. In the days when more production was local and capital and labor were less mobile, state and local governments could essentially treat their dominant industries as captive and tax them fairly heavily, using relatively easy to measure factors such as the value of their production property. Thus, Midwestern manufacturing states like Ohio could extract most of the revenues needed to pay for state and local services from manufacturing businesses without being overly concerned about the migration of those businesses to other states. Now that the economy has changed, and capital and labor are much more mobile across state borders and even national borders, such assumptions are no longer warranted, and the need for a tax system that minimizes the distortion of economic decisions is of much greater importance.

The Need for Tax Reform

The need for tax reform is demonstrated by Ohio's slow job growth, difficulty in competing for high-wage jobs, and lagging personal income. Elements of the current tax system can be tied to each of these particular economic problems, specifically the high tax burden on capital investment imposed by Ohio's tangible personal property tax, and the high combined state and local tax rates on both personal income and corporate income. Ohio's relatively weak economic performance over the past 15 years – a period that includes the two most recent recessions as well as the "New Economy" boom of the 1990s – and the structural problems in its major taxes are discussed in some detail below.

Ohio's Lagging Economic Performance

Ohio's recent economic performance has lagged that of the nation. There are numerous indicators that show this lag, a few of which will be discussed below.

Gross State Product

Ohio's Gross State Product (GSP), the value of all goods and services produced by the Ohio economy, has grown more slowly than national Gross Domestic Product (GDP) over the last 15 years, the last 10 years, and the last 5 years. This is clearly a long-term problem, but the problem has worsened in the last 5 years, as the ratio of Ohio GSP growth to national GDP growth has dropped.

Ohio Economic Production vs. U.S. Economic Production, 1988-2003			
	1988-2003	1993-2003	1998-2003
Ohio GSP Growth	95.4%	56.0%	15.3%
U.S. GDP Growth	115.3%	69.1%	25.7%
Ratio, Ohio growth to U.S. growth	0.827	0.811	0.594

Employment and Labor Force Growth

Ohio's labor force growth is much slower than that of the U.S., and is projected to remain slower for years to come. As a result, Ohio cannot achieve employment growth rates similar to those of the nation without unrealistic declines in the unemployment rate.[1]

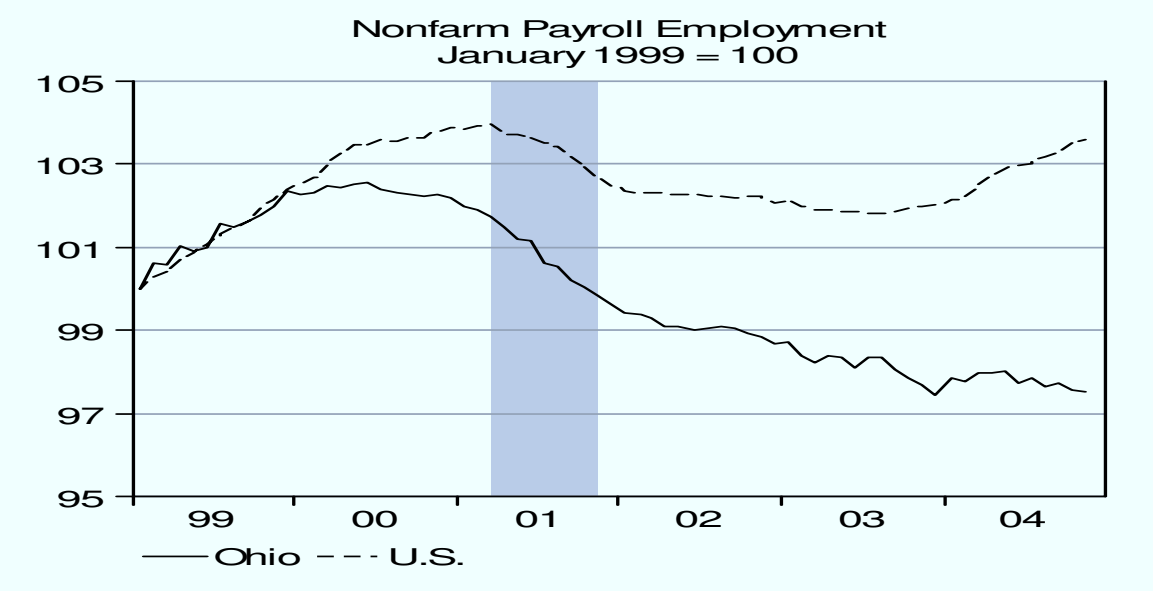
Research into Midwest and Ohio population trends by Global Insight, an economic analysis and forecasting firm, shows that:

- Midwest population generally, including Ohio's population, is still shifting to the South and West.
- Ohio's population is relatively older than the nation's. Ohio has a relatively small population in the 0-13 age group and a significantly larger than average population in the 65 and older group.
- Despite the fact that Ohio has a relatively large older population, it also has significant out-migration in the 65-74 age group. Ohio is picking up population in the 75 and older group. Some of these people are migrating back to Ohio, partly to consume medical care here.
- Much of the population that Ohio is losing to other states is young, single, and college-educated.

This past economic cycle has been particularly unkind to Ohio. Despite the fact that the latest recession officially ended in November 2001, according to data from the federal Bureau of Labor Statistics (BLS), Ohio seasonally

[1] The unemployment rate is the number of unemployed persons divided by the labor force. If the labor force (the denominator of the unemployment rate) is growing slowly, then for employment to grow quickly the number of unemployed must fall, pushing the unemployment rate down.

adjusted employment in November 2004 was still 4.9% less than the June 2000 peak.[2] Over the same period, national employment has begun to recover, growing by 0.1%.



Slower labor force and employment growth in Ohio is not just a recent phenomenon. The table below shows that Ohio labor force and employment growth has consistently lagged national growth over the past 15 years.

Ohio Employment and Labor Force vs. U.S. Employment and Labor Force, 1988-2003			
	1988-2003	1993-2003	1998-2003
Ohio: total nonfarm employment growth	14.8%	9.7%	-1.6%
U.S.: total nonfarm employment growth	23.3%	17.2%	3.2%
Ratio, Ohio growth to U.S. growth	0.63	0.56	(0.50)
Ohio: labor force growth	11.2%	7.6%	4.0%
U.S.: labor force growth	19.7%	13.1%	5.3%
Ratio, Ohio growth to U.S. growth	0.57	0.58	0.75

Personal Income

If Ohio's GSP and employment growth both lag national growth, it is not hard to deduce that Ohio income must lag national income also. Over the very long term (1948-2002) Ohio's annual personal income growth has lagged U.S. growth by about 1.0%. According to an economist from the Federal Reserve Bank of Cleveland, most of Ohio's deviation from national growth rates over that period is explained by slower growth in the Ohio working age population (see the section above on slow growth of the Ohio labor force).

If Ohio's population was growing relatively slowly, but Ohio's per-capita income was keeping pace with the nation, then while Ohio's total income would be growing more slowly than the nation it would actually not be that much of

[2] The recession ending date is from the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER).

a problem. While this was true over the 1988-1998 period, since 1998 Ohio's per-capita income growth has been lagging the nation as well.[3]

Per Capita Personal Income, Ohio vs. U.S. and Great Lakes States, 1988-2003				
Region	1988	1993	1998	2003
United States	$17,331	$21,346	$26,883	$31,459
Ohio	$16,634	$20,634	$26,017	$29,953
Great Lakes	$17,042	$21,228	$26,996	$31,060
Ratio, Ohio to U.S.	0.960	0.967	0.968	0.952
Ratio, Ohio to Great Lakes	0.976	0.972	0.964	0.964

Unfortunately, Ohio's per-capita personal income not only lags the nation but also lags the other states in the Great Lakes region. That divergence has also widened since 1988.[4]

Summary

Many of Ohio's competitive advantages have eroded. There are many factors involved in Ohio's lagging performance:

(i) Ohio's industry mix is geared more toward an older, commodity-oriented economy and less toward the modern information and knowledge-oriented economy;
(ii) The general migration of persons, particularly younger persons, from the Midwest to other regions, especially the Sunbelt; and
(iii) Ohio's relatively low higher education attainment levels have negatively affected our demographics;

A better tax climate will contribute to higher rates of investment, greater employment growth, and higher incomes.

Misalignment of Ohio's Current Tax Structure

There are two basic problems with Ohio's tax structure. First, it places too much burden on capital investment. This reduces capital/labor ratios and thus dampens productivity and per-capita income growth. Second, the tax system relies on relatively narrow tax bases and relatively high tax rates. This distorts economic decisions and puts a premium on tax avoidance behavior rather than on achieving the highest rate of economic return.

[3] Census data on Ohio's median household income, both for all households and for families of four, puts Ohio in a somewhat better light. Ohio's median household income in current dollars was slightly above national median household income in 2003.
[4] The Great Lakes region, as defined by the U.S. Bureau of Economic Analysis (BEA) includes Ohio, Michigan, Indiana, Illinois, and Wisconsin.

Specific Targets for Reform

There are three specific areas that are most in need of reform: the personal income tax, the tangible property tax, and the corporate franchise tax. The sales and use tax would also benefit from base-broadening.

Personal Income Tax

Ohio has relatively high top marginal personal income tax rates, particularly when state and local rates are combined. As the table below shows, the top state marginal tax rate of 7.5% was 13th highest among the states in 2004. Ohio's competitive position is even more unfavorable when one adds municipal income taxes to the comparison.[5] The weighted average municipal income tax rate in 2002 was 1.7%, making the combined top marginal rate 9.2%, and putting Ohio very close to having the highest combined state and local marginal tax rate. According to data from the Census of Government Finances, Ohio ranked 8th in state and local income taxes per capita and 5th in state and local income taxes as a percentage of income in 2002.[6]

State Top Marginal Income Tax Rates in 2004

State	Top Marginal Tax Rate	Rank
MONTANA	11.0	1
VERMONT	9.5	2
DIST. OF COLUMBIA	9.5	3
CALIFORNIA	9.3	4
OREGON	9.0	5
IOWA	8.98	6
MAINE	8.5	7
HAWAII	8.25	8
NORTH CAROLINA	8.25	9
MINNESOTA	7.85	10
IDAHO	7.8	11
NEW YORK	7.7	12
OHIO	7.5	13

High marginal income tax rates put Ohio at a competitive disadvantage in attracting and keeping high-paying jobs. This is shown by the economic statistics cited above and by anecdotal accounts of Ohio companies paying executives or highly skilled salaried workers (engineers, biotech researchers, etc.) wage supplements to offset the high income tax burden. High marginal tax rates may be one factor that has reduced Ohio's attractiveness as a location for corporate headquarters (see the section above on Ohio's economy). Additionally, while this claim is more tenuous (owing to crucial non-financial considerations), it is commonly asserted that higher income retirees move their residence from Ohio to a no-income-tax or low-income-tax state in order to avoid the high Ohio income tax rates.

Ohio's high marginal tax rates also act as a disincentive for small business. The number of businesses that are organized as something other than "ordinary" C corporations – S corporations, limited liability companies (LLCs), partnerships, proprietorships – far exceeds the number of C corporations. These businesses do not pay state tax at the company level. Instead, the owners of the company pay tax on their shares of the company's net income. Once

[5] Ohio also allows school district income taxes, but these do not currently affect a large share of the taxpayer population.

[6] These rankings are higher than Ohio's overall state and local tax rankings. Based on the same 2002 Census data, Ohio's total state and local taxes per capita were 18th highest, and its state and local taxes as a percentage of personal income were 12th highest.

again, the high combined state and municipal marginal tax rates create a general disincentive for investment and profitability in Ohio for these "flow-through" businesses.

Tangible Personal Property Tax

Ohio's tangible personal property tax (TPP tax) fails to meet three of the five goals of state and local taxation.

(i) The TPP tax is not simple. The requirement to track the location and determine the value of each and every piece of equipment a business owns is a very expensive and costly task, especially for larger businesses with multiple locations.

(ii) The TPP tax is not equitable. The various tax abatement programs create inequities among taxpayers, since some pay less tax under abatement agreements than comparable businesses that do not have such agreements, or whose agreements do not have as favorable terms. It is also the case that larger, more sophisticated taxpayers can take better advantage of abatement programs than smaller, less sophisticated taxpayers. The abatement programs, while considered essential to maintaining Ohio's competitiveness, create vertical and horizontal equity issues.

(iii) The biggest problem with the TPP tax is that it hurts Ohio competitiveness.

Every major study of Ohio's tax system since 1967 has described the anti-competitive aspects of this tax. Each has called for reductions in or elimination of this tax. While significant reductions have been made over time in the assessment percentages applied to TPP, the tax remains a competitive disadvantage for Ohio businesses. In today's economy – where capital is mobile between states and even between countries and where capital is essential to increasing labor productivity and thus for creating or maintaining high wage jobs – the TPP tax is a direct disincentive to capital investment. Ohio's tax system rewards businesses that do not have significant operations in Ohio but which utilize the Ohio market (sell into Ohio) while it punishes businesses with significant physical presence in Ohio. This not only harms Ohio business owners but also indirectly penalizes Ohio labor (via reduced wages).

An Ohio Department of Taxation (ODT) study in November 2003 found that Ohio TPP taxes per capita were $237, significantly higher than any of our neighboring states. The TPP tax thus makes Ohio look uncompetitive, although overall Ohio business taxes per capita were ranked exactly in the middle of our neighboring states.[7]

How should the TPP tax be phased-out? The administration view is that the most important thing to eliminate is the tax on manufacturing machinery and equipment. This is a direct tax on investment. Manufacturing is where Ohio has traditionally had a competitive advantage, and it is where the Ohio economy is still concentrated (in 2002, manufacturing accounted for 13.0% of national gross domestic product, but manufacturing accounted for over 20% of Ohio gross state product).

In the past, inventory has received priority in reducing the TPP tax. Current law phases out the inventory tax by 2% per year, resuming in tax year 2007. Prior emphasis on eliminating the inventory tax has been based mostly on the fact that Ohio is relatively unusual in taxing inventory property, whereas most states still have some form of tangible property tax (the Final Report of the Committee to Study State and Local Taxes stated that as of 2002, only 16 states taxed inventory property while 44 states taxed tangible property in some form). Upon further consideration, the

[7] Illinois, Michigan, and Indiana impose higher business tax burdens than Ohio while Pennsylvania, West Virginia, and Kentucky impose lower burdens.

administration believes that the biggest economic stimulus will come from eliminating the tax on machinery and equipment first, and then eliminating the remaining tax on inventory.[8]

Corporation Franchise Tax

Ohio's corporate franchise tax manages to be a tax that is perceived as uncompetitive because the top marginal rate is relatively high (8.5%). However, despite the high top rate, the tax is actually unproductive, in that it does not raise much revenue.

Top State Marginal Corporate Income Tax Rates in 2004		
State	Top Marginal Tax Rate	Rank
IOWA	12.00%	1
NORTH DAKOTA	10.50%	2
PENNSYLVANIA	9.99%	3
DISTRICT OF COLUMBIA	9.98%	4
MINNESOTA	9.80%	5
VERMONT	9.75%	6
MASSACHUSETTS	9.50%	7
ALASKA	9.40%	8
NEW JERSEY	9.00%	9
RHODE ISLAND	9.00%	10
WEST VIRGINIA	9.00%	11
MAINE	8.93%	12
CALIFORNIA	8.84%	13
DELAWARE	8.70%	14
INDIANA	8.50%	15
NEW HAMPSHIRE	8.50%	15
OHIO	8.50%	15

As the table shows, in 2004 Ohio was tied for the 15th highest state corporate tax rate. As with the personal income tax, when Ohio's weighted average 1.7% municipal income tax rate is added, Ohio's rate becomes close to the highest. The combined 10.2% top marginal rate would be higher than every state except Iowa, North Dakota, and Pennsylvania.

Despite the high marginal rate, Ohio's corporate tax is not very productive. According to 2002 Census of Government Finances data, Ohio's corporate income tax brought in $66.71 per capita, 25th highest of the 46 states that impose a corporate income tax, and almost one-third below the U.S. average of $97.95 per capita.

The current corporate tax system, particularly the net income base, is full of loopholes. These create both horizontal and vertical inequities between taxpayers, reduce the tax's revenue production, and distort economic decisions. The most egregious problem is the proliferation of techniques that artificially reduce Ohio taxable income by shifting income from Ohio taxpayers to affiliated companies located overseas or in other states. These techniques, together with the considerable flexibility provided to taxpayers in determining their filing status (either on a "combined" or "separate entity" basis), result in cases where very large and profitable multistate taxpayers pay little or no Ohio corporate tax, while competitors of similar size and profitability not utilizing these techniques pay considerably

[8] Besides the current-law phasing out of the tax on inventory property, there are complete exemptions already in effect. For example, inventory property that is held in a foreign trade zone or inventory that is shipped into Ohio, held in storage, and then shipped back out of Ohio is already exempt from the TPP tax.

more. Companies that are smaller and less sophisticated also pay greater Ohio tax because they are not as focused on tax minimization.

Another long-term trend is to organize business as a pass-through entity (S corporation, limited liability company, partnership, or sole proprietor), and avoid corporate franchise tax altogether. Although income generated by the pass-through entity is taxed at the shareholder/investor/owner level, the oft-cited "double taxation" of certain income is avoided. This pass-through entity trend has been a source of corporate franchise tax erosion since the late 1980's.

There are two paths for dealing with Ohio's corporate tax. One is to broaden the tax base by tightening the law to reduce tax avoidance opportunities, particularly the shifting of income, while at the same time reducing marginal tax rates. This can be done in such a way as to actually produce more revenue while charging lower rates and therefore causing fewer economic distortions. This would also make the tax much fairer, addressing both horizontal and vertical inequities within the system.

The second path – in response to increasingly sophisticated state and local tax planning – entails scrapping the corporate income tax altogether in favor of a business tax that is imposed on a non-income base. This approach may be criticized for abandoning the "ability to pay" principle, but tax planning already has seriously eroded the ability to pay basis of the corporate income tax. A substitute tax based on a measure of a business's activity in the state (where activity can be tied to presence or to use of the state market) would rely more on the "benefit principle" of taxation. Under this principle, a business would pay tax to the state based on the benefits that it receives, whether the business is nominally profitable or not, and the benefits received would be measured by the business's activity in the state.

Sales and Use Tax

The sales and use tax currently distorts economic decision making in two ways. It generally taxes goods more heavily than services, and it taxes goods purchased in Ohio more heavily than goods purchased from "remote sellers," those businesses that sell to customers through catalogues or over the Internet rather than through retail stores.

The lack of a broad sales and use tax on services both creates an un-level playing field and also allows one of the fastest-growing sectors of the economy to largely escape state and local taxation. As noted in the Final Report of Ohio's Committee to Study State and Local Taxes, the federal Bureau of Economic Analysis, in a March 2001 study, found that services' share of U.S. consumer spending rose from only 40% in 1959 to 58% in 2000. It is also likely that services' share of consumption spending has continued to increase since 2000. Failing to address the omission of services from the tax base increases the likelihood that in order to raise sufficient revenue, the General Assembly will have to increase the sales and use tax rate, which increases the inequity between taxes on goods and taxes on services.

The General Assembly already has considered including additional services in the Ohio sales and use tax base, but currently the tax is still imposed on a small portion of Ohio services.[9] The disparity between the taxation of goods and services could be addressed directly by subjecting most or all Ohio services to taxation, perhaps through a broad, low-rate tax. The disparity could be addressed indirectly through a broad-based, low-rate business tax that included services industries, where at least in some cases the tax would be passed through to the consumers of the services.

The method that the administration continues to pursue for addressing the disparity in taxing "brick and mortar" sales and not taxing remote sales is the Streamlined Sales Tax Project. The SSTP seeks to simplify and unify state and local sales tax systems to the point that either remote sellers would voluntarily agree to collect and remit state and local sales tax or Congress would decide that administrative burdens have been reduced so much that it is appropriate to require remote sellers to collect and remit state and local sales tax.

[9] ODT estimates that, even if one were to exclude all health care and education services from the potential tax base, Ohio currently subjects only about 20% of the potential services tax base to the sales and use tax.

Reform Proposals

The administration reform proposals seek to address the problem of high marginal rates, narrow tax bases, and high burdens on capital investment with fairly simple, straightforward, and sweeping proposals.

Business Taxes – Reduce TPP Tax and Eliminate Franchise Tax (Except for Banks) and Replace with Commercial Activity Tax (CAT)

The administration proposes to eliminate the corporate franchise tax over 5 years – except for the special net worth tax paid by financial institutions – by phasing it down by 20% per year over a five-year period, beginning with tax year 2006 (FY 2006) and ending with tax year 2010 (FY 2010). At the same time, the administration proposes to eliminate roughly three-quarters of the tangible personal property (TPP) tax, also over the five-year period from tax year 2006 through tax year 2010. Unlike the elimination of the franchise tax, the elimination of the TPP tax is not a simple 20% per year phase-down. Instead, the administration proposes that the tax be reduced by eliminating the taxes on certain types of property in order of their economic priority (see the preceding section). The tax on manufacturing machinery and equipment will be reduced by 50% in tax year 2006 and eliminated entirely in tax year 2007.[10] After that, the inventory tax – which already is scheduled to be repealed under current law, but quite slowly – will be eliminated in three steps. The assessment percentage would be reduced from 21% to 14% in tax year 2008, then to 7% in tax year 2009, and finally to 0% in tax year 2010.

The tangible property that is currently reported on Schedule 4 of the TPP tax return, also known as furniture, fixtures, and all other property, would remain subject to tax at the current 25% assessment rate. The administration believes that this piece of the TPP tax does not negatively influence investment decisions, a belief buoyed by conversations with business people over the past several months.

The tangible property of public utilities will also remain subject to the public utility property tax. The administration believes that, as with the furniture and fixtures portion of the general business TPP tax, the revenue loss from eliminating this tax is not justified by the relatively small economic stimulus that it might provide.

What will replace the revenue lost from the eliminated portions of the corporate franchise tax and the TPP tax, which are estimated to be about $1.7 billion in FY 2010? A very broad-based, very low-rate tax that is designed to have minimal impact on economic decisions, fall relatively lightly on companies that have significant investment and employment in Ohio, and fall more heavily on companies that make heavy use of the Ohio market.

This new **Commercial Activity Tax** (CAT) is a bold proposal to implement the sort of tax that has been championed by academic economists but that currently has no real counterpart in the United States. The CAT is not projected to quite replace all of the lost TPP tax revenues and corporate franchise tax revenues. The projected CAT revenue in FY 2010 is about $1.55 billion.

Just as the TPP tax and the corporate franchise tax will be phased out over five years, the CAT will be phased in over five years. This will allow the administration and the General Assembly to gain experience with this new tax. It will provide an opportunity to adjust the tax rate, if necessary, so that it does not produce too much or too little revenue, and to monitor whether the tax has any unexpected consequences for particular industries or sectors and to make structural adjustments if needed.

The theoretical basis for the CAT was discussed in some detail in the earlier section that dealt with the problems with the existing corporate franchise tax. To briefly recap those arguments, the franchise tax has been seriously compromised by state and local tax planning, and no longer functions well as a tax that varies with a corporation's true ability to pay. The CAT is an explicit move away from an "ability to pay" tax to a tax based on the benefit

[10] Actually the reduction in tax year 2006 is a little more than 50%. In tax year 2006, the assessment percentage would be lowered from 25% to 12.5%, and would be lowered to 0% in tax year 2007. In addition, in tax year 2006, new manufacturing machinery and equipment would be immediately dropped to the 0% assessment, i.e. would be untaxed.

principle, where the idea is that a business should pay taxes based on the benefits it receives from state and local government services, whether the business is nominally profitable or not. The CAT essentially assumes that such benefits are proportional to the business's activity, where activity means the use of the state market in making sales.

The proposed CAT would tax the gross revenues of all business entities, whatever their form of organization (C-corporation, S-corporation, LLC, partnership, sole proprietorship), at a single low rate of 0.26%. The tax would be imposed on the gross revenues of the company, based on its books and records, on a quarterly basis. It is **not** a tax imposed on individual transactions and paid by the consumer.

In general, if a business entity is currently paying the corporate franchise tax (or the personal income tax if the business is not a C corporation) rather than a special business tax, then the business entity will move to paying the CAT.

The exception to this rule is that financial institutions, which currently pay the corporate franchise tax, will continue to do so. Financial institutions operate under special circumstances. They do not pay the corporate franchise tax on the same tax base as other general business taxpayers. The net income base of the franchise tax does not apply to banks as they pay the tax only on a net worth base. Some of the rules on apportionment of net worth are different for banks than for general businesses, as well. The tax rate for banks is also different. Banks also do not pay the tangible personal property tax, except for property that they own and lease to others. In sum, because banks are not currently taxed like general businesses, the tradeoffs resulting from the elimination of the franchise tax and the tangible property tax and the imposition of the CAT would not be the same for banks as for general businesses. For the time being, they will continue to be taxed under their existing regime.

The table below shows what taxes certain categories of taxpayers currently pay and whether they will continue to pay those taxes or migrate to the new CAT.

Type Of Entity	Business Tax Currently Paid	Business Tax Paid Under Tax Reform Proposal
Financial Institutions	corporate franchise tax	corporate franchise tax
Financial Institution affiliates (unless dealers in intangibles)	corporate franchise tax	New CAT
Dealers in intangibles	special dealers in intangibles tax (8 mills on net worth)	special dealers in intangibles tax (8 mills on net worth)
Insurance companies	gross premiums tax	gross premiums tax
Non-profit companies	none	New CAT only on for-profit activities:"i.e. unrelated business income"
"Ordinary" C Corporations	corporate franchise tax	New CAT
"Ordinary" Pass Through Entities (S-corporations, LLCs, partnerships, sole proprietorships)	personal income tax	personal income tax and new CAT
Utilities		
electric companies	corporate franchise tax	New CAT
local telephone companies	corporate franchise tax	New CAT
interexchange telephone companies (long-distance carriers)	corporate franchise tax	New CAT
interexchange telephone companies (cellular, paging, and Internet providers)	corporate franchise tax	New CAT
railroad companies	corporate franchise tax	New CAT
natural gas distribution companies	public utility gross receipts tax	public utility gross receipts tax
pipeline companies	public utility gross receipts tax	public utility gross receipts tax
water transportation companies	public utility gross receipts tax	public utility gross receipts tax
water works companies	public utility gross receipts tax	public utility gross receipts tax
heating companies	public utility gross receipts tax	public utility gross receipts tax

The administration expects that there will be objections raised to the CAT by high-volume/low-profit margin industries, and perhaps by other types of companies such as utilities.[11] The administration feels that there is no good philosophical reason that there should be any exemptions from the CAT other than those for banks, insurance companies, non-profit entities, and companies paying the dealers in intangibles tax or the public utility gross receipts tax. Exempting additional classes of entities from the CAT will prompt a host of additional industries or types of

[11] One response to complaints from low-margin businesses about paying the CAT is that their in-state competitors will also pay the CAT, and that furthermore the CAT is replacing taxes that they pay now, namely the TPP tax and the corporate franchise tax.

businesses to clamor for their own exemption, thus limiting the CAT's ability to raise the revenue necessary to make the tax reform package feasible. Beyond that, creating additional exemptions to the CAT strikes at the very philosophical foundations of the tax: that the CAT should be a broad-based, low-rate tax that applies to everyone (or almost everyone) and that therefore minimizes the impact that the tax has on economic decisions and does not favor any sector, industry, or type of business over another.

Taxes That Fall on Both Individuals and Businesses – Cut Income Tax Rates 21% and Reduce the State Sales Tax Rate by 0.5%, Eliminate Additional Estate Tax

There are two sweeping proposals that impact both businesses and individuals. First, all personal income tax rates would be cut by 21% over five years, with the cuts evenly phased in at 4.2% per year. Preceding sections of this analysis identified Ohio's high top marginal tax rates as being an impediment to competitiveness. The administration chose to pursue a tax-cutting strategy that not only reduced the current top rate from 7.5% to below 6% – the 21% cut would make the top rate 5.925% – but cut all tax rates in the same proportion. This gives all Ohio taxpayers a break and provides a benefit to small businesses, which are mostly organized as pass-through entities (and which should offset the imposition of the new CAT). It also maintains the progressivity of the current income tax structure.

A companion proposal of the administration actually enhances the progressivity of the income tax structure. A new low-income credit will reduce income tax liability to zero for taxpayers whose Ohio Taxable Income (OTI) is below $10,000. This would zero out tax liability for about 550,000 current Ohio taxpayers.

The proposed income tax changes would give Ohioans a $2.0 billion tax cut by FY 2010. Beginning with tax year 2010, once the rate cuts were all phased in, the tax brackets would be indexed annually for inflation.

The current state sales tax rate is 6.0%. The administration proposes to reduce the tax rate to 5.5%, i.e., move to a point halfway between the old state tax rate of 5.0% and the current state tax rate of 6.0%. The administration has heard from a number of business groups that the additional 1.0% sales tax rate that was imposed for FY 2004-2005 is not a significant impediment to Ohio competitiveness, and that taxing consumption is preferable to taxing investment and income.[12] In addition, retaining half of the additional 1% sales tax makes it possible to have enough revenue to cut tangible personal property taxes and personal and corporate income taxes and still balance the state budget.

Reducing the state sales tax rate from 6.0% to 5.5% reduces revenues by about $0.85 billion by FY 2010.

Finally, the administration proposes eliminating the portion of the Ohio estate tax that under former federal law allowed Ohio to obtain some additional estate tax revenue from high-value estates at the expense of the federal government. Now that the federal government has completely phased out the credit for state death taxes, the Ohio "additional" estate tax is no longer neutral to the taxpayer but instead represents an added burden, and the administration believes that it should be eliminated. This will result in an annual reduction in revenue of about $40 million, with $8 million (20%) of the loss falling on the state and the other $32 million (80%) falling on townships, cities, and villages.

Other Proposals – Sin Taxes, KWH Tax, Real Property Taxes

The administration is proposing state and local tax cuts that start at about $0.5 billion in FY 2006 and increase to $3.7 billion by FY 2010. With such large tax cuts being made in order to improve competitiveness and to spur the Ohio economy, there must be some tax increases in order to raise revenue to balance the budget (particularly since the administration proposes to compensate schools and local governments for the cuts in local taxes). The administration has chosen a set of tax increases that will not harm Ohio competitiveness.

[12] Economic modeling supports the conclusion that the additional 1.0% sales tax does not harm Ohio competitiveness.

The administration proposes increasing the cigarette tax by $0.45 per pack to $1.00 per pack, increasing the tax on other tobacco products from 17% to 30%, and doubling taxes on alcoholic beverages other than spirituous liquor. These changes are projected to bring in about $350 million a year by FY 2010 (the annual revenue gains actually decline rather than grow because of long-term declines in smoking).

The administration also proposes increasing all kilowatt-hour (kwh) tax rates by 30%. The administration believes that this proposal can generate $160 million to $170 million annually without harming Ohio competitiveness, as the additional annual cost to any particular business or household will be relatively small.

The administration proposes imposing a 1 mill state real property transfer tax in addition to the existing county transfer taxes (which vary from 1 mill to 4 mills). Currently, the Ohio state tax structure does very little to tap the fast-growing real estate wealth of households and businesses. This modest transactions tax will provide about $40 million annually for the state, and the administration believes that the impact on the real estate market and on the economy generally will be negligible.

Along the same line, the administration proposes eliminating the 10% rollback (tax credit) for commercial and industrial real property. As mentioned above, currently the state tax system gains little or nothing from increases in real property wealth. Perversely, the state pays more in real property tax relief as real property wealth rises, for the following reasons:

(i) Although the H.B. 920 tax reduction factors limit increases in real property taxes due to increases in property value, because more than half of all school districts are at the "20 mill floor" and thus the H.B. 920 tax credits no longer operate there, local property taxes are in fact rising across the state as values rise.

(ii) Since the state pays 12.5% of the local property tax bill for homeowners and 10% of the local property tax bill for commercial and industrial property, this means that state tax relief expenditures also are rising as values rise.

(iii) So, as taxpayers get wealthier, the state pays more of their real property tax bills.

Although the administration supports continuing this tax relief for homeowners, it feels that it can no longer afford to provide this relief for businesses as well, particularly in light of the tax cuts being provided to business through the elimination of the corporate franchise tax, the drastic reductions in the TPP tax, and the reduction in personal income tax rates.

The proposed elimination of the 10% credit for commercial and industrial real property is estimated to save the state $365 million per year by FY 2010.

Summary

The administration proposes to improve Ohio's competitiveness and spur economic growth by restructuring the tax system. There are two broad means to accomplish this goal. First, the level of state and local taxes will be cut, at first gradually, but then more steeply as the major changes are phased in over a five-year period ending in tax year 2010. The administration estimates that by that time, state and local taxes will be $2.1 billion lower than they would be under current law with the sales tax rate at 6.0% (even if the standard of comparison is current law with the sales tax rate at 5.0%, state and local taxes would still be reduced by $0.4 billion by the reform plan).

The second means of restructuring the tax system to stimulate the economy is by shifting the burden of taxation from investment to consumption so that, even without overall reductions in the level of taxes, the tax system burden on investment is dramatically reduced and tax distortions of economic decisions are minimized. The administration believes that drastically reducing the corporate franchise tax and the tangible personal property tax and replacing them with the proposed Commercial Activity Tax, which is a very broad-based, low rate tax, will accomplish this objective.

The benefits of tax reduction are not delayed until FY 2010, when changes are fully phased in. State and local taxes collected in FY 2006, the very first year of the plan, will be lower than they would be under the laws in place in FY 2005 (including the 6.0% state sales tax rate), and the cuts become larger as the various changes in the plan are phased in over the next four years, through FY 2010.

Education, the Cornerstone of Success

Education continues to be a top priority for Governor Taft. Significant investments have been made in primary, secondary and higher education funding, increasing 52.3% during this administration[1] (using fiscal year 1998 as the base). While the economy has continued to struggle, limited resources have been streamlined and targeted to those initiatives deemed most critical. Governor Taft recognizes that success in education provides the foundation for a successful workforce and citizenry in general. Student access and achievement, therefore, have become the common thread to all educational investments. General Revenue Fund (GRF) investments proposed through the budgets of the Department of Education and the Board of Regents (including tax relief) total $9.94 billion in fiscal year 2006 (0.7% above fiscal year 2005) and $10.10 billion in fiscal year 2007 (1.6% above fiscal year 2006).

Primary and Secondary Education

GRF funding provided through the Department of Education's budget (including tax relief) totals $7.48 billion in fiscal year 2006 (0.6% above fiscal year 2005) and $7.58 billion in fiscal year 2007 (1.4% above fiscal year 2006). Guiding these critical investments have been the recommendations of two commissions established by Governor Taft: The Governor's Commission for Student Success and the Governor's Commission on Teaching Success. Implementation of these recommendations has aligned Ohio's academic efforts helping to improve the quality of school districts as evidenced in the table below.

	Number of Districts		
Ranking	**2001-2002 School year**	**2002-2003 School year**	**2003-2004 School year**
Excellent	109	85	117
Effective	191	177	229
Continuous Improvement	257	278	224
Academic Watch	33	52	34
Academic Emergency	18	16	4

* Note that four of Ohio's 613 districts do not receive district report cards and one is newly created and did not yet have a report card in the 2003-2004 school year.
* Academic emergency districts have decreased by 14 and excellent and effective districts have increased by 46.

While the recommendations regarding student and teaching success have been the driving force behind a newly aligned educational system, the entire school funding system required a thorough review. In order to implement changes that drive student success for all Ohio's students and provide a stable, predictable source of revenue, Governor Taft called for the creation of the Governor's Blue Ribbon Task Force on Financing Student Success. Before describing its work over the course of 17 months, a brief description of the work of the student and teaching commissions and funding recommendations to continue these efforts are outlined below.

Governor's Commission for Student Success

Before investments supporting academic success could be initiated, success first had to be clearly delineated and defined. For this reason in January 2000 Governor Taft called for the creation of the Governor's Commission for Student Success. In June 2001, Governor Taft signed Amended Substitute Senate Bill 1 (124th General Assembly), marking the critical first step in his quest to reform education in Ohio. Senate Bill 1, based primarily on the recommendations of the Student Success Commission, put in place a new educational system based on clear expectations (academic content standards), aligned instruction (curriculum models), measurements to identify achievement (assessments) and assistance necessary at the student, school, and district level (accountability and intervention). Amended Substitute House Bill 3 (125th General Assembly) further refined this system of standards

[1] This increase represents funding provided through the Department of Education (including tax relief and lottery profits), the Ohio Schools for the Deaf and Blind, the Ohio School Facilities Commission, and the Board of Regents. SchoolNet funding is not included for the purposes of this comparison.

and accountability to comply with the federal *No Child Left Behind Act*. The fiscal year 2006-2007 budget continues to support the work begun by the Governor's Commission for Student Success.

Fiscal Year 2006-2007 Implementation

Academic Content Standards and Curriculum Models

- Funding of $2.5 million in fiscal year 2006 and $2.6 million in fiscal year 2007 allows for further development of academic content standards and the continued training for educators on standards already developed.
- Funding of $4.6 million in fiscal year 2006 and $4.7 million in fiscal year 2007 is provided to support the development of model curricula for foreign language, fine arts, and technology along with the expansion of lesson plans available for language arts, mathematics, science, and social studies.
- Dissemination of the standards and model curricula receive relatively large funding increases as the Department gradually moves away from the development of standards and curricula, to the communication of these items. Communication through the Instructional Management System's database of lessons and tools, as well as face-to-face and online training, is funded at $1.0 million in each year of the biennium (73.3% above FY 2005).

Assessments

- Funding of $63.5 million in fiscal year 2006 (38.1% above fiscal year 2005) and $69.0 million in fiscal year 2007 (8.8% above fiscal year 2006) will allow for the continuation of achievement and diagnostic tests, the Ohio Graduation Test (OGT), and the development of new tests in mathematics for grades 4-6, reading for grades 6-7, social studies for grades 5 and 8, and writing for grade 7.
- Included in the above figure is the development and field-testing of 11 new diagnostic assessments, and the implementation of the Kindergarten Readiness Assessment. These assessments are implemented as mandated by House Bill 3 of the 125th General Assembly and the federal legislation, *No Child Left Behind*.

Accountability and Intervention

- Funding of $3.7 million in each fiscal year maintains standard Local Report Cards for all public schools and districts to report student performance indicators.
- Beginning in fiscal year 2006, the value-added methodology to track and measure individual student growth over time will be added to performance ratings for schools and districts. Funding of $200,000 in fiscal year 2006 and $2.8 million in fiscal year 2007 is provided to support this effort.
- Based on the local report card findings, intervention is provided to the lowest-performing districts and school buildings in the form of contracts with regional service providers to assist with improvement plans and to monitor progress. This technical assistance is funded at $15.0 million in fiscal year 2006 (46.5% above fiscal year 2005) and $15.1 million in fiscal year 2007 (1.0% above fiscal year 2006).
- Beginning in fiscal year 2007, the Executive Budget will provide $3,500 scholarships to parents of students who attend persistently failing schools. These scholarships are not only intended to offer another route for student success, but to also impel the administration and teaching staff of a failing school building to improve upon their students' academic performance. Parents will be able to choose to send their children to a more successful chartered, nonpublic school. $9.0 million is provided in fiscal year 2007 for this new initiative.
- Efforts proposed for student intervention are described in the section titled "*Governor's Blue Ribbon Task Force on Financing Student Success*" under the subheading of *Fiscal Year 2006-2007 Implementation*.

Governor's Commission on Teaching Success

The next step toward education reform was the creation of the Governor's Commission on Teaching Success. In November 2001, Governor Taft appointed the Teaching Success Commission to develop recommendations regarding teacher recruitment and preparation, teacher induction, support and retention, professional development, and school leadership. The final recommendations, released in February 2002, served as the basis for the adoption of Senate Bill 2 (125th General Assembly) that was signed by Governor Taft in March 2004. Funding recommended in the 2006-2007 budget continues implementation of these recommendations.

Fiscal Year 2006-2007 Implementation

Teacher Recruitment and Preparation

- The Educator Standards Board, established by Senate Bill 2, is funded at $1.6 million in each fiscal year for the development of standards for educator training and school leadership positions.
- Funding is included at $200,000 in each fiscal year through the budgets of the Department of Education and the Board of Regents for the Teacher Quality Partnership, a longitudinal study on the preparation, in-school support and effectiveness of Ohio teachers.
- New funding of $375,000 in each fiscal year is included for the recruitment of highly qualified teachers for mathematics and science in hard-to-staff schools via $2,500 stipends.

Teacher Induction, Support and Retention

- The proposed operating budget includes $7.9 million in fiscal year 2006 (9.2% above fiscal year 2005) and $8.3 million in fiscal year 2007 (5.1% above fiscal year 2006) for the continuation of the National Board Certification initiative. Funding at this level provides for the continuation of stipends for all teachers previously certified and provides $2,000 of the $2,300 application fee for 400 new applicants in each fiscal year.
- Funding for the Teacher Advancement Program (TAP) is proposed at $250,000 in each fiscal year (32.9% above FY 2005) to attract, retain, and motivate talented teachers through a compensation system based on knowledge and skill level.
- The Teacher-on-Loan program is expanded from 12 to 24 teachers from classrooms around the state to serve as master teachers who understand and implement standards-based education and support and train their peers.

Professional Development

- Funding of $4.4 million in each fiscal year is proposed to maintain the support of additional professional days in low-performing school districts.
- The Ohio Mathematics Academy Program (OMAP) is supported at $2.6 million in each fiscal year to provide professional development in mathematics.
- The State Institutes for Reading Instruction (SIRI) is supported at $10.1 million in each fiscal year to provide professional development in reading instruction.

School Leadership to Support Teaching

- As directed by Senate Bill 2, a program for an alternative route to licensure for principals and other administrators is created, combined with special needs educator recruitment, with funding of $1.1 million in each fiscal year.
- Funding of $500,000 in each fiscal year is provided for administrator training academies designed to enhance the management and leadership skills of school administrators.

Governor's Blue Ribbon Task Force on Financing Student Success

With the end of 12 years of school funding litigation in Ohio, Governor Taft recognized an opportunity for stakeholders to come together and propose a system to allocate funds for basic support to schools. The Governor's Blue Ribbon Task Force on Financing Student Success was appointed in July 2003. The 35-member Task Force, made up of representatives from the business and educational community as well as representatives from both the executive and legislative branches of state government, began its work one month later.

The Task Force was charged to recommend a funding system that promotes higher levels of student achievement and gives every child the opportunity to succeed. The recommended system was also to provide funding for school districts that is stable and grows appropriately, is predictable and affordable within the context of the state's economy, and includes features that promote the effective use of resources.

The fiscal year 2006-2007 budget begins implementation of the funding recommendations made by the Task Force. It should be noted that the description of the work by members does not represent complete unanimity but does represent broad consensus on major principles and will help to guide educational funding in the future.

The Work of the Task Force

While the Blue Ribbon Task Force was not able to address all issues, it did recognize the importance of continuing the work begun. For this reason, the Task Force recommended the establishment of an ongoing work group to develop a stronger correlation of resources and results. The Task Force separated its work into three major areas of focus: funding for success, revenue and taxation, and operations and efficiency.

Funding for Success

The work in this area focused on learning what constitutes success and analysis of those districts that achieved the identified measures. Through these efforts, it became evident that a common characteristic of low-performing districts was a high concentration of students in poverty. As a result, members looked at examples of successful high poverty schools – or those making progress toward meeting state standards – with the goal to determine how their investments yielded positive educational results.

This analysis led the Task Force to recommend a building-blocks approach to school funding which focuses on the inputs or evidence-based initiatives necessary for the academic success of students. An inputs-based approach to school funding allows for relevant conversations about what can be bought with different levels of funding. The ability to discuss what can be bought becomes critical for stakeholders to justify the need for additional funding and for policymakers to make sound decisions. (While parts of the current school funding system are inputs-based, others are not.)

The key input identified by the Task Force for student success is the use of data to inform how resources are and should be directed and how educators use data to inform their teaching practices. This notion is supported by the acknowledgement that most districts spend at least some of their resources on these critical inputs but the extent to which successful results are achieved depends on how those resources are deployed. Other identified inputs that yield success include professional development (particularly in the use of data), intervention, class size reduction, early learning programs, and community engagement.

The Task Force recommended that most of the critical inputs identified be provided in increasing levels for students faced with economic challenges. Members also recognized, however, the need for the base cost per pupil for all students to grow appropriately and that some additional base inputs should be provided.

Revenue and Taxation

Members identified a number of principles to guide their work in this area. They are:

- **Simplicity** – The tax system should facilitate taxpayer compliance by being easy to understand and easy to administer.
- **Equity** (horizontal and vertical) – Horizontal equity exists when the tax system imposes similar burdens on similarly situated taxpayers. Vertical equity exists when the tax system recognizes differing abilities of various taxpayers to pay.
- **Stability** – The tax system exists to fund essential government services and should provide adequate revenue to fund those services in both good and bad economic times.
- **Neutrality** – The tax system should not unduly influence economic behavior.
- **Competitiveness** – How the tax system compares to other states' tax systems affects the decisions of businesses to locate in Ohio.

The members then identified what they believed were the key problems with the tax system related to Ohio's school finance system. Through much deliberation, two main problems were identified as key to improving the overall school funding system:

- **Reappraisal phantom revenue** – Members believe that correcting this phenomenon was the most effective means to provide a system that meets the principles outlined above. Reappraisal phantom revenue is a concept to explain when a district's local margin above basic aid funding is assumed over time to be part of the local share of basic aid. This occurs when the state's formula assumes more valuation growth at the local level than is actually realized when districts' property valuations increase through reappraisal or update.

- **Personal tangible property taxes** – Task Force members believe that the use of this tax as a significant funding source for schools causes inequity between individual districts in raising local tax dollars and hurts Ohio's competitiveness in attracting businesses to the state.

To address these two issues, the Task Force recommended local taxes be allowed to grow, but not without restriction. The state would then make up for any additional variance (in valuation growth) between what is assumed by the state and the actual growth by assuming a lower local share of basic aid by rolling back the millage rate used in the state formula to calculate the local share. The Task Force also recommended that meaningful reform of tangible personal property take place but school districts be protected from negative financial impacts through another revenue source.

Operations and Efficiencies
The basic premise of this work is that operational efficiencies are gained through data-based decision-making and resource deployment. In addition, work in this area also focused on efficiencies that could be gained in health care and general school district operations.

Fiscal Year 2006-2007 Implementation

The Executive Budget proposal begins phasing in the recommendations of the Task Force by putting in place a new funding system that promotes higher levels of student achievement.

Most Task Force recommendations require changes to be made to the Foundation Program, the formula by which general funding is provided to school districts. The Executive Budget proposes funding for Foundation Program line items totaling $6.15 billion in fiscal year 2006 (2.5% above fiscal year 2005) and $6.29 billion in fiscal year 2007 (2.3% above FY 2006). Following are the key funding proposals supported by the Task Force.

Base Cost Funding

- **Base Cost Per Pupil** – The proposed operating budget supports the recommendations of the Task Force and increases the fiscal year 2005 base cost per pupil by appropriate inflationary measures. The Task Force did not arrive at an inputs-based per-pupil amount as sufficient data were not yet available but did recommend that additional base inputs be provided as outlined in the second bullet. (As previously noted, a successor group will analyze an input-based methodology for the per-pupil amount prior to the development of the fiscal year 2008-2009 biennial budget.) Increases, therefore, reflect a base cost per pupil of $5,328 in fiscal year 2006 (3.1% above fiscal year 2005) and $5,489 in fiscal year 2007 (3.0% above fiscal year 2006). The following table demonstrates how the amounts were calculated:

	FY05 Base Cost Per Pupil	FY06 Projected Inflators	FY06 Base Cost Per Pupil	FY07 Projected Inflators	FY07 Base Cost Per Pupil
Salaries and non-health benefits: Represents 71.2% of base cost; inflated by the Employment Cost Index - all civilian workers, wages only	$ 3,681	2.5%	$ 3,773	2.9%	$ 3,882
Health benefits: Represents 13.8% of base cost; inflated by Employment Cost Index - all civilian workers, benefits only	$ 713	7.2%	$ 764	4.9%	$ 802
Other: Represents 15.0% of base cost; inflated by the Gross Domestic Product Deflator - all items	$ 775	2.0%	$ 791	1.8%	$ 805
Total Base Cost Per Pupil	**$ 5,169**	**3.1%**	**$ 5,328**	**3.0%**	**$ 5,489**

- **Additional base inputs** – As recommended by the Task Force, additional base inputs are provided on top of the base cost per pupil for data-based decision making, professional development for the implementation of data-based decision making, general professional development and intervention. Funding for data-based

decision making supplements is funded at 100% and the general funding for intervention and professional development are funded at 40% in fiscal year 2006 and 60% in fiscal year 2007. State and local shares of the phase-in amounts total $48.4 million in fiscal year 2006 and $63.6 million in fiscal year 2007 and are represented as percentages of the base cost per pupil so that growth is realized into the future.

- **Targeting resources to those in greatest need:** The Task Force recommended that current funding initiatives that do not align with the principle that state resources be distributed to districts and students who are most in need of additional support to reach state academic content standards should be considered for reallocation. One such funding stream mentioned by the Task Force for consideration was the Cost of Doing Business (CODB) factor, which provides up to an additional 7.5% of base cost per-pupil funding for districts in counties with high costs of doing business. The counties with the highest CODB factors are those with large urban districts and the lowest are those in rural, poor counties. The concern is that the suburban districts that surround the large urban areas also benefit from these high CODB factors but have a greater local capacity to raise revenue. The impact is that state resources are not being targeted to districts with the greatest need and struggling districts increasingly cannot compete with the richer suburban districts. For this reason, the Executive Budget proposes that the CODB factor be eliminated but that a base cost guarantee be implemented for those districts severely impacted by its removal. In addition, Transitional Aid is proposed that guarantees that districts receive 100% of prior year total funding in fiscal year 2006 and 98% of prior year total funding in fiscal year 2007. The Task Force recommended that transitional funding be provided for initiatives being considered for elimination or phase-out.

- **ADM** – The Task Force analyzed the current method of counting only current-year students for calculating basic aid and recommended that the state return to using the greater of the current year or three-year average for the basic aid calculation. The Executive Budget proposal supports this recommendation, which will allow districts with declining enrollment more time to adjust for decreases in funding.

Poverty-Based Assistance

Except for the phase-in of certain elements, funding for poverty-based assistance is proposed as recommended by the Task Force. Proposed funding for poverty-based assistance totals $434.1 million in fiscal year 2006 (27.6% above fiscal year 2005 support for Disadvantage Pupil Impact Aid) and $481.0 million in fiscal year 2007 (10.8% above fiscal year 2006).

The Task Force recommended the provision of specific building blocks in the areas outlined below for students and districts facing the challenges associated with poverty. The poverty indicators used to support the following funding supplements include the unduplicated count of children in families that qualify for the Ohio Works First program, the Food Stamp program, the Medical Assistance program, the Children's Health Insurance program (CHIP), and the Disability Assistance program. The Task Force believed that the unduplicated count of these poverty indicators best represent poverty levels in school districts.

- **Intervention** – The new subsidy for intervention provides districts increasing levels of funding for intervention as their poverty concentration increases. Funding is phased in at 40% in fiscal year 2006 totaling $78.3 million and 60% in fiscal year 2007 totaling $121.2 million. When fully phased in, districts will receive from 0.5% to 16.0% of the basic aid per-pupil amount for each student in poverty. If the basic aid per-pupil amount continues to increase by 3.0% and this program is funded at 100% in fiscal year 2009, districts that qualify will receive an additional per-pupil allocation for each poverty student ranging from $29 to $930 based on the district's poverty concentration.

- **Large urban district subsidies** – Large urban districts face unique challenges that other districts with high concentrations of poverty do not. For this reason, the Task Force believed that additional funding should be provided to such districts for dropout prevention and community liaisons and/or attendance officers. Again, these funding initiatives are being phased in at 40% in fiscal year 2006 totaling $14.6 million and at 60% in fiscal year 2007 totaling $22.6 million.

- **Professional development** – This new subsidy is also being phased in at 40% in fiscal year 2006 and 60% in fiscal year 2007. Districts with a concentration of poverty greater than the statewide average will receive

$2.3 million in fiscal year 2006 and $3.5 million in fiscal year 2007. It is proposed that school districts be given the flexibility to use this funding for intervention in fiscal year 2006-2007.

- **Limited English Proficient (LEP) Intervention** – In recognition that some districts face tremendous challenges because of the migration of large numbers of limited- or non-English speaking students, the Task Force recommended additional intervention funding for districts whose limited-English population exceeds 2.0% of their entire student population and whose poverty concentration is greater than the statewide average. Again, this initiative is being phased in at 40% in fiscal year 2006 totaling $4.9 million and at 60% in fiscal year 2007 totaling $7.6 million.

- **Class size reduction** – With a few modifications, the Task Force recommended continuation of funding for class size reduction. The first change increases the minimum threshold for qualification from a poverty index of 0.6 to 1.0 so that funding is better targeted to districts with the highest poverty concentrations. Tax Force analysis revealed that the base cost per pupil actually allows districts to fund class sizes of 20 to 1 on average rather than 23 to 1. These modifications are proposed in the Executive Budget at total funding levels of $155.9 million in fiscal year 2006 (13.3% above fiscal year 2005) and $161.3 million in fiscal year 2007 (3.4% above fiscal year 2006).

- **All-day kindergarten** – The Executive Budget proposes to continue funding totaling $147.9 million in fiscal year 2006 (39.0% above fiscal year 2005) and $151.8 million in fiscal year 2007 (2.6% above fiscal year 2006). The large increase in fiscal year 2006 results from an additional 52 districts qualifying for this subsidy as a result of using of the new poverty indicator.

- **Transitional aid funding for poverty** – Previously, a guarantee was provided at fiscal year 1998 funding levels. The Executive Budget proposes a new transitional aid guarantee to be provided at fiscal year 2005 funding levels. This funding is necessary since most of the poverty-based components are being phased in. Total funding equals $30.3 million in fiscal year 2006 and $13.1 million in fiscal year 2007 and can be used for any of the inputs, including intervention, deemed critical for a population facing the challenges of poverty.

Intervention

Previously, intervention funding was allocated through line item 200-513, Student Intervention Services, and through line item 200-520, Disadvantaged Pupil Impact Aid (DPIA). In the Executive Budget proposal, intervention is partially funded as an additional base input and partially allocated to districts through a new formula in Poverty-Based Assistance (outlined above). In addition, the Executive Budget includes $15 million in TANF (Temporary Assistance to Needy Families through the budget of the Department of Job and Family Services) funding in each year of the biennium for intervention for students that meet TANF eligibility requirements.

The Executive Budget provides flexibility to allow districts to use new funding initiatives provided through Poverty-Based Assistance for a variety of intervention activities. This flexibility is offered as new subsidies are phased in and spending policies recommended by the Task Force are implemented. New spending policies will allow districts meeting adequate progress standards more flexibility in how they spend their state resources. The result is that proposed funding from all state sources that can be used by districts for intervention equals $153.5 million in fiscal year 2006 (11.6% above fiscal year 2005) and $195.1 million in fiscal year 2007 (27.1% above fiscal year 2006).

Parity Aid

The Task Force recommended this supplement be funded at 100%. The Executive Budget proposal supports continued movement toward 100% by increasing the phase-in percentage from 76% in fiscal year 2005 to 80% in fiscal year 2006 and 85% in fiscal year 2007. Parity Aid is provided to the poorest 80% of Ohio's school districts on a sliding scale and is an allocation above basic aid funding. This supplement is different from poverty-based assistance because a district can be poor in its ability to raise local dollars for education but not necessarily have high concentrations of poverty. Each qualifying district receives the difference between what 9.5 mills raise in the 490th wealthiest district and what 9.5 mills raise in the given district. The 9.5 mills are calculated on a wealth indicator that is 1/3 income and 2/3 property valuation. Funding is increased by $30.2 million in fiscal year 2006 (7.1% above fiscal year 2005) and by $59.5 million in fiscal year 2007 (13.1% above fiscal year 2006).

Special Education
Special education is funded primarily through six weights representing different types of disabilities depending on the degree of severity. This cost-based funding methodology is supported through both state and local support. While special education weighted funding was not discussed in great depth by the Task Force, recommendations did support full funding of the weights. The Executive Budget proposes, however, that funding of 90% of the weights be maintained. Increasing federal allocations for special education will be more than sufficient to cover the funding gap. Based on recent trends federal special education allocations have increased on average by 35% per year. Taking such federal allocations into account results in total funding from all resources being more than 30% above what the cost-based methodology requires at 100%. Due to increases in the base cost per pupil, state support for weighted special education (funded at 90%) increases by $9.5 million in fiscal year 2006 (2.1% above fiscal year 2005) and by $11.6 million in fiscal year 2007 (2.6% above fiscal year 2006).

Charge-Off Supplement
This supplement (sometimes referred to as Gap Aid) provides districts that have less actual local revenue than what is assumed by the state as a district's local share for basic aid, special education weighted funding, career-technical weighted funding, and transportation. Continued funding of this supplement is supported by the Task Force as long as assumed local shares in the Foundation Program continue to be greater than what districts actually raise. Proposed funding is increased by $19.0 million in fiscal year 2006 (32.6% above FY 2005) and by $6.8 million in fiscal year 2007 (8.8% above fiscal year 2006).

Excess Cost Supplement
The state employs a 3.3-mill cap on each district's local share of special education weighted funding, career-technical weighted funding, and pupil transportation. If the assumed local share in these three areas is greater than 3.3 mills, the state pays for the excess above the cap. The Task Force supported continued funding of this supplement. Proposed funding is increased by $18.3 million in fiscal year 2006 (47.2% above fiscal year 2005) and by $16.8 million in fiscal year 2007 (29.4% above fiscal year 2006).

Restructuring of State Funding Inputs
To more accurately reflect critical educational inputs for success, the Executive Budget proposes the consolidation of line items 200-501, Base Cost Funding; 200-520, Disadvantaged Pupil Impact Aid; 200-525, Parity Aid; and 200-546, Charge-Off Supplement into a new line item, 200-550, Foundation Funding. Currently, line item 200-501, Base Cost Funding, includes both base funding and supplemental funding for special education and career-technical education students. As described previously, Charge-Off Supplement funding represents base funding and Disadvantaged Pupil Impact Aid and Parity Aid both represent critical supplemental funding initiatives.

Revenue and Taxation

- **Phantom Revenue Fix** – The method outlined by the Task Force in its report to address phantom revenue will require an amendment to the Ohio Constitution. Since passage of this amendment will require legislative support, voter support, and time for the tax changes to take effect, the earliest timeframe for implementation will be the beginning of the FY 2008-2009 biennium.

- **Personal Tangible Property** – Due to the inequities created by personal tangible property tax assessments between school districts, the Task Force recommended the tangible personal property tax be reformed once another source of revenue is identified. Tax revenue on personal tangible property currently provides districts with approximately $1.17 billion annually. It is proposed that two of the three tangible personal property components (machinery and equipment and inventory representing 73% of tangible personal property) be eliminated gradually from tax year 2006 through tax year 2010. Districts will be 100% held harmless through fiscal year 2011 through a combination of increased Foundation Program funding and direct payments out of a new commercial activity tax. Beginning in fiscal year 2012, districts will begin to have their direct hold harmless payments phased out. The savings the state would realize as a result of the hold harmless phase-out is proposed for reallocation in a more equitable manner that accounts for school district wealth differences.

- **Half-Mill Maintenance Equalization** – School districts that participate in an Ohio School Facilities Commission (SFC) construction program are required to pass a one-half mill levy, or set aside equivalent

revenue, to support the maintenance costs associated with a newly constructed or renovated school facility. The Administration recommends providing financial assistance to enhance the ability of school districts to maintain their new facilities. While not a topic discussed by the Task Force, this proposal aligns with the principle that state resources should be targeted to those districts with the greatest need. To that end, the Executive Budget provides $10.7 million in fiscal year 2007 for a provision to equalize a school district's one-half mill maintenance set-aside to the statewide per-pupil average.

Operations and Efficiency

While most efficiencies will be gained through a system that deploys resources based on student progress data, the Task Force also supports the following changes:

- **Performance Audits** – $1.0 million is included in each year of the biennium for the Auditor of State to provide approximately ten additional financial or approximately five comprehensive performance audits of school districts per year. Such audits provide recommendations for savings in the areas of financial systems, human resources, facilities maintenance, transportation, and technology utilization.

- **Health Care Proposal** – The Task Force recommends that the Department of Education study and make recommendations relative to potential efficiencies of consolidating health care insurance purchasing for public school employees. Work has begun in fiscal year 2005 toward this end and a work group will conduct an inventory of Ohio-based health care purchasing consortiums, review Ohio-based research and analysis already completed, and define research and policy development needs. A plan will be provided by December 2005 to the State Board, the Governor's Office, and the General Assembly for their consideration.

Higher Education

The Next Step – Aligning Preschool-Grade 12 to Higher Education

GRF funding provided through the Board of Regents' budget totals $2.47 billion in fiscal year 2006 (0.9% above fiscal year 2005) and $2.52 billion in fiscal year 2007 (2.0% above fiscal year 2006). The State of Ohio has convened various commissions, over the past five years, with representatives of private industry, government, public sector interests, and policymakers studying important issues regarding primary and secondary education and higher education as it relates to the state's economy. These studies have yielded vital information and recommendations that serve as the roadmap to improve components of the state's educational systems. The next logical step is to create a recognized link between the primary/secondary and higher education systems and develop a comprehensive and seamless continuum of education opportunity that supports success and economic opportunity. The following initiatives proposed for the fiscal year 2006-2007 biennium support the creation of this link.

Ohio Partnership for Continued Education (P-16 Council)

Ohio's Partnership for Continued Education (P-16 Council), a recommendation of the Commission on Higher Education and the Economy (CHEE), will be created as the statewide advisory board responsible to promote and facilitate a continuous learning system at the state and community level. This partnership, chaired by the Governor, will focus on the preparation of all Ohioans for success in Ohio's emerging knowledge-driven economy. Funding of $300,000 in each fiscal year is provided through the budgets of the Department of Education and the Board of Regents to promote collaboration in this effort.

This comprehensive education system will prepare and sustain a world-class workforce, responsive to business and industry through an integrated system of education, which will be readily accessible. This will be accomplished through extensive collaboration and communication among educators (primary, secondary and higher education) at the state and local levels, as well as employers, students, policymakers and community leaders.

Ohio's Partnership for Continued Education (P-16 Council) will advise and make policy recommendations to promote coherence among relevant state entities (for example, the Ohio Department of Education and the Board of Regents) in an effort to help local communities develop successful P-16 learning systems. The statewide learning system will promote a common set of outcomes at the local, regional, and statewide levels, remove barriers and support work in tandem with local and regional efforts already in place or in development.

Teacher Quality Partnership Study

The Teacher Quality Partnership (TQP), launched in 2003, is a comprehensive, longitudinal study of the preparation, in-school support and effectiveness of Ohio teachers. The Partnership is comprised of a research consortium of Ohio's 50 colleges and universities that administer teacher preparation programs. The participating schools work collaboratively to identify how the preparation and development of new teachers impact their success in the classroom as measured by the academic performance of their students. This collaboration is designed to inform future public policy decisions, change the way teachers are prepared for the classroom, and ensure that all students have highly-qualified teachers.

In addition to funding of $200,000 through the budgets of the Department of Education and the Board of Regents, the Teacher Quality Partnership receives support from The Carnegie Corporation of New York, The Joyce Foundation, The Proctor & Gamble Fund, Martha Holden Jennings Foundation, The George Gund Foundation, and the federal government's Fund for the Improvement of Postsecondary Education.

P-16 Preparation and Access

Ohio High School Transformation Initiative

The State Board of Education's Task Force on Quality High Schools recommends state support for the continued development of small learning communities. Funding of $3.0 million in fiscal year 2006 and $5.0 million in fiscal year 2007 is proposed through the budgets of the Department of Education and the Board of Regents for the Ohio High School Transformation Initiative (OHSTI), in conjunction with support by the Knowledge Works Foundation and the Bill & Melinda Gates Foundation. Small learning communities are created within existing large, urban high

schools for a more personalized learning experience. The number of students for which teachers are responsible is lowered, and greater ties to the surrounding community are encouraged. Currently, 42 schools serving nearly 55,000 students in 17 urban districts are participating in this innovative initiative.

Early College High Schools

Both CHEE and the Task Force on Quality High Schools recommended that the state pilot Early College High Schools, an effort that provides a challenging option for high achieving high school students to attend an institution of higher education, many of whom may not have such an opportunity otherwise. Students participating in Early College High School will earn their high school diploma in four years as well as an associate's degree or college credit, both of which can be transferred to a four-year institution. Currently, there are three Early College High Schools operating in Ohio that are funded by participating school districts, partnering institutions of higher education, a grant from the Bill and Melinda Gates Foundation and the KnowledgeWorks Foundation. Additional funding of $3.1 million in fiscal year 2006 and $5.5 million in fiscal year 2007 is provided in the budgets of the Department of Education and the Board of Regents.

The Ohio College Access Network (OCAN)

OCAN (a Board of Regents administered program) works to establish college access programs across Ohio by building and supporting local college access programs throughout the state. OCAN has established 34 college access programs serving nearly 300 of Ohio's 613 school districts, and 17 private/parochial schools in 46 counties to promote and encourage college attendance. These access programs operate as non-profit organizations to provide financial counseling, last dollar scholarships, college visitation opportunities, career guidance, tutoring and test preparation courses to primary and secondary students. This budget provides continued support of $500,000 in each fiscal year for the above purposes. Additional funding of $600,000 in fiscal year 2006 and $700,000 in fiscal year 2007 is proposed to support the creation of regional pilot sites in areas of the state that are currently underserved or not served at all.

Student Access and Higher Education Collaborations

Ohio College Opportunity Grant (OCOG): Ohio's New Need-Based Financial Aid Program

Following the recommendations of both the CHEE and the Higher Education Funding Commission, significant changes to Ohio's need-based grant program for low-income students will be implemented in fiscal year 2007. The Executive Budget provides $58.1 million in fiscal year 2007, the first year of the phase-in for the new program, the Ohio College Opportunity Grant. The new program will increase the maximum grant awards to students attending public institutions of higher education, update Ohio's method for determination of financial need, merge the part-time student program with the full-time grant program, and expand eligibility by raising the income cap for need-based aid from $39,000 under the current Ohio Instructional Grant program to $75,000.

The Ohio College Opportunity Grant will increase maximum grant amounts to students attending public colleges and universities from $2,190 to $2,496, a 14% increase in support. This increase in the maximum grant will help the most needy students gain access to higher education. The new state grant, when paired with the federal Pell award, will cover most, if not all, tuition costs at every state-supported four-year, branch campus, community and technical college throughout Ohio.

As recommended in the CHEE report, the state will align its eligibility criteria with the federal Expected Family Contribution (EFC) methodology. This measure is more accurate than the current Ohio Instructional Grant methodology based only upon the household income and number of dependents. The new method considers additional factors such as the number of children in college, family assets, and student income in the determination of the family's ability to support the costs of higher education.

The current part-time student grant program will be merged into the new program beginning in fiscal year 2007 to utilize the same distribution methodology as the full-time student program. This consolidation is crucial in ensuring that students with need are treated fairly and equitably in regards to the determination of eligibility and grant awards amounts received. Maintenance of the existing part-time program during the four-year phase-in is supported by a recommendation of $14.5 million in fiscal year 2006 and $10.5 million in fiscal year 2007.

Finally, the new program will also expand access to need-based financial aid for low- and middle-income families by increasing the eligibility income cap to $75,000, which nearly doubles the current income cap of the Ohio Instructional Grant (OIG).

As mentioned previously, the new need-based program will be phased-in over four years, beginning in fiscal year 2007 (or academic year 2006-2007). First-time, first-year students will be eligible for the new program in fiscal year 2007 while current students will maintain eligibility for the current Ohio Instructional Grant program. The program will start in the second year of the operating biennium for several reasons: financial aid forms for the 2005-2006 academic year (fiscal year 2006) have already been processed; and the additional year will allow time to market and develop program implementation details for students and financial aid administrators.

No students currently eligible for the existing OIG financial aid program will be disenfranchised as a result of phasing in the new program. That is, they may continue to receive OIG grants as long as they meet the current eligibility requirements for the program. Recommended funding of $121.2 million in FY 2006 and $92.5 million in FY 2007 is proposed to support the phase-out of the existing OIG program.

Articulation and Transfer

A major recommendation of the CHEE report was the full implementation of the state's system of course applicability and transfer, which will ensure that credits earned for similar coursework is transferable among the state-supported colleges and universities. The next step in this effort is to include coursework that would apply towards a major or minor degree program, and also explore expansion of course applicability for coursework completed at adult career centers and career-technical education institutions for credit at Ohio's two and four year institutions. These efforts are supported with an investment of $2.9 million in each year of the biennium.

Conclusion

Much has been accomplished during the Taft Administration to reform the educational system in Ohio. With student success as the guide for proposed investments, Ohio now has in place a system that:

- Has clearly defined academic standards and curriculum modes for students;
- Includes an accountability system that measures student achievement and progress;
- Provides intervention systems for students and buildings not meeting state standards;
- Provides a funding system that targets funding to those students and districts who need it most;
- Establishes a coherent system to align the academic, workforce and economic goals from pre-school through college graduation; and
- Provides increasing levels of funding to those who need it most to improve student access and success in higher education.

While great strides have been made there is still much to be achieved in the coming biennium. For example, standards still need to be defined for teachers and will be accomplished through the Educator Standards Board. General funding for schools needs to be even more stable so that districts can better plan. This will be achieved through continued phase-in of the proposed funding recommendations in the Executive Budget as well as through pursuit of stable growth of combined state and local resources. Finally, better alignment needs to be achieved between primary/secondary education and higher education, which will begin through the work of Ohio's Partnership for Continued Education (P-16 Council).

Education is the cornerstone of success – both individual success and that of the state. Ohio cannot continue to prosper unless its educational system continues to progress to enable all children to succeed. The Executive Budget recommendations for both primary/secondary education and higher education promote the development of a productive and prospering workforce and citizenry through greater access to a quality educational system that focuses on and supports the achievement of every Ohio resident.

Economic Development

Overview

Governor Taft's budget proposal continues his strong commitment to developing Ohio's economy. Good jobs and a robust economy provide the foundation for strong families, strong communities, and a solid tax base to support essential services for Ohioans – like schools for our children and services for our seniors.

In February 2004, Ohio was awarded *Site Selection Magazine's* prestigious Governor's Cup, leading the nation with 587 new or expanded plant projects. These projects include private investment exceeding $4.6 billion, and when completed and fully operational, are projected to create 17,880 jobs. In addition, Ohio finished eighth in the magazine's November 2004 ranking of states' business climates. Significant investments have been made in technology in such varied fields as propulsion, information technology, fuel cells, and biomedical research to treat Parkinson's disease, lung cancer and childhood diseases. The Executive Budget builds on these successes and expands funding in certain targeted areas.

I. The Third Frontier Project

The Third Frontier Project launched by Governor Taft in February 2002 is a $1.1 billion, ten-year program of investment in new research, new product and process innovation, and new job creation. To receive consideration for Third Frontier funding, projects must focus on one of the five core competency areas: power and propulsion; bioscience; advanced materials; information technology; and instruments, controls, and electronics. Ohio's funding will be matched by billions of dollars in federal and private sector investments, providing opportunities that will play key roles in transforming Ohio's economy for the 21st century and beyond.

The Third Frontier Commission, comprised of state government officials, and the Third Frontier Advisory Board, comprised of Ohio business, higher education, and legislative leaders, jointly govern the project. This governance structure allows business leaders serving on the board to assure the project's relevance to the state's economy, and places responsibility and accountability for expenditures with a commission of state officials. The commission is composed of the Director of the Department of Development, the Chancellor of the Board of Regents, and the Science and Technology Advisor to the Governor. The Third Frontier Advisory Board consists of 16 members, with 14 appointed by the Governor (nine representatives from business and five from university or non-profit research institutions) and one each appointed by the Speaker of the House and the Senate President. The board provides general advice to the commission on various items including strategic planning, funding, requests-for-proposals, metrics and methods of measuring the progress and impact of programs administered by the commission, and studies to be conducted to collect and analyze data relevant to advancing the goals of programs administered by the commission.

The Third Frontier Project involves core programs and related initiatives that are designed to provide state leadership in areas that have special importance to Ohio's economy, and the alignment of existing technology-related activities across varied funding sources. These programs and activities are highlighted below, and information regarding the specific location of funding for each item is available in Table 1 at the end of this document.

Third Frontier Core Programs

Third Frontier Action Fund: Grants from this source support technology-based economic development, with a focus on creating more early stage capital for start-up and early stage growth companies and on creating new fuel cell technologies and products. Grants totaling more than $42 million have been awarded during the 2002-2005 period. Funding for the 2006-2007 biennium is continued at $16.79 million per year.

Biomedical Research & Technology Transfer Trust Fund: Governor Taft and the legislature committed $350 million over ten years from the tobacco settlement revenues to support biomedical research and technology commercialization. To date, awards totaling more than $79.7 million have been made for projects that are advancing cures for cancer, accelerating drug discovery, and improving medical imaging. In addition, $23.9 million was appropriated for fiscal year 2005 and is expected to be awarded in March,

and another $23.9 million was appropriated for fiscal year 2006 in the Tobacco Budget (Sub. H.B. 434, 125th General Assembly).

Wright Brothers Capital Fund: Governor Taft proposes that the Wright Brothers Capital Fund receive $50 million per year for ten years to award competitive grants for capital assets to strengthen Ohio's research and commercialization capacity. The fund is used to support Wright Centers of Innovation and Wright Capital Projects. Funded projects are developing the next generation of propulsion systems, advancing the application of data management solutions, supporting the research, development, and commercialization of fuel cells, developing individualized treatments linked to a patient's genetic makeup, researching adult stem cell transplantation to cure cancer and degenerative diseases, and improving medical imaging. As of January 2005, $150 million has been appropriated to the Wright Brothers Capital Fund; an additional $50 million appropriation is under consideration in the fiscal years 2005-2006 capital bill (House Bill 16). Current Wright Centers of Innovation proposals are under review by the National Academy of Sciences, with awards expected to be made in March 2005.

Innovation Ohio Loan Fund: In creating the Innovation Ohio Loan Fund, the legislature approved provisions allowing the Ohio Department of Development to assist companies with below-market financing for investments in fixed assets necessary to develop new commercial products. This $100 million revolving loan fund will be financed through obligations supported by liquor profits. Innovation Ohio loans are subject to approval by the Development Financing Advisory Council (DFAC) and the State Controlling Board. To date, the DFAC has approved four loans totaling $4.7 million, resulting in total investments of $6.3 million. These four projects will result in the retention of 129 jobs and the creation of 277 new jobs. The guidelines of the program have been revised recently to better address the needs of the marketplace. As a result, the activity level of the program is expected to grow considerably in the 2006-2007 biennium.

Third Frontier Ballot Initiative: On November 8, 2005, voters will be asked to approve a proposal to amend the Ohio Constitution to allow a special bond issue. The proceeds from this initiative will be used to create, preserve, and enhance employment opportunities; to foster economic development to improve the general and economic well-being of the people and business economy in the state; to provide fuller utilization of research organizations and institutions; and to enhance and expand Ohio's private and public science and technology-based research, development, and commercialization capacity and workforce capabilities.

Third Frontier Special Initiatives

Fuel Cell Initiative: Third Frontier Project plans allocated $103 million for the Fuel Cell Initiative, a program to invest in research, demonstration projects, and job creation. This initiative focuses on three core areas: expanding Ohio's research capabilities by building on the work at research universities and federal laboratories; participating in demonstration projects including hydrogen infrastructure; and investing in the expansion of the fuel cell industry in Ohio to attract companies and jobs. Ohio has substantial business and research assets related to fuel cell technologies and a critical stake in making the most of this technology.

Economic and Workforce Development Initiatives: These initiatives are a series of business development programs that will further position Ohio as an attractive location for high-paying jobs in high-growth industries. As part of this initiative, the Technology Investment Tax Credit was re-authorized to provide a limited tax credit to Ohio investors for investing in qualified small Ohio technology companies. Other programs include:

- **Ohio Research Commercialization Grant Program,** which will support Ohio's small technology companies with additional financial support for final commercialization and pilot production.

- **Research and Development Investment Loan Fund**, which will attract new research and development operations/facilities to Ohio by providing low interest loans partnered with tax credits

equal to the interest and principal paid, up to $150,000. Loans from this program are subject to approval by the Development Financing Advisory Council (DFAC) and the State Controlling Board. Through January 2005, the DFAC has approved five loans for $10.8 million, with another $25 million under review by Department of Development staff. The approved projects will result in total investments of $33.2 million, thus retaining 4,072 jobs and creating 74 new jobs.

- **Research Park Infrastructure Assistance Fund,** in which the Roadwork Development Fund provides enhanced assistance to communities developing research or technology parks for the purpose of attracting high tech companies and businesses conducting research and development on-site. The program can provide up to 80 percent of the total roadwork infrastructure cost, with a maximum grant of $500,000. Since the program's inception in fiscal year 2003, 12 communities have received a total of $6.9 million in grants, generating over $46 million in investments.

- **Third Frontier Internship Program,** which provides grants to partner organizations such as economic development agencies, chambers of commerce, and One-Stop Centers to develop college internships and educator awareness externships with Ohio companies. Businesses, students and educators working or studying in the areas of advanced manufacturing, advanced materials, power and propulsion, instruments controls and electronics, bioscience, and information technology may benefit from this program. The state will provide up to $3,000 per year, for no more than two years, for student internship opportunities and $2,000 total for educator awareness opportunities. Performance reports through September 30, 2004, indicate that 552 internships have been made available for eligible students. This program is funded by federal discretionary Workforce Investment Act dollars.

Broadband: The Broadband Initiative is designed to encourage the use of broadband internet access. Governor Taft created the Broadband Coordinating Council to coordinate and review all state-related broadband activities. In addition to the council's efforts, the initiative's programs include:

- **Third Frontier Network**, which directly links Ohio colleges and research facilities and ensures that key players can collaborate on state-of-the-art research and education projects. As of March 1, 2005, a total of 19 higher education and research institutions will be connected to the network.

- **eVantage Ohio**, an existing comprehensive effort to train small businesses in the use of e-commerce. This program results in small businesses becoming increasingly proficient in the use of e-commerce to sell goods and services over the Internet, while also reducing costs by communicating electronically with suppliers. Experienced instructors provide instruction to small business owners to outline specifications for eBusiness solutions for their companies' short and long-term needs, to understand best practices for vendor selection and negotiations, and to implement eBusiness plans. The training also addresses marketing, sales, service, customer management, production, security, finance, supply chain, website design, and operations management.

Commission for Higher Education and the Economy: Supporting Economic Development Through Program Alignment

On June 3, 2003, the Governor convened the Commission on Higher Education and the Economy (CHEE), consisting of 33 leaders representing the private sector, government, and institutions of higher education, including public, private, and proprietary schools, to consider and make recommendations regarding how Ohio can achieve higher education's full potential to create more and better jobs for the state's citizens, increase economic competitiveness, and fuel economic growth statewide. The Governor requested that the commission consider three issues in its work: making Ohio competitive in the knowledge economy; promoting access and creating opportunities for all students; and delivering results for public investments.

Governor Taft's budget builds upon the final recommendations of the commission, which completed its work in April 2004. Long-term economic growth will be driven by the ability of Ohio's major research institutions to apply new ideas and to create and improve products. The commission's final report provides

Ohio with a strategic roadmap, supporting the Governor's vision, to create a dynamic, knowledge-driven economy through program alignment and targeted investments in higher education.

Temporary law provisions of the Executive Budget include authority for the Third Frontier Commission to review certain programs in the Department of Development, the Board of Regents, and the Air Quality Development Authority to facilitate alignment of science and technology programs and activities. The purpose of these provisions is to assure that program objectives and grantee activities are aligned with the objectives of the Third Frontier Project, as appropriate, so that new and existing Third Frontier Project programs work together productively. These programs are described below. Please refer to Table 2 at the end of this document regarding the specific location of funding for each item.

- **Economic Growth Challenge**: To achieve Ohio's goal to maximize the world-class research, innovation, and technology commercialization capacities of Ohio's public and private institutions of higher education to drive economic growth and create jobs, the CHEE report recommended creating the Economic Growth Challenge. The challenge is made up of three independent but related programs: Research Incentive (formerly Research Challenge), Innovation Incentive, and Technology Commercialization Incentive. This performance-based challenge is created to spur the development of academic research infrastructure by attracting preeminent researchers, and, through enhanced sponsored program funding, attracting external funding from non-state sources. Research Incentive, which will benefit from a five percent increase in state investment, has leveraged an average of $183 million in research and development investments each year in Ohio from the federal government and private industry. To ensure that this program is aligned with the Third Frontier Project, institutional plans for Research Incentive must demonstrate a significant investment in Third Frontier activities funded at the institution. As much as 10 percent of an institution's Research Incentive program funding could be invested in Third Frontier Project-related activities.

- **Hayes Investment Funds**: The Hayes Investment Fund was created in 1990 and provides capital funds to state assisted colleges and universities and Case Western Reserve University and University of Dayton for research infrastructure (facilities and/or instrumentation). Matching funds (in the form of an interest-free loan or grant) are provided to universities to make their proposals for research grants more competitive by demonstrating additional state support that will help to ensure projects' success. Faculty and graduate students generally apply for these awards, which range in size between $60,000 and $3,000,000 each. Every research consortium applying for Investment Fund support must have at least one Third Frontier awardee as a participating research center.

- **Eminent Scholars**: The Eminent Scholars Initiative provides endowed faculty chair positions in outstanding academic departments and fosters research excellence and academic quality for selected programs of critical importance to the state's economic growth. A component of the capital budget provides recipient institutions with additional funds for related capital expenses for research in high-priority fields. Temporary law in the executive budget requires that all new Eminent Scholars be associated with a Wright Center of Innovation, a Biomedical Research and Technology Transfer Partnership Award, or a Wright Capital Project.

- Priorities in Collaborative Graduate Education (formerly Computer Science Graduate Education): This program's goals are to make Ohio nationally competitive in graduate study areas that are identified as critical to the state's economy, to increase the amount of federal and industrial funding in research and development in those identified areas, and to increase the number of individuals with expertise in those areas available in Ohio. Identified programs at individual institutions will work collaboratively with the Board of Regents to plan the joint development and operation of programs needed to support Third Frontier Project grant recipients and their collaborators.

- Ohio Supercomputer Center (OSC): The OSC provides high performance computing resources to all of Ohio's colleges and universities beyond those currently available on campuses. Additionally, many researchers throughout the state include OSC as an available state resource to make grant proposals for

external non-state funding more competitive on a national level. As such, the need for high-performance computing facilities and services, including both hardware and software, will be specifically addressed in all Third Frontier Project proposals. Where such facilities and services individually or collectively exceed $100,000, the center shall convene an independent panel of experts to review the proposal to determine whether the proposed project requirements should be met through its facilities or through other means. OSC also works with private industry to identify business solutions through high-performance computing and modeling, and charges a cost-recovery fee for such services.

- Ohio Agricultural Research & Development Center (OARDC): The goal of the OARDC is to enhance Ohio's agricultural industries in terms of competitiveness and profitability. The OARDC, which is considered the nation's most comprehensive agricultural research facility, provides unbiased, research-based, scientific information for food, agricultural, and environmental systems. Each year the center administers nearly 600 research projects, attracting top researchers from across the nation and leveraging external funding to match state investments. Language included in temporary law will ensure that additional funding is distributed through performance-based mechanisms.

- Ohio Aerospace Institute (OAI): OAI advances Ohio's aerospace-related capabilities in research, education, and workforce through industry, university, and government collaboration. This program is a non-profit consortium of nine Ohio universities, the NASA Glenn Research Center in Cleveland, Wright-Patterson Air Force Base in Dayton, and a number of private Ohio companies. Third Frontier Commission staff will encourage the participation of the institute in Wright Center and Biomedical Research and Technology Transfer Partnership Award proposals and in the evolution of funded projects.

- Ohio Academic Resources (OARnet): OARnet, established in 1987, provides Internet access to 88 Ohio higher education institutions and two million Ohioans. Since its founding, OARnet backbone usage has grown more than 100 percent per year. OARnet provides network connectivity between researchers and the Ohio Supercomputer Center. The OARnet appropriation supported the development of the Third Frontier Network during the fiscal year 2004-2005 biennium. On November 30, 2004, Ohio marked its national prominence in computing and connectivity by officially launching the Third Frontier Network, which has been described as the nation's most advanced fiber optic network for education, research, and economic development. In the upcoming year, OARnet will begin expanding the network to include areas of the state such as Steubenville, Marietta, and Defiance, as well as providing last mile connectivity to institutions of higher education in rural areas of the state.

- Coal Research & Development: This initiative was designed specifically as a large-scale demonstration program with fundamental/applied research as a secondary focus. Its purpose is to develop and deploy near-to-commercial technologies that can use Ohio coal in an economical, environmentally sound manner while supporting the jobs associated with coal production and use.

- Thomas Edison Program: The Edison Program bridges industry and academia to modernize manufacturing and to diversify the economy by growing emerging technology sectors and emphasizes collaborative research and development. The staff of the Ohio Department of Development will encourage collaboration among Edison Centers and institutions seeking Wright Center and Biomedical Research and Technology Transfer Partnership Awards, and in the evolution of funded projects. In addition, Edison Centers and Incubators will provide for the connection of the centers, incubators, and clients, as appropriate, to the Third Frontier Network.

II. The Jobs Cabinet

In his 2004 State of the State Address, Governor Taft announced the formation of the Jobs Cabinet to ensure that every decision made in state government considers the impact on jobs and Ohio's economy. The Jobs Cabinet is focusing on helping those who have lost jobs, enabling employers to find the skilled workers they need to succeed, and cutting red tape through regulatory reform.

The Cabinet's first phase of recommendations included the following elements:

- The Ohio SkillsLink initiative to efficiently and effectively match laid-off workers with jobs opening throughout the State;
- The Hire Smart, Train Smart initiative to assist employers in finding the right employees;
- The Certified for Success initiative to give a stamp of approval to workforce training programs. This initiative will enable Ohio business owners to know that a program's graduates have the skills most needed by the employers;
- Expansion of the quantity and quality of government services available for Ohio businesses on the Internet through the creation of a business services Website, www.Business.Ohio.gov;
- Creation of a Universal Business ID that will simplify interaction between businesses and state regulatory agencies;
- Streamlining of the Ohio EPA permit process for businesses and providing programs to assist companies with compliance; and
- Creation of a coordinated plan for federal priorities to increase the coordination between state agencies to respond to federal regulatory mandates that have potential impact on Ohio business development.

A majority of these initiatives have been implemented and are now providing assistance to Ohio businesses and workers. The remainder of the initiatives will be phased in during 2005. Success stories have already emerged. An expansion project by DaimlerChrysler in Toledo will invest $535 million in a supplier park, creating 702 new jobs and retaining 2,990 jobs. The project came to fruition with financial incentives from the Department of Development and expedited environmental permits from the Environmental Protection Agency. DHL will expand its facility near Wilmington, thanks to incentives from Development and the Department of Transportation's commitment to build a by-pass. The project will invest $295 million and create or retain 4,100 full-time jobs. The Bureau of Workers' Compensation will invest $30.5 million in venture capital firms to help attract high-tech companies to the state. Charter Manufacturing in Cuyahoga Heights received assistance from Development and timely permit reviews by EPA and invested $90 million to expand its steel manufacturing plant. This project created 106 new jobs and retained 94 existing jobs.

The Jobs Cabinet has also published a resource guide titled *The Department Strategies to Help Ohio's Communities Be Great Places to Live, Work and Raise Families in the 21st Century* to show how each agency is working with communities and businesses and promoting economic opportunities that improve company profits and the prosperity of Ohio's citizens. This information will also be available on the Jobs Cabinet Website, which will be online early in 2005.

The Cabinet is also developing a *Business Resource Directory* to provide concise printed information about state programs that are designed to assist Ohio businesses and Ohio workers. This printed material will provide similar information to that provided at www.Business.Ohio.gov. The *Business Resource Directory* will be available for distribution and use by March 2005.

III. The Ohio Business Development Coalition (OBDC)

In recent years, the competition between states to attract business has intensified. Governor Taft announced the creation of the Ohio Business Development Coalition in 2004 to respond to national and regional trends, as well as dynamic changes occurring within Ohio.

The Coalition is a non-profit organization established to handle the marketing and sales function for Ohio. The legal structure is a 501(c)(6) with a combination of public and private sector funds. This organization will have a self-appointed board of directors with representation from regional economic development professionals, the Ohio Economic Development Association, the business community, and marketing communications professionals. An executive director, hired by the board of directors, will lead the organization and hire a limited number of administrative, sales, research, and marketing communications staff.

The organization is charged with conducting market research to identify targeted industries and sales messages, developing a brand and messages to aggressively sell Ohio as a profitable location for business investment, developing the sales tools and collateral information for Ohio and for targeted industries, marketing the state in coordination with other state agencies and local/regional development organizations, conducting business recruitment and attraction activities, and generating and coordinating the lead generation and intake process. It will also support regional marketing efforts and assist in the development of messages consistent with state efforts, and administer the First Frontier program to ensure that those messages are consistent with state and regional messages.

The 46-member coalition received start-up state funding in 2004, and the state will continue to be an active partner by providing $5 million per fiscal year to supplement private contributions. Please see Table 3 for additional budget information.

IV. Strengthening the Workforce

Governor Taft recognizes that a strong factor in companies' location decisions is the ability of the workforce to meet the demands of employers. As such, the Governor's 2004 Jobs Bill created the Worker Guarantee Program, which provides state match funding to assess, screen, and train employees for companies creating 100 or more new jobs. This program is continued in the Executive Budget. In addition, the Jobs Bill doubled the Ohio Investment in Training Program, which provides customized training to new and expanding businesses. The Executive Budget provides substantial resources for this program. Finally, Ohio college students are being prepared for jobs in Third Frontier industries with internships in the areas of advanced manufacturing, advanced materials, power and propulsion, instruments controls and electronics, bioscience and information technology.

The state is also making sizable investments in offering affordable workforce training and development through Ohio's system of higher education. The EnterpriseOhio Network, which is made up of 53 technical, community, and branch campuses, works with local employers to provide affordable training, education, and human resource needs that will improve efficiency, competitiveness, and business retention in the state. Jobs Challenge, a Board of Regents initiative, works in tandem with EnterpriseOhio campuses by facilitating partnerships between campuses and employers. Grants provided by these programs support training for employees of new and expanding businesses in information technology and manufacturing. Grants support up to 50 percent of instructional costs, materials, and training-related activities or can cover up to 75 percent of training costs for eligible companies with 100 employees or less. Services offered through EnterpriseOhio Network campuses include: pre-employment screening, job-profiling, employment selection, training needs analysis, employee development and training, and succession planning. Since 1999, EnterpriseOhio campuses have helped 950,000 Ohio workers receive customized job-related training in partnership with their employers, and campuses have served an average of 3,895 companies per year over the last six fiscal years. State funding is continued in the Executive Budget.

Please refer to Table 3 for additional information regarding the specific location of funding for these workforce development activities.

V. Business Development Grants

Business Development Grants, also known as 412 Grants, have long been one of the state's strongest incentives for companies making capital investments that create and/or retain jobs. In fiscal year 2004, 45 companies/communities received $8.9 million in grants, generating over $926 million in capital investments. These investments are expected to create nearly 3,700 new jobs with an average hourly wage over $21.00, and retain over 11,000 jobs. Fiscal year 2005 grants of $8.7 million have already been awarded to 34 companies/communities, generating over $1.1 billion in capital investments. As a result, nearly 3,900 jobs are expected to be created with average hourly wages of $20.35, and over 13,000 jobs are expected to be retained in Ohio. Governor Taft recognizes the value of this funding source and has increased funding significantly, recommending appropriations of $11.75 million per fiscal year. Please refer to Table 3 for information regarding the specific location of funding for these grants.

Table 1: Funding Information
Third Frontier Project Core Programs

	Agency	**Fund**	**Line Item**	**Budget Bill**
Third Frontier Action Fund	Development	General Revenue Fund	Third Frontier Action Fund (195-422)	Main Operating
Biomedical Research and Technology Transfer Trust Fund	Development	Biomedical Research and Technology Transfer Trust Fund (M87)	Biomedical Research and Technology Transfer (195-435)	Tobacco Revenue
Wright Brothers Capital Fund	Regents	Higher Education Improvement Fund (034)	Third Frontier (CAP-068)	Capital
Innovation Ohio Loan Fund	Development	Innovation Ohio Fund (009)	Innovation Ohio (195-664)	Main Operating
Third Frontier Ballot Initiative	Development	General Revenue Fund (debt service only); other appropriations to follow in implementing legislation	Third Frontier Research & Commercialization Debt Service (195-905); others to be determined	Main Operating/ forthcoming implementing legislation

Table 2: Funding Information
Third Frontier Project Alignment Programs*

	Agency	**Fund**	**Line Item**	**Budget Bill**
Economic Growth Challenge	Regents	General Revenue Fund	Economic Growth Challenge (235-433)	Main Operating
Hayes Investment Funds	Regents	Higher Education Improvement Fund (034)	Hayes Investment Fund (CAP-032)	Capital
Eminent Scholars Initiative	Regents	General Revenue Fund	Eminent Scholars (235-451)	Main Operating
Eminent Scholars Initiative	Regents	Higher Education Improvement Fund (034)	Eminent Scholars (CAP-064)	Capital
Priorities in Collaborative Graduate Education	Regents	General Revenue Fund	Priorities in Collaborative Graduate Education (235-554)	Main Operating
Ohio Supercomputer Center (OSC)	Regents	General Revenue Fund	Ohio Supercomputer Center (235-510)	Main Operating
Ohio Supercomputer Center (OSC)	Regents	Higher Education Improvement Fund (034)	Ohio Supercomputer Center (CAP-030)	Capital
Ohio Agricultural Research & Development Center (OARDC)	Regents	General Revenue Fund	OARDC (235-535)	Main Operating
Ohio Aerospace Institute (OAI)	Regents	General Revenue Fund	OAI (235-527)	Main Operating
Ohio Academic Resource Network (OARnet)	Regents	General Revenue Fund	OARnet (235-556)	Main Operating
Ohio Academic Resource Network (OARnet)	Regents	Higher Education Improvement Fund (034)	OARnet (CAP-070)	Capital
Coal Research & Development	Air Quality Development Authority	Coal Research and Development (046)	Coal Research and Development (898-604)	Main Operating
Thomas Edison Program	Development	General Revenue Fund	Thomas Edison Program (195-401)	Main Operating

*This list shows all appropriation line items for Alignment Programs. It should be noted that not all of the appropriations to these line items will be used entirely for Third Frontier Project activities.

Table 3: Funding Information:
Economic Development Programs

	Agency	**Fund**	**Line Item**	**Budget Bill**
Ohio Business Development Coalition (OBDC)	Development	State Special Projects (4F2)	Promote Ohio (195-676)	Main Operating
Worker Guarantee Program	Development	Job Development Initiatives (5AD)	Worker Guarantee Program (195-668)	Main Operating
Ohio Investment in Training Program (OITP)	Development	General Revenue Fund; Job Development Initiatives (5AD)	OITP (195-434); OITP Expansion (195-667)	Main Operating
Third Frontier Internship	Development	Workforce Development Initiatives (3AE)	Workforce Development Initiatives (195-643)	Main Operating
EnterpriseOhio Network	Regents	General Revenue Fund	EnterpriseOhio Network (235-455)	Main Operating
Jobs Challenge	Regents	General Revenue Fund	Jobs Challenge (235-415)	Main Operating
Business Development Grants	Development	General Revenue Fund	Business Development (195-412)	Main Operating

The Ohio Children's Budget

Overview

In spite of Ohio's serious fiscal challenges, Governor Taft's Executive Budget reflects a significant investment of resources and demonstrates a clear commitment to his highest priority of enabling every child to succeed. More than $33.7 billion from the fiscal year 2006-2007 budget supports programs and activities for children and their families.

In the fall of 2000, Governor Taft engaged state and local partners to identify a common set of commitments to child well being. These commitments, outlined below, are now part of the state's common language. They guide policy development, align program efforts, and provide the foundation for tracking progress in improving the lives of Ohio's children. Ohio's Commitments to Child Well Being are:

- Expectant Parents and Newborns Thrive
- Infants and Toddlers Thrive
- Children are Ready for School
- Children and Youth Succeed in School
- Youth Engage in Healthy Behaviors
- Youth Successfully Transition into Adulthood

Governor Taft's budget for the fiscal year 2006-2007 biennium sets the stage for meeting long-term commitments by investing now in those areas that leverage the most progress in improving the lives of children and families. Investing in early care and education, addressing barriers to success for children – such as behavioral health issues – and advancing recommendations for primary and secondary education that support students, teachers, and schools are investments that will make a difference for Ohio's future.

Ohio's Early Learning Initiative

The research is clear: high quality early care and education experiences matter. Quality experiences enable young children to build their language and literacy skills in order to enter school ready to read and learn. In an effort to ensure success for the state's most vulnerable children, the state departments of Job and Family Services and Education have worked over the course of the last two years on the Head Start Plus initiative. Part of the fiscal year 2004-2005 Executive Budget, Head Start Plus was designed to:

- Meet the child care needs of working families through full-day, full-year services; and
- Provide children, identified at risk for school failure, with educational experiences to help them enter kindergarten ready for success.

The shift to Head Start Plus presented many implementation challenges, but also an opportunity to move toward an integrated system of early education and care. A variety of factors contributed to lower than expected enrollment in the initiative, and many of those factors, including eligibility, co-payments, and administrative simplification, are addressed in the context of Governor Taft's fiscal year 2006-2007 budget proposal. Even with these implementation challenges, Head Start Plus made progress in integrating systems of early education and care. Specifically, the state departments have worked to:

- Ensure children in subsidized early education and care settings are in programs that meet criteria to help them attain their educational goals;
- Ensure children who need health, development, and support services receive them;
- Increase opportunities for regional professional development; and
- Provide regional early language and literacy specialists to assist teachers and programs in meeting the language and literacy needs of young learners.

To build upon this progress, Governor Taft's budget proposal contains funding of $213.6 million over the biennium for Ohio's Early Learning Initiative. This initiative will:

- Provide 10,000 children in fiscal year 2006 and 12,000 children in fiscal year 2007 with access to full-day, full-year programming that meets the child care needs of their working families and provides an early learning program to help prepare them for school;
- Support early learning environments for these children based upon early learning program guidelines around children and learning, families and communities, accountability, and evaluation;
- Offer services to TANF eligible families whose income is at or below 185 percent of the federal poverty level;
- Include a public awareness campaign aimed at informing parents about available care options and the importance of early learning experiences for young children; and
- Include a streamlined provider payment process.

Access to Quality Care for Working Families

In fiscal year 2004, the State of Ohio spent over $410 million on child care for more than 94,000 low-income children of working families. Some of these young children, however, do not have access to child care services that offer the early educational programming young children need to ensure school readiness. In addition to providing early learning services through Ohio's Early Learning Initiative, Governor Taft's budget proposal for the upcoming biennium invests in a number of other initiatives aimed at improving the quality of care for children in out-of-home care, with particular attention to those children being served through the subsidized child care program. These initiatives include:

- First Steps – Ohio's Infant Toddler Initiative – Through an investment of $2.5 million over the biennium, the state will provide resources, technical assistance, and professional development to providers working with children under age three in areas with school districts classified in academic emergency or academic watch status.
- Early Literacy Initiative – $6 million over the biennium will be used to provide early literacy professional development and technical assistance to early care and education providers in all settings.
- Step Up To Quality – $8 million over the biennium will be used to implement a voluntary quality rating system for 1,000 licensed child care providers in six pilot counties across the state. This three-star rating system will assist parents in choosing higher quality centers for their children and will motivate providers to achieve higher standards.

In response to dramatic expenditure growth in the subsidized child care program, a number of cost containment measures were implemented in the fiscal year 2004-2005 biennium. These initiatives limited eligibility and increased parental co-payments to curb expenditures to a level that could be sustained in future years. The state is now in a position to ease some of these cost containment measures. Governor Taft's budget proposal for the fiscal year 2006-2007 biennium includes provisions to increase access to child care for working families. Governor Taft's proposal includes:

- A reduction in co-payments: In February 2005, co-payments for most families will be reduced by at least 10 percent. Some families with incomes below the federal poverty line will experience reductions in co-payments of up to 60 percent;
- An increase in eligibility: On July 1, 2005, intake eligibility for child care assistance will be raised from 150 percent to 185 percent of the federal poverty level; and
- A restructuring in provider reimbursements: This will reflect the costs of providing care in different regions around the state.

Access to Better Care (ABC) Initiative: Improving Behavioral Health Services for Children

Children's behavioral health problems (including mental illness, substance abuse, trauma due to child abuse, and developmental problems) are growing in urgency and impact. These problems are the top adolescent health care challenge (and the top priority of pediatricians), a leading cause of school failure, the major factor in youth suicide, and a growing challenge for Ohio's foster care and juvenile justice systems.

Because of these growing concerns, the members of Governor Taft's Ohio Family and Children First Cabinet Council have been working with advocates, parents, and local officials to assess Ohio's approach to serving children with behavioral problems and supporting their families. This work, commonly referred to as the Access to Better Care (ABC) Initiative, culminated in a set of recommendations for improvements to the behavioral health system for children. After careful review of children's behavioral health care, it is clear that major changes and improvements in the state's approach to at-risk children can be launched with limited – but essential – funding.

Most of the funding proposed to support the ABC Initiative comes from existing resources, redeployed to permit the carefully evaluated testing of solutions that have a track record in communities and other states. Providing limited additional funding to all counties contingent on a collaborative plan that is developed by local officials and parents is essential to assure the most effective and efficient use of allocated funds.

Through a variety of funding sources, Governor Taft's proposed budget includes $25.8 million in fiscal year 2006 and $26.9 million in fiscal year 2007 to improve access to and the quality of behavioral health services to children in Ohio.

Through collaboration among parents, advocates, and state and local leaders, the ABC Initiative proposes a carefully designed approach emphasizing three strategies. First, many children's behavioral problems can be prevented if, and only if, parents and other personnel working with young children have the skills to identify and correct potential problems early. Second, when it comes to children's behavioral problems, early intervention in settings where children are most at risk (including foster care and low-performing school districts) is more effective and less costly than waiting for children to "grow out of" serious problem behaviors. Third, effective, collaborative community care can reduce the levels of expensive, and often ineffective, out-of-home and institutional care.

1. Prevention

In the past five years a strong body of research has emerged regarding effective prevention practices. Based upon risk and protective factors, and building upon the strengths of young people, this research demonstrates that prevention programs can assist children and adolescents in avoiding initiation of alcohol, tobacco, and other drug (ATOD) use, reducing ATOD use by those who already have started, managing various mental health disorders, and promoting effective coping skills. This research can be applied to prevention efforts in multiple systems to individuals of all ages. Governor Taft's budget recommendations for the upcoming biennium provide support to communities and schools to focus on prevention and early detection of behavioral health issues in children.

The proposed budget includes:

- $1.5 million in each fiscal year for the expansion of the evidence-based community-planning model, Partnerships for Success (PfS), to additional counties;
- $2.7 million in each year of the biennium to support Early Childhood Mental Health Professionals (ECMHP) and target their efforts to school districts in academic emergency or academic watch status. ECMHPs work to improve the ability of early childhood staff, programs, and systems to prevent, identify, and reduce the impact of behavioral health problems among young children; and
- $225,000 over the biennium to broaden the understanding of, prevention of, and intervention with Fetal Alcohol Spectrum Disorder.

2. Early Intervention

Early childhood is a critical period for the onset of emotional and behavioral impairments. Empirically supported parent training programs help families to identify and address problem behaviors early. Depression among mothers has been shown to negatively influence the mental health of their young children. Collaboration between pediatricians, Help Me Grow, and mental health providers is essential to recognize the signs of behavioral health impairments and provide supports and services to families and children in their homes and in child care settings.

Many Ohio communities are successfully collaborating to support teams that are working to reduce school violence and discipline problems. These school-based approaches have increased academic achievement, improved the school climate, and reduced problem behaviors and school failure. Promoting the early

detection of problems associated with suicide, trauma, and seriously disturbed behavior, especially in settings where children are most at risk (including foster care and low-performing school districts), has proven to be effective, increasing positive school and family outcomes.

Governor Taft's budget recommendations support a number of early intervention activities. These include:

- $500,000 over the biennium to expand effective parent and caregiver training and education;
- $300,000 over the biennium to increase awareness regarding the effects of maternal depression and pilot, through the Help Me Grow program, identification and linkages to services for at-risk families;
- $192,500 over the biennium to support, in early childhood settings, the identification of children at risk for behavioral problems and link them to early intervention services;
- $2.7 million in each fiscal year to expand effective collaborative approaches for behavioral health professionals working in and with schools to identify at-risk students and intervene early. Efforts will be focused on districts in academic watch and academic emergency status; and
- $200,000 over the biennium to expand school-based suicide prevention activities.

3. Treatment

Research shows that a majority of children involved in the juvenile justice system and one in five incarcerated youth is suffering with a major psychiatric disorder. A majority of children in the child welfare system have a behavioral disorder, including serious emotional disturbances that often go undiagnosed. Ohio's child welfare system was cited by the federal government for inadequate mental health services to children in foster care. In some communities in Ohio, parents are forced to relinquish custody of their children in order to obtain needed mental health services.

Collaborative community care can reduce expensive – and often ineffective – out-of-home and institutional care. Many Ohio communities successfully provide such alternatives, and in these communities there is no evidence that parents must resort to "trading custody for care." Proposed legislative changes will require collaborative and family-centered approaches to care, and limited additional funding will help local communities offer treatment and support services that have proven to be effective. The proposed budget includes:

- $4.8 million in each fiscal year to continue FAST 05', funds dedicated to improving community behavioral health treatment and developing a parent advocacy network;
- $5 million in fiscal year 2006 and $6 million in fiscal year 2007 to build upon FAST 05' by providing flexible local funds for effective, family-centered community behavioral health treatment and support services;
- $3 million in each year of the biennium to support at least three demonstration projects in select areas of the state that focus on improving behavioral health services for the child welfare and juvenile justice populations. At least one of these demonstration projects will focus on adolescent girls involved with or at risk for involvement with the juvenile justice system;
- $5 million in each fiscal year for alcohol and other drug treatment services for families involved in the child welfare system; and
- Continued funding for RECLAIM OHIO, which provides flexibility to county juvenile courts to develop community-based programs for juvenile offenders.

Education, the Cornerstone of Success

A number of budget initiatives have been proposed that are related to primary and secondary education. For an in depth explanation of these initiatives, please see Education, the Cornerstone of Success, for the Education Special Analysis.

Children's Budget Inventory

In addition to the investments highlighted in the previous sections, the state continues to make investments in many other programs that improve the lives of Ohio children. The following inventory provides a comprehensive list of

programs, including a description and aggregate funding levels. Programs may impact more than one of the state's commitments to child well being but for this analysis are only listed once.

EXPECTANT PARENTS AND NEWBORNS THRIVE			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Adoption Services	Provides subsidies, services, and reimbursements to support parents who adopt special needs children.	$ 213,672,985	$ 219,227,636
Birth Defects Information System	Identifies children with birth defects to ensure they are linked with medical and support services.	$ 209,129	$ 209,129
Child Abuse Prevention and Protection Services	Supports investigation and prevention activities to reduce child abuse and neglect.	$ 102,329,738	$ 102,268,227
Child and Family Health Services (CFHS)	Provides direct health care and enabling services including perinatal, child health, and family planning, and service coordination to pregnant women and children who are uninsured/ underinsured to reduce infant mortality and to improve the health status of women and children.	$ 11,670,480	$ 11,670,480
Child Fatality Review (CFR)	Reviews the deaths of all children under 18 years old; collaborates among all groups that serve children to maintain a database of child deaths, and makes recommendations for service or program changes to reduce the incidence of preventable child deaths in Ohio.	$ 6,500	$ 6,500
Child Passenger Safety	Provides child passenger safety seats and training on the appropriate use and installation.	$ 265,894	$ 265,894
Child Support	Funds child support activities in the state that ensure every child's right to the financial support of both parents.	$ 444,196,378	$ 444,010,968
Childhood Lead Poisoning Prevention Program	Screens blood lead levels of children under age six, collects data on all blood lead analyses performed, initiates public health lead investigations for children with elevated blood lead levels, controls lead hazards impacting children under the age of six, and initiates primary prevention activities to eliminate lead hazards.	$ 2,169,623	$ 2,169,623
Early Intervention Support	Targets wrap-around services that identify children, birth through age two, who are at risk for or have developmental delays. Service providers and the family work together to develop a service plan that includes language stimulation, physical development, cognitive and sensory development, transportation, family support, and other services.	$ 7,901,495	$ 7,916,298

EXPECTANT PARENTS AND NEWBORNS THRIVE			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Family Stability	Supports low-income working families and families that need basic assistance including cash assistance, food assistance programs, subsidized child care, and refugee services.	$ 918,548,795	$ 921,162,837
Family Support Services	Provides respite services, home modifications, adaptive equipment, special diets, parent education/counseling, and other specialized support for families to enable children with mental retardation or a developmental disability (MR/DD) to continue to live at home with their families.	$ 11,949,965	$ 11,951,749
Foster Care	Supports child welfare costs, including placement of children into foster care, investigation of complaints of child abuse and neglect, and training programs for child welfare workers and foster parents.	$ 343,440,104	$ 342,217,273
Genetic Services Program	Provides medical evaluation, counseling, and education to those with or at risk for genetic disorders.	$ 1,498,873	$ 1,498,873
Health Care	Provides managed care, care within institutional settings, and care within community settings.	Funding for this program has been included in the Infants and Toddlers Thrive.	
Help Me Grow	Supports home visits by registered nurses to first-time and teen parents to provide information on community resources, and conducts newborn and maternal assessments.	$ 67,086,876	$ 67,101,399
Metabolic Formula Program	Provides metabolic formula to Ohioans with phenylketonuria (PKU) or homocystinuria.	$ 606,369	$ 606,370
Ohio Infant Mortality Reduction Initiative (OIMRI)	Targets census tracts or neighborhoods with high-risk, low-income pregnant women for first trimester prenatal care, and utilizes the community care coordination model to empower communities to eliminate health disparities. Professional community care coordinators (CCC) provide a cultural link to community resources through family-centered services to achieve success in health, education, and self-sufficiency. The CCCs make regular home visits during pregnancy and through the baby's second year of life to identify and reinforce risk reduction behavior and make appropriate referrals to assure positive pregnancy and infant health outcomes.	$ 1,241,418	$ 1,241,418

EXPECTANT PARENTS AND NEWBORNS THRIVE			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Pregnancy Risk Assessment Monitoring System (PRAMS)	Provides a survey of Ohio women giving birth to live infants.	$ 174,141	$ 174,141
Prenatal Smoking Cessation Program	Partners with the March of Dimes, American Cancer Society, the Smoke-Free Families National Dissemination Office, and American College of Obstetricians and Gynecologists to reduce the rate of smoking among pregnant women by designing and building systems necessary to support both prenatal care providers and pregnant and postpartum women to make changes. Women, Infant, and Children program (WIC) and Help Me Grow will provide access to their existing systems, services, and materials for prenatal and postpartum tobacco treatment.	$ 80,000	$ 80,000
Primary Care Safety Net Program	Provides health care service to uninsured children through federally qualified health centers (FQHCs).	$ 443,252	$ 443,252
Regional Perinatal Center Program	Promotes access to evidence-based and risk-appropriate perinatal care to women and their infants through regional activities to reduce perinatal mortality and morbidity. The program provides funding to support regional perinatal system development, including the coordination of resources for prenatal, delivery/birth, post-partum, and newborn care.	$ 452,327	$ 452,327
Sickle Cell Services	Provides newborn screening follow-up, hemoglobin counseling, education, and referrals for services.	$ 853,238	$ 853,238
Specialty Medical Services Program (SMS)	Provides a "safety net" of diagnostic specialty services provided to low-income children in medically underserved areas; provides services for children referred for developmental delays, hearing, neurology, orthopedic, and vision; also oversees hearing and vision screenings for pre-kindergarten and school-aged children.	$ 370,002	$ 370,004
Sudden Infant Death Syndrome (SIDS) Program	Reports on all SIDS deaths and provides bereavement services as well as prevention activities targeted to the African American community.	$ 704,646	$ 704,647
Title X Family Planning Program	Provides preventive health services, increases inter-pregnancy intervals, and increases intended pregnancies in order to reduce poor birth outcomes.	$ 3,585,234	$ 3,585,234

EXPECTANT PARENTS AND NEWBORNS THRIVE			
		PROPOSED INVESTMENT	
PROGRAM TITLE	**PROGRAM DESCRIPTION**	**FY 2006**	**FY 2007**
Tobacco Risk Reduction	Provides assessment, training, and technical assistance for prenatal smoking cessation program.	$ 89,400	$ 89,400
Universal Newborn Hearing Screening	Supports birthing hospitals and freestanding birthing centers that perform hearing screenings on infants.	$ 131,365	$ 131,365
Women, Infants, and Children (WIC)	Provides nutrition education, breastfeeding education and support, highly nutritious food items, and referral to health and human services programs.	$ 219,157,154	$ 219,157,154
Women's Grants for Alcohol and other Drug Treatment	Provides residential and outpatient treatment, as well as education, outreach, interim and prevention services to women with dependent children, pregnant women, and adolescent women.	$ 16,558,385	$ 16,558,385
TOTAL EXPECTANT PARENTS AND NEWBORNS THRIVE		**$ 2,369,393,766**	**$ 2,376,123,821**

INFANTS AND TODDLERS THRIVE			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Bureau for Children with Medical Handicaps (BCMH)	Provides treatment, diagnostic services, and service coordination to children with medically handicapping conditions.	$ 32,249,732	$ 32,312,010
Child Care	Provides child care subsidies to working families, funds projects and programs to improve the quality of child care and promote early literacy, licenses and regulates child care settings, and administers the child care subsidy program.	$ 545,633,009	$ 570,608,864
Health Care	Provides managed care, care within institutional settings, and care within community settings.	$ 2,480,814,388	$ 2,807,272,596
Immunization	Reduces or eliminates vaccine-preventable diseases through timely immunizations and disease control; provides vaccines to local health departments and private providers; conducts immunization assessments; provides education and materials, and operates an immunization registry.	$ 16,870,553	$ 17,697,591
Infant Hearing Program	Funds nine regional programs that provide follow-up on all newborns who do not pass hearing tests. Infants with confirmed hearing loss receive weekly home visits and continued information.	$ 1,828,251	$ 1,828,251
TOTAL INFANTS AND TODDLERS THRIVE		**$ 3,077,395,933**	**$ 3,429,719,312**

CHILDREN ARE READY FOR SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Academic Content Standards	Describes what Ohio expects all of its students to know and be able to do as they progress from preschool through elementary, middle, and high school. The State Board of Education has adopted academic content standards in English language arts, mathematics, science, social studies, technology, fine arts, and foreign languages.	$ 2,737,928	$ 2,763,730
Child Care Licensing	Licenses and inspects more than 1,900 preschool and school-age childcare programs operated by school districts, chartered nonpublic schools, and county boards of Mental Retardation and Developmental Disabilities (MR/DD).	$ 1,302,495	$ 1,302,495
Community Alternative Funding Sources Program (CAFS)	Enables county boards of MR/DD and school districts to access federal Medicaid matching dollars for certain habilitative services provided to Medicaid-eligible children with MR/DD. Eligible services include physical and occupational therapy, psychology services, nursing, social work/counseling, speech, language pathology, and transportation.	$ 67,532,212	$ 56,239,949
Dentist Training Program	Development of a training program for dentists working in clinics that treat high-risk children.	$ 441,946	$ 441,946
Early Childhood Mental Health	Funds consultation and training for early childhood programs, such as Head Start, child care, or public and private pre-schools, to help caregivers address behavioral healthcare needs.	$ 1,400,000	$ 1,400,000
Early Learning Programs	Provides comprehensive developmental and educational services for low-income preschool children from ages three to five years. This includes the Early Childhood Education programs, the Early Learning Initiative, and Even Start programs.	$ 123,475,686	$ 142,351,686
Education Clinic	Provides assessment services for blind or visually impaired students to local school districts as requested.	$ 398,354	$ 405,034
Foster Grandparent	Provides individual support in various educational settings between Ohioans age 60 and older with exceptional and special needs children.	$ 2,117,191	$ 2,124,763
Health Care	Provides managed care, care within institutional settings, and care within community settings.	Funding for this program has been included in Infants and Toddlers Thrive.	
Injury Prevention	Provides surveillance of morbidity and mortality data relative to children's injuries.	$ 186,600	$ 191,430

CHILDREN ARE READY FOR SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Model Curricula	Creates model lesson plans at the state level for use by school districts to develop local courses of study. The models, developed by committees of educators, parents, business, and community leaders, reflect Ohio's academic content standards.	$ 8,328,276	$ 8,375,850
Observation and School Visits	Allows for the observation of blind and visually impaired children in order to develop and recommend the optimal education plan to suit their individual needs.	$ 5,049	$ 5,049
Olweus Bullying Prevention Program	Implements a prevention pilot program designed to reduce and prevent bully/victim problems among students at school.	$ 15,000	$ 15,000
Pre-Kindergarten Special Education	Provides preschool special education services to meet the needs of children with disabilities, ages three through five. Districts are mandated under federal law to provide a free and appropriate public education to these children.	$ 95,678,739	$ 96,470,680
Preschool Services for the Deaf	Provides preschool education to deaf, hard-of-hearing, and hearing students.	$ 513,500	$ 513,500
Save Our Sight – Children's Vision and Protective Eyewear Program	Provides training, certification, and equipment for vision screeners; provides protective eyewear for youth sports and school activities; develops and provides eye health and safety programs for schools.	$ 1,468,406	$ 1,468,406
TOTAL CHILDREN ARE READY FOR SCHOOL		**$ 305,601,382**	**$ 314,069,518**

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Access to Better Care (ABC) Initiative	New GRF funding for children's behavioral health, other ABC funding is included in other agency budgets from a variety of funding sources.	$ 6,365,265	$ 7,365,265
Access to Dental Care Grants	Provides financial assistance for start-up or significant expansion of safety net dental clinics.	$ 1,095,000	$ 1,095,000
Alternative Education Mental Health Grants	Provides mental health assessment, prevention, early intervention, and treatment services for at-risk youth in alternative education settings.	$ 1,300,000	$ 1,300,000
Alternative Education Programs	Brings districts and community partners together to develop alternative education strategies for at-risk children and youth who have been suspended or expelled, dropped out of school or are at risk of dropping out, habitually or chronically truant, disruptive in class, on probation from the juvenile court, and/or on parole from a Department of Youth Services (DYS) facility.	$ 13,391,162	$ 13,391,162
Basic Education for the Disadvantaged (Title I)	Enables schools to provide opportunities for disadvantaged children to acquire the knowledge and skills in the state's academic content standards. Nearly all districts receive basic grants based on the state's per-pupil expenditure for education and the number of school-age children from low-income families.	$ 440,260,178	$ 461,026,070
Bus Purchase	Provides funds to assist districts in purchasing school buses to provide safe transportation for school-age students. Funding is based on the number of pupils transported, total mileage, road quality and district wealth, as measured by district income and property value.	$ 8,600,000	$ -
Center for Learning Excellence	Enhances students' academic performance by implementing effective strategies that address the educational, social, emotional, and behavioral needs of children through statewide technical assistance.	$ 295,000	$ 295,000
Certification and Licensure	Ensures through licensing standards that each student is served by caring, competent, and qualified education professionals who meet the highest academic and ethical standards of the profession.	$ 3,160,417	$ 3,230,503

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Classroom Facilities Assistance Program	Allocates matching funds and provides oversight and technical assistance to school districts for a "full-district fix" to build new or renovate existing facilities.	$ 197,644,182	$ 228,827,084
Cleveland Scholarship and Tutoring	Provides scholarships and tutoring for students residing in the Cleveland Municipal School District to attend private schools or public schools in adjacent school districts.	$ 19,201,887	$ 20,501,887
Community School Loan Guarantee Program	The Guaranteed Loan Program provides community schools with a state guarantee for a loan to make facilities improvements.	$ 31,201	$ 31,201
Community Schools	Supports community schools with start-up grants and provides sponsor training, monitoring, and oversight. Also referred to as charter schools, these are independent public schools operated according to a contract negotiated with a sponsor.	$ 17,442,094	$ 16,942,094
Developmentally Handicapped Education Program	Provides classroom instruction at OSB for children who are visually impaired and cognitively handicapped. To support their ability to learn, children are provided speech, occupational, and physical therapy, orientation and mobility, and adaptive physical education.	$ 689,025	$ 690,570
Education Accountability	Creates and operates an effective education accountability system including a standard Local Report Card for all public schools and districts that compiles student performance indicators and a State Report Card that contains the results and specific education improvement priorities.	$ 4,535,537	$ 7,113,977
Education Management Information System	Collects student, staff, course, program, and financial data from Ohio's public schools.	$ 15,674,805	$ 15,674,805
Educational Technology State Grants	Helps districts and schools integrate technology into the English language arts and mathematics academic content standards for grades K-8.	$ 20,800,000	$ 20,800,000
Educator Preparation	Supports colleges and universities to ensure that teachers understand Ohio's academic content standards and are able to increase student achievement. Prospective teachers are tested in professional knowledge and teaching content area prior to licensure.	$ 2,826,738	$ 2,834,198

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Educator Recruitment	Provides a statewide recruiting plan that will build a quality workforce and reduce critical shortages and turnover of highly qualified educators, especially in areas of greatest need (e.g., high-poverty rural and urban districts).	$ 2,126,740	$ 2,126,740
Educator Retention	Creates a quality workforce and reduces critical shortages and turnover. This program includes National Board Certification, which rewards teachers for achieving high levels of expertise, and knowledge/skill-based compensation programs to support reforms that restructure schools in an effort to retain and motivate talented teachers.	$ 8,100,000	$ 8,500,000
Educator Training in Schools	Provides funding for educator training at the school district/building level, targeted toward increasing teacher knowledge of the academic content standards and building the capacity of educators to implement best practice instructional strategies and techniques.	$ 111,689,000	$ 111,689,000
Energy Conservation Program	Allows school districts to borrow funds for making energy efficiency improvements to their buildings.	$ 35,049	$ 34,472
English Language Readiness	Provides assistance to school districts to meet the special language needs limited-English proficient (LEP) students.	$ 8,133,498	$ 8,633,498
Entry Year	Provides a yearlong professional growth experience for newly licensed teachers and principals.	$ 9,515,817	$ 9,515,817
Exceptional Needs Program	Provides funding and oversight to low-wealth school districts to renovate or replace individual buildings.	$ 16,016,269	$ 18,926,294
Expedited Local Partnership Program	Provides funding and oversight to school districts not yet eligible for the Classroom Facilities Assistance Program to move forward with the renovation or construction of their school facilities; funds spent locally on this program will be credited to districts.	$ 1,345,940	$ 1,333,973
Family and Children First Council	Supports local Family and Children's First Councils.	$ 1,760,000	$ 1,760,000

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Formula Aid	Provides the main source of state foundation payments to all public school districts in the state. This funding helps support the general operating expenses of school districts and other educational entities. Allocations are based on the formula aid methodology, which promotes funding equity among districts and includes a required local share.	$ 5,041,795,777	$ 5,111,567,880
General School Facilities Assistance Program	Programs supported by this request include the Emergency Assistance Program and the Big Eight Program.	$ 12,537,594	$ 14,928,821
Gifted Pupil	Focuses on identifying and serving students who perform or show potential for performing, at remarkably high levels of accomplishment compared to others of their age, experience, or environment. Services include resource rooms, self-contained classrooms, and accelerated coursework.	$ 47,999,668	$ 48,246,893
Hand to Hand	Assists families who have children with multiple behavioral health needs in navigating child-serving systems to access needed services.	$ 50,000	$ 50,000
Health Care	Provides managed care, care within institutional settings, and care within community settings.	Funding for this program has been included in Infants and Toddlers Thrive.	
Health Care Services for the School for the Blind (OSB)	Provides direct nursing and medical services to all students attending OSB to support their learning potential.	$ 440,396	$ 440,396
High School Improvement	Assists districts in high school transformation projects including High Schools That Work (HSTW), with the goal to raise the academic and technical achievement of students pursuing a career-technical education program.	$ 8,202,050	$ 11,381,682
Individual Option Waiver program	Provides community-based support to children with MR/DD who otherwise would need more expensive institutional services in an Intermediate Care Facility/Mental Retardation (ICF/MR) facility. Services include homemaker/personal care, respite care, supported employment services, environmental accessibility adaptations, transportation, specialized services, assistive, equipment, social work, and interpreting services.	$ 5,803,553	$ 5,803,553

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Innovative Education Program Strategies	Provides funding to enable state and local educational agencies to implement promising educational reform programs to meet the special educational needs of at-risk and high-cost students.	$ 11,800,000	$ 11,800,000
Joint Vocational Facilities Assistance Program	Provides funding and oversight to joint vocational school districts for the acquisition of classroom facilities suitable to their vocational education programs.	$ 125,782	$ 124,340
Literacy Educator Training	Provides teachers with training in effective instructional methods, including research-based techniques, standards-based approaches, diagnostic assessments, and interventions. The program includes the State Institutes for Reading Instruction (SIRI), which provides intensive, year-round training opportunities for teachers statewide.	$ 18,086,194	$ 18,086,194
Literacy Intervention	Strives to ensure that every child in Ohio reads at his or her grade level or higher. Students benefit from research-based prevention and intervention services, being in a literature-rich environment that includes age-appropriate books and materials, the services of tutors and paraprofessionals, and support in the community and at home.	$ 45,176,533	$ 45,176,533
Local Tax Supplement	Provides statutory payments to school districts to reimburse them for reductions in local taxpayers' tax bills and for hold harmless payments during the phase out of certain tangible property taxes.	$ 950,254,509	$ 1,077,980,840
Mathematics Educator Training	Provides intensive teacher training in mathematics through the Ohio Mathematics Academy Program (OMAP).	$ 7,713,028	$ 7,732,142
Mental Health Network for School Success	Supports six regionally based organizations providing consultation, training and technical assistance to schools and community systems.	$ 100,000	$ 100,000
Multi-Handicapped Education Program	Provides classroom instruction at the Ohio School for the Blind for children with multiple handicaps in addition to visual impairment. The main focus is to maximize communication skills, orientation and mobility, and daily living skills.	$ 1,173,900	$ 1,179,472

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Nonpublic School Payments	Provides financial assistance to chartered nonpublic schools for required administrative activities, secular materials and services on the same basis as those provided to public school students, and for the replacement of mobile units.	$ 188,195,120	$ 192,493,042
Observation and School Visits	Provides for the Ohio School for the Blind personnel to observe visually impaired students in classrooms at local school districts to make instructional and program recommendations for the optimal learning plan.	$ 20,147	$ 22,147
Ohio Choice Scholarships	Provides scholarships for students attending urban schools (Cleveland has a separate program) where two-thirds of students have been failing math and reading assessments for the past three years, to attend chartered, nonpublic schools.	$ -	$ 9,000,000
Ohio Educational Computer Network	Consists of 23 data acquisition sites that provide services to facilitate the use of computers and information in both administrative and instructional settings for member school districts.	$ 29,676,964	$ 29,676,964
Poverty-Based Assistance	Provides funds to school districts that incur higher educational costs because of a high concentration of economically disadvantaged students. For qualifying districts, the program includes funding for intervention, dropout prevention, community engagement, professional development, limited-English proficiency (LEP) assistance, class size reduction, and all day kindergarten.	$ 422,226,289	$ 469,100,571
Preparing Tomorrow's Teachers to Use Technology (PT3)	Provides resources to ensure that higher education faculty understand the International Society for Technology in Education (ISTE) standards for teachers and K-12 students and have the tools/resources necessary to ensure that students in teacher preparation programs have the ability to use technology as a learning tool. The teacher technology funds focus primarily on professional development and on the development of relevant skill modules housed on the Math and Science Resource Center Website.	$ 523,129	$ 523,129

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Professional Conduct	Supports activities that are designed to eliminate conduct considered unbecoming of a professional.	$ 1,776,139	$ 1,824,274
Professional Development	Supports training to teachers in local school districts working with blind, deaf-blind, and visually impaired students.	$ 80,510	$ 73,932
Regional Services and Technical Assistance	Builds partnerships with school districts and buildings most in need. Regional specialists help districts develop and implement Continuous Improvement Plans that result in increased student achievement. Intervention is provided to the lowest-performing districts and school buildings in the state based on the results of the Local Report Card.	$ 27,229,511	$ 27,379,240
Residential Facilities Waiver Program	Provides community-based residential support to children with MR/DD who need an ICF/MR level of care. Services provided include direct supervision, skill development, transportation, and adaptive equipment.	$ 21,071,288	$ 18,462,575
Safety Net Dental Clinic Grants	Supports public health dental clinics serving children without access to dental care.	$ 539,856	$ 539,856
School District Fiscal Management Services	Distributes funds to school districts and other educational providers and provides financial information and technical assistance to help school districts, community schools, and nonpublic schools manage their fiscal resources.	$ 55,018,081	$ 54,220,185
School Nursing Services	Provides school nursing consultation and training. Assists with school nursing policy development and recommendations including, but not limited to, medication administration, disease reporting, and management of chronic illnesses such as asthma, diabetes, and injury prevention.	$ 630,788	$ 630,788
School Safety	Reduces drug, alcohol, and tobacco use and violence in Ohio's schools to improve indicators that reflect safe and supportive learning environments and supports a state and regional network of resources to coordinate training and provide technical assistance.	$ 15,398,521	$ 15,398,521
School Technology	Promotes educational achievement through technology.	$ 22,243,176	$ 21,668,176

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
School-Based Dental Sealant Program	Reduces tooth decay by providing dental sealants on the molars of second, third, sixth, and seventh graders in high poverty levels. With parental consent, a dentist also performs screenings to determine if teeth need additional treatment.	$ 750,000	$ 750,000
Services for Severely Emotionally Disturbed and At-Risk Children and Youth	Funds are used by local mental health boards to address priority needs of children and families, such as outpatient counseling and family therapy services.	$ 170,691,645	$ 177,807,494
Special Education Funding	Ensures a free and appropriate public education for all students with disabilities, as mandated by the federal Individuals with Disabilities Education Act (IDEA). The general principles include raising the expectations for children with disabilities, ensuring access to and progress in the general curriculum, strengthening the role of parents, and ensuring that families have meaningful opportunities to participate in their child's education.	$ 989,851,127	$ 1,093,953,268
Standard Hearing Impaired Education Program	Provides for the implementation of classroom instruction and related services at the Ohio School for the Deaf, such as American Sign Language and independent living skills, by specially certified personnel for deaf and hard of hearing students.	$ 1,281,983	$ 1,281,983
Standard Visually Impaired Education Program	Provides for the implementation of classroom instruction and related services at the Ohio State School for the Blind, such as Braille and independent living skills, by certified personnel for blind and visually impaired children.	$ 3,953,023	$ 4,014,694
Student Assessments	Provides for the development and administration, printing, distributing, collecting, scoring, and reporting of proficiency, achievement, diagnostic, and graduation tests.	$ 76,226,265	$ 81,995,734
Student Intervention and Extended Learning	Provides extended learning opportunities for students at risk of not passing proficiency tests, and reading intervention for students who are struggling and for those who require alternative strategies to succeed in their education.	$ 32,282,054	$ 32,282,054
Targeted Education for the Disadvantaged	Provides targeted support to enable schools to provide opportunities for disadvantaged children to acquire the knowledge and skills contained in the state's content and student performance standards that all children are expected to meet.	$ 10,302,284	$ 10,302,284

CHILDREN AND YOUTH SUCCEED IN SCHOOL			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Teacher Improvement Initiatives	Provides in-service and pre-service math and science teacher improvement programs through six Centers of Excellence, the Mathematics and Science Evaluation and Assessment Center, OSI-Discovery, and the Porter-Lake County Science Center.	$ 1,647,635	$ 1,647,635
Transportation Operating Cost	Reimburses the operational costs of transporting students to and from education entities and also ensures that bus drivers receive appropriate preservice training and recertification training.	$ 412,330,728	$ 420,577,343
Urban School Improvement	Builds capacity by setting standards, integrating technical assistance, brokering professional development, and assessing the results for school districts and buildings. One program, Project GRAD (Graduation Really Achieves Dreams), reduces the dropout rate by addressing the academic and social problems of urban students.	$ 315,000	$ 315,000
Youth Education through Department of Youth Services (DYS) Facilities	Funds education efforts for over 1,700 committed youth in DYS facilities to help them receive diplomas and complete achievement testing in accordance with the No Child Left Behind Act of 2001.	$ 19,211,361	$ 18,808,189
TOTAL CHILDREN AND YOUTH SUCCEED IN SCHOOL		**$ 9,566,766,412**	**$10,002,986,434**

CHILDREN AND YOUTH ENGAGE IN HEALTHY BEHAVIORS			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
ADAMHS/ADAS Per Capita/Needs Board Allocations	Supports prevention and treatment programs for those abusing alcohol and/or other drugs by distributing funds to local Alcohol, Drug Addiction, and Mental Health Boards that then contract with local treatment and prevention agencies to provide services.	$ 9,129,871	$ 9,129,871
Adolescent Alcohol and Other Drug Treatment Grants	Supports programs that provide specialized treatment services to adolescents.	$ 1,176,000	$ 1,176,000
Adolescent Health and Healthy Ohioans/ Buckeye Best Program	Implements the Ohio Youth Risk Behavior Survey which measures health behaviors of students in grades nine through twelve; in addition, the adolescent health program provides training to schools and local health department staff on the development of healthy behavior messages.	$ 35,000	$ 35,000
Alcohol and Drug Addiction Prevention and Treatment Medicaid Services	Provides reimbursement for alcohol and other drug treatment services to eligible children.	$ 3,810,000	$ 3,810,000
Center for Innovative Practice	Coordinates Centers of Excellence, implementing multi-system intensive family therapy and community-based treatment services for juvenile offenders with anti-social behavior.	$ 200,000	$ 200,000
Child and Adult Care Programs	Provides reimbursement for nutritious snacks as well as breakfast, lunch, and dinner to children enrolled at participating day care centers, and after-school programs.	$ 66,687,068	$ 68,014,203
Community Prevention Grants	Addresses prevention issues at the state and local levels by promoting activities that address federal prevention strategies.	$ 1,729,438	$ 1,729,438
Community Treatment Grants	Provides grants to address special alcohol and drug addiction treatment issues at the local level.	$ 12,700	$ 12,700
Drug Free Community Coalitions	Provides funding support to assist local grassroots prevention efforts.	$ 515,000	$ 515,000
Family and Juvenile Drug Courts	Brings accountability to the treatment process with judicial monitoring to foster offender engagement in treatment. Family drug courts serve parents charged with child abuse, neglect or dependency. Juvenile drug courts serve felony, misdemeanor, or juvenile offenders.	$ 2,209,663	$ 2,209,663

CHILDREN AND YOUTH ENGAGE IN HEALTHY BEHAVIORS			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Family and Juvenile Drug Courts	Brings accountability to the treatment process with judicial monitoring to foster offender engagement in treatment. Family drug courts serve parents charged with child abuse, neglect, or dependency. Juvenile drug courts serve felony, misdemeanor, or juvenile offenders.	$ 2,209,663	$ 2,209,663
Health Care	Provides managed care, care within institutional settings, and care within community settings.	Funding for this program is captured under Infants and Toddlers Thrive.	
Higher Education Alcohol and Other Drug Prevention	Addresses multiple problems on college campuses related to underage use of alcohol and high-risk use of alcohol by adults.	$ 330,000	$ 330,000
Medicaid Adolescent Rehabilitation Program (MARP)	Provides funding for alcohol and drug addiction treatment services to Medicaid-eligible adolescents in Cuyahoga County.	$ 192,000	$ 192,000
Ohio Resource Network	Develops and distributes alcohol, tobacco, and other drug materials, training programs, and provides technical assistance to prevention professionals, teachers, parents, and volunteers.	$ 832,000	$ 832,000
Parents Awareness Task Force	Recognizes the critical role parents play in shaping a child's attitudes and beliefs regarding the use and abuse of alcohol, tobacco, and other drugs, and supports efforts to promote the involvement of parents in prevention activities.	$ 30,000	$ 30,000
PRIDE Scholarships	Provides scholarships for youth from Ohio to attend a World PRIDE Drug Prevention conference.	$ 225,000	$ -
Red Flags	Supports comprehensive school-based adolescent depression awareness and intervention programs for middle school students.	$ 110,000	$ 110,000
Residential Program and Services for the School for the Blind (OSB)	Supports implementation of the residential program for students residing at OSB. The main focus is the development of daily living skills to prepare for independent living upon graduation.	$ 2,151,006	$ 2,159,414
Residential Program and Services for the School for the Deaf (OSD)	Supports implementation of the residential program for students residing at OSD. The main focus is the development of daily living skills to prepare for independent living upon graduation.	$ 837,252	$ 837,252

CHILDREN AND YOUTH ENGAGE IN HEALTHY BEHAVIORS			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Safe and Drug Free Schools and Communities	Provides support for alcohol and other drug prevention programming implemented through local educational and community-based organizations.	$ 3,584,932	$ 3,584,932
School Breakfast	Provides reimbursement to schools participating in the National School Breakfast Program. This program supports low-income students at 2,340 public and nonprofit private schools, camps, and institutions.	$ 50,117,908	$ 52,141,467
School Lunch	Provides reimbursement to schools participating in the National School Lunch Program. This program supports low-income students at 4,166 public and nonprofit private schools, camps, and institutions.	$ 237,730,275	$ 245,065,295
State Prevention Incentive Grants	Promotes the application of evidence-based alcohol and drug prevention programs at the local level and enhances the prevention system at the state level.	$ 2,550,000	$ 2,550,000
Summer Food Programs	Provides meals to low-income children during extended school vacations and summer school.	$ 5,230,154	$ 5,339,360
Teen Screen	Funds screening developed by Columbia University to identify youth at risk for suicide and/or undiagnosed mental illness and arrange treatment.	$ 70,000	$ 70,000
Temporary Assistance for Needy Families (TANF) Alcohol and Other Drug Treatment	Provides treatment services through the local Alcohol Drug Addiction and Mental Health Service Boards for children at or below 200 percent of the federal poverty level.	$ 350,012	$ 350,012
Tobacco Compliance Program (Synar)	Enables the Investigative Unit of the Department of Public Safety to conduct random, unannounced compliance inspections of tobacco outlets to monitor illegal sales of tobacco products to youth.	$ 300,000	$ 300,000
Tobacco Risk Reduction	Provides a speaker from the Center for Disease Control to address the Ohio Parent Teacher Association (PTA) Conference on the Division of Adolescent and School Health (DASH) Guidelines.	$ 30,000	$ 30,000
Tova's N.E.S.T. (Nutrition, Education, Sleep, Therapy)	Provides six workshops to educate and raise awareness for mental illness within the African American faith community by promoting recovery and resiliency.	$ 10,000	$ 10,000

CHILDREN AND YOUTH ENGAGE IN HEALTHY BEHAVIORS			
		PROPOSED INVESTMENT	
PROGRAM TITLE	**PROGRAM DESCRIPTION**	**FY 2006**	**FY 2007**
Treatment Alternatives to Street Crime	Serves as an interface between the criminal justice and addiction treatment communities by identifying chemically dependent offenders, providing assessments, and making referrals for the most appropriate drug treatment.	$ 4,642,750	$ 4,642,750
Underage Drinking Prevention	Supports prevention efforts on college campuses related to the underage use of alcohol.	$ 338,935	$ 338,935
Urban Minority Alcoholism and Drug Abuse Outreach Programs	Provides culturally specific and bilingual alcohol and other drug prevention services to African-American and Hispanic populations in public housing communities, churches, schools, and grass roots organizations.	$ 2,296,758	$ 2,296,758
Youth Lead Prevention	Provides services to build on youth assets and helps to counter problems that effect adolescents.	$ 277,265	$ 277,265
Youth Mentoring	Provides services that allow youth to increase their resiliency skills, promote self-empowerment and enable them to cope with environmental stresses that may tempt them to use alcohol, tobacco, and other drugs or to become involved in violence, juvenile crime, and/or failure in school.	$ 1,687,834	$ 1,687,834
TOTAL CHILDREN AND YOUTH ENGAGE IN HEALTHY BEHAVIORS		**$ 399,428,821**	**$ 410,007,149**

YOUTH SUCCESSFUL TRANSITION INTO ADULTHOOD			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Adoption and Safe Family Program	Provides funding to community boards to support substance abuse services for families involved in the child welfare system.	$ 4,000,000	$ 4,000,000
Adult Assessment	Provides adults without a high school diploma the opportunity to achieve an equivalent General Education Development (GED) certificate through a national standardized test.	$ 1,944,360	$ 1,944,360
Adult Basic and Literacy Education (ABLE)	Provides free instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL) instruction and preparation for the General Educational Development (GED) test.	$ 27,095,124	$ 27,095,124
Adult Workforce Education	Teaches basic skills and improves the knowledge and skills provided by adult workforce education and training, through full-time and part-time adult career-technical training programs.	$ 26,097,566	$ 26,097,566
Career-Based Intervention Programs (CBIP)	Helps disadvantaged students overcome barriers to career and academic success. The program includes paid work experience or other work-based learning such as service learning and academic instruction for credit or remediation.	$ 24,999,044	$ 25,595,638
College Based Career-Technical Education	Extends a career path from the high school to the postsecondary level. Students enroll in a seamless career-technical program, also known as Tech Prep, that begins in high school and continues through an associate's degree in college and beyond.	$ 13,073,620	$ 13,073,621
College Readiness and Access	Supports programs designed to improve the ability of high school students to enroll and succeed in college.	$ 6,375,975	$ 7,655,425
DYS Institutions	Detains and rehabilitates felony offenders to lower recidivism and provides rehabilitation services.	$ 176,866,804	$ 184,293,409
DYS Parole Operations	Supervises juveniles released from correction facilities to fulfill parole requirements such as school attendance or community service.	$ 14,568,023	$ 15,177,125
Federal Juvenile Justice Grants	Administers grant programs for juvenile crime prevention, treatment, and rehabilitation to lower delinquency rates.	$ 7,421,186	$ 6,518,203
Foster Care – Educational Training Vouchers	Provides education and training vouchers to persons who have aged out of the foster care system.	$ 2,096,745	$ 2,096,745

YOUTH SUCCESSFUL TRANSITION INTO ADULTHOOD			
		PROPOSED INVESTMENT	
PROGRAM TITLE	PROGRAM DESCRIPTION	FY 2006	FY 2007
Foster Care – Independent Living	Supports independent living services for older children in the foster care system to help them successfully transition into adulthood and become self-sufficient.	$ 4,370,543	$ 4,516,169
Health Care	Provides managed care, care within institutional settings, and care within community settings.	Funding for this program is captured under Infants and Toddlers Thrive.	
Juvenile Court Subsidies	Funds court programs and services as an alternative to commitment to a state DYS institution.	$ 67,176,675	$ 67,633,628
K-12 Career Development	Helps students identify initial educational and career goals, and develop the skills necessary to make informed career and educational decisions throughout life. Skills are developed through classroom integration activities as well as career exploration experiences.	$ 1,453,925	$ 1,453,925
Secondary Workforce Development Programs	Provides a combination of academic and technical courses or experiences based on broad career fields, such as agriculture and environmental systems, business and administrative services, engineering and science technologies health science; information technology, law and public safety, and manufacturing technologies.	$ 248,745,298	$ 257,235,283
Social Security Block Grant (Title XX) program	Provides counseling, daycare, home-based health services, education, training, information and referral, recreational programs, and transportation services to children with MR/DD.	$ 250,688	$ 250,688
Suicide Prevention Coalitions	Addresses suicide prevention strategies based on local needs and available resources through community groups.	$ 180,000	$ 180,000
Work and Family Studies	Teaches knowledge and skills that foster adolescent transition into the adult roles of worker, family member, and community member. Students learn the core competencies of solving problems, making decisions, reflective thinking, managing resources, communicating effectively and developing leadership skills.	$ 30,023,699	$ 30,677,302
Workforce Development	Supports activities that strengthen the state's workforce through employment services and workforce development activities aimed at young adults.	$ 60,310,483	$ 60,310,493
TOTAL YOUTH SUCCESSFUL TRANSITION INTO ADULTHOOD		**$ 717,049,758**	**$ 735,804,704**

Medicaid

Introduction

The Medicaid program is a state and federal program that provides medical care for low-income and disabled Ohioans. In Ohio, the state share of the expenditures is approximately 41 percent of total expenditures; the federal government pays for the rest. The federal government also sets minimum eligibility and service levels. This federal control limits Ohio's options in managing the size and scope of the program.

In Ohio, one in four children and one in four seniors over the age of 85 receive services funded through the Medicaid program. Medicaid pays for 33% of all births in the state and covers 70% of all nursing facility care. The Medicaid eligible population continues to grow; in fiscal year 1999 there were just over one million recipients. This number will grow to more than 1.8 million during fiscal year 2007.

Medicaid is the largest single program in the state, accounting for nearly 40 percent of the state's General Revenue Fund (GRF) spending. Over the past five years, most state agencies have seen reductions in GRF appropriations, yet since fiscal year 2000, Medicaid GRF expenditures have increased 73.3%. In order to support services that are vital to Ohioans – such as primary and secondary education and higher education – Medicaid spending must be restrained.

The Need for Cost Containment

During the fiscal year 2004 – 2005 biennium, the administration implemented cost management initiatives that contained Medicaid expenditures by $339.1 million in fiscal year 2004 and will save a projected $523.9 million in fiscal year 2005. Since 2003, the Ohio Medicaid program has grown at approximately the same rate as private insurers. These growth rates are impressive given that Medicaid recipients are poorer and more medically fragile than those covered by private insurers. Despite these efforts to contain Medicaid spending, the program continues to grow at rates that cannot be sustained in future years without serious implications for other essential state services.

In fiscal year 2005, Ohio is projected to spend $10.5 billion on Medicaid services, $9.6 billion of which is supported by the GRF. The state produces Medicaid baseline projections based on trends in cost, utilization, and caseloads to estimate total program costs. The baseline projection shows that without cost containment initiatives all funds spending on Medicaid will reach $13 billion in fiscal year 2007. By comparison, all funds spending in fiscal year 2001 was $6.9 billion. This represents an increase of 87.3 percent from 2001 to 2007.

The baseline estimates are illustrated in the table below.

Baseline Estimates without Cost Management

	FY 05	FY 06	Change	FY 07	Change
Total ODJFS Medicaid Services	$10.6 billion	$11.9 billion	12.7%	$13.0 billion	9.3%
GRF (both federal and state shares)	$9.6 billion	$10.7 billion	11.4%	$11.7 billion	10.0%

The vast majority of Medicaid spending comes from caring for the aged, blind, and disabled (ABD) population, and the fastest growing sector of Ohio's population is seniors aged 60 or older. The most costly component of ABD spending covers nursing home care. Even after fiscal year 2004 – 2005 cost containment initiatives are taken into account, nursing home care expenditures will reach $2.7 billion in fiscal year 2005, which represents 25.7 percent of all Medicaid expenditures.

Currently Medicaid spending on nursing homes is governed by an out-of-date formula that is locked in Ohio law and is not driven by supply or demand. In fact, spending on nursing homes has risen by approximately 60 percent over the last eight years while the number of people served in nursing homes has **declined** by more than 4,100. The occupancy rate for Ohio nursing homes is 83 percent, which leaves approximately 12,000 empty beds, yet the formula partially subsidizes the cost of this excess capacity.

Budget Approach

The administration has approached the Medicaid budget with an eye on both immediate cost containment efforts and long-term, strategic reform. Several principles guided the identification of cost containment initiatives:

- Protect vulnerable populations, in particular children and senior citizens;
- Contain provider rates, while maintaining critical access to quality services;
- Seek cost containment in areas of the program with the highest costs; and
- Assure access to quality care for Ohio's most vulnerable citizens.

To control the rate of Medicaid growth the administration is implementing several strategies including: increased utilization of managed care, caps on spending for institutional care, and expansion of the preferred drug list with supplemental prescription rebates. Many of these steps are consistent with recommendations of the Ohio Commission to Reform Medicaid.

Health care coverage for children will not be directly impacted by the proposed changes.

Combined, these cost management initiatives reduce projected GRF spending (both federal and state shares) by $813.2 million in fiscal year 2006 and $1.5 billion in fiscal year 2007.

Provider Rates

The Executive Budget reduces the overall amount paid to nursing facilities by 3 percent in fiscal year 2006 compared to the amount paid in fiscal year 2005. While the Executive Budget includes an aggregate reduction in nursing facility expenditures, rates for individual nursing facilities may increase or decrease depending on existing efficiency measures associated with that particular facility. In fiscal year 2007, the budget will leave the payments frozen at the fiscal year 2006 levels.

To ensure proper funding for the needs of Ohio's Medicaid population, the administration proposes to remove the nursing home reimbursement formula from state statute. This outdated formula directs a disproportionate share of the state's resources to a service that fewer and fewer citizens want or need.

Additionally, the Executive Budget proposes to maintain inpatient hospital and intermediate care facilities for mentally retarded (ICF/MR) payments at their fiscal year 2005 levels. This would leave payments unchanged in both fiscal year 2006 and fiscal year 2007.

The administration will continue to focus on reducing the growth of prescription drug costs. During the fiscal year 2004 – 2005 biennium, Ohio aggressively implemented a preferred drug list (PDL). This initiative steered consumers and prescribing physicians to use medically viable and more cost effective drugs. The PDL also allowed the Medicaid program to maximize rebates from drug manufacturers. During fiscal years 2004 and 2005, the PDL reduced Medicaid's reliance on the GRF by over $1 billion. In the upcoming biennium the PDL is projected to reduce GRF needs by more than $1.3 billion. The Medicaid program continues to use generic drugs when financially and medically prudent. Currently, 50 percent of the prescriptions paid through the Medicaid program are for generic drugs.

In addition to the PDL strategy, reductions in prescription drug growth will be recognized through the price Medicaid pays for drugs. Currently, Ohio pays wholesale acquisition cost (WAC) plus 9 percent for trade name drugs. WAC is used as the pricing benchmark for prescription drugs. The Executive Budget will reduce this payment to WAC plus 7 percent.

Services

Reluctantly, the administration finds it necessary to reduce some optional services currently available through the Ohio Medicaid plan in order to achieve needed savings. These services are not federally mandated and were added to the Medicaid plan when the state could afford an expanded list of priorities.

The Executive Budget calls for the elimination of vision and dental coverage for adults. Vision and dental coverage for children will not be affected.

The Disability Medical Assistance program (DMA) serves non-Medicaid eligible individuals who are medication dependent and have an income of $115 or less per month. This program provided prescription drug, physician, clinic, dental, and durable medical equipment services. This population is not Medicaid eligible and as a result the state does not receive any federal reimbursement for the costs. The Executive Budget proposes to eliminate the DMA program

Eligibility

In June 1999, the legislature extended coverage to parents of Medicaid-eligible children who were earning up to 100 percent of the federal poverty level (FPL). The Executive Budget recommends lowering the eligibility threshold from 100 percent of the FPL to 90 percent of the FPL. This reduction will affect approximately 25,000 parents.

Consumer Liability

Pharmacy co-payments are standard practice in private health insurance plans. Currently, Ohio Medicaid requires all federally allowable Medicaid consumers to pay a $3 co-payment for drugs not included on the PDL. Federal law prohibits the state from requiring individuals residing in an institutional setting or who are pregnant to pay co-pays. The Executive Budget recommends expansion of existing co-payment requirements by requiring a $1 co-payment for generic drugs and $2 for trade name drugs listed on the PDL.

Strategic Investments

As previously stated, the Executive Budget provides responsible reform along with immediate cost containment initiatives. Proposed reforms are intended to:

- Deliver cost-effective and preventive care for low-income children and families;
- Provide cost-effective, non-institutional options for living and receiving health care for senior citizens; and
- Improve the information technology used to manage the Medicaid program.

Managed Care Expansion

The Executive Budget recommends that Ohio join the long list of states providing statewide, mandatory managed care for covered families and children (CFC). Managed care saves money compared to a fee for service model by providing proactive, preventive care. This health care model focuses on preventing illness and diseases instead of responding only after the patient becomes ill. The managed care expansion will transition over 190,000 new individuals to managed care in fiscal year 2006 and an additional 500,000 in fiscal year 2007. Once fully implemented, this initiative will provide improved health care services to over 1.2 million Ohioans.

The Executive Budget proposes to finance this expanded managed care plan through the implementation of an assessment fee on Medicaid managed care providers.

Ohio recognizes the important role of hospitals in Medicaid managed care expansion and has taken strong steps to address concerns of hospitals related to managed care plan solvency. In recent years the state has significantly strengthened the risk-based capital requirements and other financial standards for Medicaid managed care plans operating in the state.

Supporting Seniors – Ohio Access

The Executive Budget continues to fund the programs outlined in the Ohio Access Report. These initiatives pave the way to allow Ohio's needy citizens to receive access to quality services in a non-institutional setting.

The Taft Administration places great importance on protecting the elderly. One of the administration's goals is to provide the opportunity for the elderly to receive health care services in settings other than institutions. To this end, the Executive Budget provides for the expansion of both the PASSPORT and Choices waivers. These programs provide support services to seniors in their own homes who need help with activities of daily living and who would otherwise be forced to live in a nursing home. PASSPORT allows low-income seniors to be cared for at home.

Additionally, the Executive Budget proposes creating an Assisted Living Waiver. This waiver will provide services to seniors who are currently enrolled in either the PASSPORT or Choices waivers, but who would otherwise be forced to move into a nursing home because their need for services has increased. The Assisted Living Waiver will

also be available to individuals who would like to move from nursing facilities. This new waiver will provide services to 1,800 elderly Ohioans.

During the current biennium, the state initiated the Success Project, a pilot program to help people residing in a nursing home to transition back to living in a community setting. The Executive Budget provides funds to continue this program.

Information Technology Investment

Ohio Medicaid is the nation's sixth largest public health care program and provides health care service to over 2 million Ohioans; however, the main computer system used to manage the program and pay claims is over 20 years old, is expensive and difficult to maintain. It is essential that the state has the tools necessary to better manage the program, accurately pay claims, and have the flexibility to make cost saving administrative changes without reducing services to Medicaid recipients. Therefore, the Executive Budget provides the funds necessary to begin building a new Medicaid information management system. Ohio has been identified as an early adopter state by the federal government and is therefore eligible to receive 90 percent matching federal funds for this initiative.

Program Integrity

The Executive Budget recommends several changes to state law to provide improved collections of documented provider over payments, increase its authority to audit providers more than once, and terminate abandoned provider agreements. Combined these changes will allow the state to more effectively collect money owed to the state and maintain updated, accurate provider files.

Medicare Part D

One other significant change will take place in the coming biennium that will have a profound impact on the Medicaid budget. In 2003, the federal government enacted the Medicare Prescription Drug, Improvement and Modernization Act (MMA). The part of the MMA that affects Ohio is a change in how prescription drugs are funded for dual-eligible individuals, those who qualify for both Medicare and Medicaid. This part of the MMA is referred to as Medicare Part D. Currently, Ohio Medicaid pays for drugs for these individuals and receives federal reimbursement like most other Medicaid services. Ohio has negotiated significant rebates from drug manufactures for these prescription drug purchases. When Medicare Part D becomes effective in January 2006, Medicare will pay for these drugs directly and will charge the state a premium based on what it calculates as the state share of these costs. This payment from the state to Medicare is commonly referred to as the "clawback" payment.

The federal government is still working on many of the program's details and has until October 2005 to release all of the details relating to Medicare Part D. The administration estimates that the implementation of Medicare Part D will cost Ohio Medicaid $155.3 million in fiscal year 2006 and $340.0 million in fiscal year 2007.

The state will not receive federal reimbursement for its clawback payments nor will the state receive rebates for these drugs. In fiscal year 2007, these changes will increase the state's share for these drugs by $55.7 million.

Conclusion

The fiscal year 2006 – 2007 Medicaid policy initiatives proposed by the Taft Administration focus on restraining growth in every area of the program, including cost, utilization, and caseload. The Executive Budget seeks to broaden access to home and community-based services while providing fair and reasonable reimbursement rates for nursing home care.

The budget allocates $10.9 billion in fiscal year 2006 and $11.1 billion in fiscal year 2007 to provide health care coverage for over 1.3 million covered families and children and over 450,000 aged, blind, and disabled Ohio citizens.

Fee Increases

Overview

The Governor's fiscal year 2006-2007 Executive Budget recommendations reflect a number of proposals to increase fees for programs where recommended appropriations exceed revenues generated by current fees. These fee increases, in most cases, are needed to meet operating costs or to cover the cost of providing the service. Fee increase proposals are included for the following agencies:

- Department of Aging
- Board of Sanitarian Registration
- Department of Agriculture
- Department of Health
- Public Defenders Commission
- Department of Natural Resources
- Department of Public Safety
- Board of Regents
- Environmental Protection Agency

Activities that are generally of a regulatory nature or activities that deliver something of value (e.g., products, services) should be funded from revenues generated from those directly benefiting from the activity. As a policy, the fee imposed generally should be sufficient to generate the necessary revenues to perform the activity. When fees are insufficient to cover the costs of programs, taxpayers must absorb the cost. Additionally, certain fees may be imposed which generate revenues above and beyond the cost of the activity. Such additional revenues are often used to fund programs that have some relationship to the activity from which the revenues are generated. It is with this basic philosophy that the following fees are proposed:

Department of Aging

Proposal

The Department of Aging proposes several fees and penalties affecting nursing homes and residential care facilities. These include an assessment of a $100 fine for failure by long-term care facilities to complete a long-term care consumer guide survey. This will encourage participation by the long-term care facilities in completing the long-term care consumer guide survey. There also will be an assessment of a $300 fee on residential care facilities and a $400 fee on nursing facilities. These funds will be used to fund the long-term care guide. The long-term care guide will provide consumers of long-term care information to determine the best long-term care option.

The department also proposes an assessment of a $500 fine for denial of access to a long-term care ombudsman. This will serve as a deterrent for long-term care facilities preventing an ombudsman from protecting the rights of long-term care facility residents. In addition, an assessment of a late fee on the $6 bed fee currently charged to long-term care facilities is proposed. The late fee will double after 90 days.

Description	Current Fee	Proposed Fee
Fine for Failure to Complete Long-Term Care Consumer Guide Survey	$0	$100 per incidence
Residential Care Facility Assessment	$0	$300 per year
Nursing Home Assessment	$0	$400 per year
Fine for Denial of Access to Long-term Care Ombudsman	$0	$500 per incident
Late Fee on the $6 Bed Fee Currently Charged	$6 per bed	$12 per bed if 90 days past due

Environmental Protection Agency

Proposal

The Environmental Protection Agency (EPA) is proposing to assess $1.75 per ton on solid waste that is disposed of in Ohio landfills. The revenue generated from this environmental protection fee will support the operations of many EPA divisions and programs and will provide funding to implement new air pollution control mandates. By fiscal year 2007, the estimated revenue generated from the environmental protection fee eliminates EPA's reliance on the General Revenue Fund in its entirety. The revenue from the existing $2.00 per ton of solid waste tipping fee will continue to be used for the operations of EPA's programs within the Division of Solid and Infectious Waste as well as some hazardous waste programs. Related to the environmental protection fee, the Department of Natural Resources (DNR) proposes to assess a fee of $1.00 per ton of solid waste to support DNR's Division of Recycling and Litter Prevention which funds grants that are awarded to local solid waste districts and local government entities across the state as well as supporting marketing and research programs. This $1.00 assessment will replace corporate franchise tax dollars, the division's current funding source. With these new assessments, the average cost of waste disposal to landfills in Ohio is similar to that of other midwest states and could make Ohio seem less attractive for receiving out-of-state waste.

EPA also proposes to increase the 401 water quality certification fee to help defray the cost of regulating the dredging, filling, and relocating wetlands, lakes, and streams.

Description	Current Fee	Proposed Fee
Environmental Protection Fee	$2.00 per ton	$4.75 per ton (includes EPA portion and DNR portion)
401 Water Quality Certification Fee	Varies $15 to $200 per application	$200 for all applications $500 per acre renewal fee $10 per linear foot of stream impact fee

Department of Agriculture

Proposal

The Department of Agriculture is proposing a variety of new and increased fees in order to reduce their reliance on General Revenue Funds and to make programs more self-supporting. The fees range from increasing dairy processing industry fees to implementing a new fee for the weights and measures division on the licensing and certification of vehicle scales and large meters.

Description	Current Fee	Proposed Fee
Equine Infectious Anemia Testing Fee	$0	$5 per test – will be set by rule
Dairy Processing Industry Fee	Varies	Determined annually by Milk Sanitation Board – but will raise the amounts to generate the GRF reductions to this program.
Plant Industries Fees		
Fertilizer	12 cents per ton	25 cents per ton
Feed	10 cents per ton	25 cents per ton
Pesticide Product Registration Fee	$100 annual	$150 Annual
Amusement Ride Inspection	Varies	Varies but will be set at a level to generate sufficient revenue to replace prior GRF funding

Food Safety and Inspection – Doubles Most Fees		
Home Bakery	$10 for one Oven/$30 for two ovens	$20 for one Oven/$60 for two ovens
Commercial Bakery	$30 per 1,000 pounds of production per hour	$60 per 1,000 pounds of production per hour
Cannery	$100	$200
Soft Drink Bottler	$100	$200
Cold Storage Warehouse	$100	$200
Frozen Food	$25	$50
Syrup and Extract	$50	$100
Certificate of Health and Freesale	$0	$20 per certificate
Weights and Measures		
Vehicle Scales	$0	$250
Large Meters	$0	$250

Board of Regents

Proposal

The Board of Regents proposes a new fee for new degree program approval for proprietary schools.

Description	Current Fee	Proposed Fee
New Degree Program (Proprietary School)	$0	$1,000 for in-state schools/$2,000 for out-of-state schools

Department of Health

Proposal

The Department of Health proposes to implement new fees and a variety of fee increases. The fees and fee increases cover a range of activities from Hospice and Adult Care facility initial inspections to employee assistance programs and swimming pool inspections.

Description	Current Fee	Proposed Fee
Hospice Initial Inspection Fee	$0	$1,750
Adult Care Facility Initial Inspection Fee	$10 per bed	$20 per bed
Nursing Home Facility – Current Bed and Application Fee	$105 per 50 beds	$170 per 50 beds
X-Ray Inspection	varies	9 percent increase
Nurse Aide Training		
Initial Application	$200	$715
Re-approval Application	$200	$720
Train the Trainer Re-approval	$500	$825
Train the Trainer Application	$500	$825
Physicians with J-1 Visa – Placement Fee	$0	$3,571
Employee Assistance Program	$.60 per paycheck	$.75 per paycheck
Swimming Pool Inspection	$65 per inspection	$88 per inspection

Public Defender

Proposal

The Office of the Public Defender proposes one new fee and one increase to an existing fee. The new fee is an indigent application fee of $25; $20 of the fee will be retained by counties and the remaining $5 will be forwarded to the Office of the Public Defender to be used for the offices' operating costs. The second fee is a surcharge on the existing Ohio Legal Aid Filing fee. This fee is also expanded to include descendent estate filings. The revenue from this fee is passed through to the Ohio Legal Assistance Foundation who then provides grants to local legal aid societies.

Description	Current Fee	Proposed Fee
Indigent Application Fee	None	$25 per Application
Ohio Legal Aid Filing Fee – Legal Aid Filings	$15 per Filing	$25 per Filing
Ohio Legal Aid Filing Fee – Small Claims Filings	$7 per Filing	$10 per Filing

Public Safety

Proposal

The Department of Public Safety, along with the newly merged Office of Criminal Justice Services, proposes a surcharge on birth and death certificates and divorce/dissolution filing fees. This fee is proposed to replace General Revenue Fund funding previously used by Criminal Justice Services to provide subsidies to the 65 family violence shelters throughout the state. Public Safety is also proposing a fee for the issuance of driver trainer certificates and increases for private investigator and security guard licenses.

Description	Current Fee	Proposed Fee
Birth and Death Certificates	$15	$16.50
Divorce and Dissolution Filing Fees	$60	$65.50
Drivers Training Certificates	$0	$8 per certificate
Private Investigators/Security Guards		
License Fee	$250	$375
Annual Renewal Fee	$250	$275
Registration Fee	$18	$40
Application Fee	$10	$15
Re-qualification Certificate	$5	$15

Department of Natural Resources

Proposal

The Department of Natural Resources proposes one fee increase and three new fees to help support existing programs. The new fees are the Nuisance Wildlife Control Operators, a Ginseng gathering permit, and an All Terrain Vehicle (ATV) license reciprocity with other states. In addition, an increase to the ATV permits is proposed. In addition, a portion of the Environmental Protection Agency's proposed Environmental Protection Fee, will go to the Department of Natural Resources to be used to support the Litter and Recycling program. For further information on this fee, see the section on the Environmental Protection Agency and the Environmental Protection Fee.

Description	Current Fee	Proposed Fee
Nuisance Wildlife Control Operators	$0	$100
Ginseng Collecting Permit	$0	$75
ATV License Permit	$5	$15
ATV License Reciprocity	$0	$5

Board of Sanitarian Registration

Proposal

The Board of Sanitarian Registration proposes to increase application and renewal registration fees.

Description		Current Fee	Proposed Fee
Sanitarian Registration Fee			
	Application	Varies	7 percent increase
	Renewal	Varies	7 percent increase

Accrued Leave Fund

Role and Overview

The Accrued Leave Liability Fund Group is a budget presentation convention that deals with seven separate funds. These funds account for various transactions related to the benefits of state employees. The Central Accounting System code for the Accrued Leave Liability Fund Group is "PAY."

The six funds shown on the budget tables for "PAY" are appropriated to and administered by the Department of Administrative Services (DAS). They are shown here rather than in the DAS budget in order to highlight the role they play in the centralized payment and accounting of these benefits. The funds receive revenue from agency payroll accounts, or from eligible participants, when payrolls are processed. The amount received is based on payroll charges and payroll deductions. Disbursements are made from the health and life insurance funds to insurance providers, third-party administrators, and consultants, such as auditors and actuaries. Disbursements from the leave funds and spending accounts are made primarily to eligible employees. Disbursements from the Disability Leave Fund include payments to actuarial and medical consultants reviewing disability claims.

Executive Priorities for the Accrued Leave Fund

- Ensure that adequate revenues are collected via charges to agencies and/or employees.
- Ensure that all required payments are made to employees or vendors on a timely basis.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Accrued Leave Liability Fund Group	23,321	23,586	22,551	128,395	469.4	116,904	(8.9)	128,906	10.3
Agency Fund Group	183,386	365,022	358,534	379,962	6.0	497,665	31.0	572,207	15.0
TOTAL	**206,707**	**388,608**	**381,085**	**508,356**	**33.4**	**614,569**	**20.9**	**701,112**	**14.1**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	26	58	68	184	170.3	0	(100.0)	0	.0
Purchased Services	153	277	443	5,337	1,105.1	2,847	(46.7)	3,235	13.7
Maintenance	2	0	0	30	.0	0	(100.0)	0	.0
Transfer & Other	206,526	388,273	380,574	502,806	32.1	611,723	21.7	697,877	14.1
TOTAL	**206,707**	**388,608**	**381,085**	**508,356**	**33.4**	**614,569**	**20.9**	**701,112**	**14.1**

Accrued Leave Fund

PROGRAM SERIES 01: Health and Life Insurance Benefits

The Health and Life Insurance Benefits series consists of two programs that provide medical, dental, vision and life insurance coverage for current and former state employees.

Program 01.01: Health Benefits Fund

The State Employee Health Benefits Fund is used to pay the cost of the state's self-insured Ohio Med managed care health insurance program, the state's self-insured United Health Plan HMO, and the cost of dental and vision insurance for state employees not covered by the OCSEA benefits trust.

What the Budget Buys:

- Provides the transfer payments to pay for employees' health benefits, including medical, dental, and vision insurance. These include both the state and the employees' share of the expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	808	995-668	State Employee Health Benefit	480,879,258	550,922,742
TOTAL FOR PROGRAM				**480,879,258**	**550,922,742**

Program 01.02: Life Insurance Benefit Fund

The Life Insurance Investment Fund is used to pay the costs of the state's group life insurance benefit program for exempt employees.

What the Budget Buys:

- Provides the transfer payments to pay for employees' life insurance benefits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	810	995-670	Life Insurance Investment	1,943,789	2,031,381
TOTAL FOR PROGRAM				**1,943,789**	**2,031,381**

PROGRAM SERIES 02: Paid Leave Funds/Programs

The Paid Leave Funds/Programs series consists of three programs that provide for accrued leave, disability, and parental leave payments for eligible State of Ohio employees.

Program 02.01: Accrued Leave Fund

The Accrued Leave Liability Fund provides for the payment to employees, at termination from state service, of accrued employee vacation, sick, and personal leave. In addition, payments for certain amounts of unused sick and personal leave are made to active employees during an annual December conversion.

What the Budget Buys:

- Provides the transfer payments to pay for employees' accrued leave payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
ALF	806	995-666	Accrued Leave	68,846,630	77,950,372
TOTAL FOR PROGRAM				**68,846,630**	**77,950,372**

Accrued Leave Fund

Program 02.02: Disability Leave Fund

The State Employee Disability Leave Benefit Fund provides disability and income protection for non-job related disabilities to eligible state employees.

What the Budget Buys:

- Provides the transfer payments to pay for employees' disability leave payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
ALF	807	995-667	Disability Fund	48,057,723	50,955,496
TOTAL FOR PROGRAM				**48,057,723**	**50,955,496**

Program 02.03: Parental Leave Fund

The Parental Leave Benefit Fund is used to make payments to eligible employees using parental leave for the birth or adoption of children.

What the Budget Buys:

- Provides the transfer payments to pay for employees' parental leave payments where eligible employees receive a percentage of their pay for four weeks after an initial 14-day waiting period immediately following the birth or adoption of a child.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	811	995-671	Parental Leave Benefit	4,040,434	4,282,860
TOTAL FOR PROGRAM				**4,040,434**	**4,282,860**

PROGRAM SERIES 03: Health & Dependent Care Spending

The Health & Dependent Care Spending Accounts program series consists of two programs that provide for the deduction and subsequent repayment of health care benefits and dependent care benefits to eligible employees who select such benefits.

Program 03.01: Dependent Care Spending Account

The Dependent Care Spending Account Fund enables eligible employees to set aside pre-tax money for work-related dependent care expenses. Funds are deducted from employees' wages each pay period. Account holders can then withdraw their funds on a tax-free basis as often as every two weeks. A qualifying dependent may be any child under the age of 13; a disabled child of any age who requires care; a parent living in your home who needs care; or a disabled spouse who needs care.

What the Budget Buys:

- Provides the transfer payments to pay for employees' dependent care expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	809	995-669	Dependent Care Spending Acct	2,801,543	2,969,635
TOTAL FOR PROGRAM				**2,801,543**	**2,969,635**

Accrued Leave Fund

Program 03.02: Health Care Spending Account

The Health Care Spending Account Fund enables eligible employees to set aside pre-tax money for out-of-pocket health care expenses. Funds are deducted from employees' wages each pay period. Account holders can then withdraw their funds on a tax-free basis as covered expenses are incurred. The program was initiated in January 2005.

What the Budget Buys:

- Provides the transfer payments to pay for employees' health care spending expenses, which in calendar year 2005, participating employees may have up to $500 deducted from wages and up to $1,000 in calendar year 2006. The amounts of reimbursement are equivalent to the elected deductions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	813	995-672	Health Care Spending Account	8,000,000	12,000,000
TOTAL FOR PROGRAM				**8,000,000**	**12,000,000**

LINE ITEM SUMMARY - Accrued Leave Liability

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
806	995-666	Accrued Leave	22,957,139	22,003,209	21,439,499	78,296,200	68,846,630	(12.1)	77,950,372	13.2
807	995-667	Disability Fund	364,067	1,583,202	1,111,349	50,098,308	48,057,723	(4.1)	50,955,496	6.0
TOTAL Accrued Leave Liability Fund Grp			**23,321,206**	**23,586,411**	**22,550,848**	**128,394,508**	**116,904,353**	**(8.9)**	**128,905,868**	**10.3**
808	995-668	State Employee Health Benefit	178,702,697	360,520,100	353,668,187	371,450,611	480,879,258	29.5	550,922,742	14.6
809	995-669	Dependent Care Spending Acct	2,415,635	2,506,018	2,769,729	2,706,805	2,801,543	3.5	2,969,635	6.0
810	995-670	Life Insurance Investment	1,817,877	1,824,248	1,851,438	1,992,489	1,943,789	(2.4)	2,031,381	4.5
811	995-671	Parental Leave Benefit	449,309	171,544	244,730	3,811,731	4,040,434	6.0	4,282,860	6.0
813	995-672	Health Care Savings Account	0	0	0	0	8,000,000	.0	12,000,000	50.0
TOTAL Agency Fund Group			**183,385,518**	**365,021,910**	**358,534,084**	**379,961,636**	**497,665,024**	**31.0**	**572,206,618**	**15.0**
TOTAL Accrued Leave Liability			**206,706,724**	**388,608,321**	**381,084,932**	**508,356,144**	**614,569,377**	**20.9**	**701,112,486**	**14.1**

Adjutant General

Role and Overview

The Adjutant General's Department (ADJ) provides organized military capability in response to public disturbances, natural disasters, or homeland security initiatives. The ADJ also assists law enforcement and state, federal, and community resource agencies to protect the lives and property of Ohio's citizens. The Adjutant General is the custodian of all military property owned by the state or issued to the state by the federal government for military and emergency use. The Adjutant General provides administration, oversight, and command-control of the Ohio Army and Air National Guard, the organized military of Ohio (Ohio Military Reserve and Ohio Naval Militia) and the Selective Service System. The ADJ ensures this force is configured to respond to Ohio's needs as well as maintain the ability to respond, in concert with the nation's standing component military, in roles such as war-fighting, peacekeeping, humanitarian support, and nation building in furtherance of national defense strategies.

The Adjutant General is appointed by the Governor and is a member of the Governor's cabinet. The agency has approximately 370 employees with an annual budget of approximately $35 million. The department receives about 66 percent of its funds from the federal government to support federal training requirements, including pay, facilities operation and maintenance, and equipment operation and maintenance. In addition to the annual budget administered by the Adjutant General, the Ohio Army and Air National Guard receives direct federal funds for training, equipment, and operations. During federal fiscal year 2004, the direct federal funding provided to the Ohio National Guard exceeded $324 million. Additional information about the Adjutant General is available at http://www.ohionationalguard.com/.

Capability of the Ohio National Guard is largely defined by three objectives:

1. Provide command-control of Ohio's organized militia to protect lives and property in Ohio as directed by the Governor.
2. Recruit and sustain a trained, equipped military force ready to respond to national security initiatives in concert with the standing active military.
3. Establish and maintain facilities capable of supporting Ohio's military force in a trained and ready state.

Executive Priorities for the Adjutant General

- Provide an organized, trained, and equipped military force to respond to emergencies, serve in homeland security efforts statewide, and maintain ready ability to respond in concert with the nation's military component in support of this nation's Global War on Terrorism.
- Maintain the National Guard Scholarship Program within the Ohio Board of Regents' budget as a critical mechanism for Ohio to meet 100 percent military strength levels as well as to enhance Ohio's citizen base through higher education.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	9,987	10,057	10,098	10,044	(.5)	10,044	.0	10,044	.0
General Services Fund Group	1,768	2,158	1,568	2,349	49.8	1,849	(21.3)	1,849	.0
Fed Special Revenue Fund Group	17,407	18,870	22,674	25,856	14.0	23,311	(9.8)	23,311	.0
State Special Revenue Fund Group	9	316	880	1,490	69.3	216	(85.5)	220	2.0
TOTAL	**29,172**	**31,400**	**35,220**	**39,739**	**12.8**	**35,420**	**(10.9)**	**35,425**	**.0**

Adjutant General

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	17,095	17,869	18,324	21,420	16.9	20,521	(4.2)	20,521	.0
Purchased Services	562	1,479	1,209	214	(82.3)	892	316.7	892	.0
Maintenance	11,075	11,621	12,708	11,662	(8.2)	13,505	15.8	13,509	.0
Equipment	251	331	232	428	84.8	274	(36.0)	274	.0
Subsidy	101	99	151	1,603	961.9	128	(92.0)	128	.0
Goods For Resale	0	0	0	0	.0	0	.0	0	.0
Capital Improvements	0	0	2,524	4,021	59.3	0	(100.0)	0	.0
Transfer & Other	88	1	72	392	443.6	101	(74.2)	101	.0
TOTAL	**29,172**	**31,400**	**35,220**	**39,739**	**12.8**	**35,420**	**(10.9)**	**35,425**	**.0**

PROGRAM SERIES 01: Ohio Army National Guard

This program series provides organized, trained, and equipped military force structures to serve the vital interests of the communities, state, and nation. The Ohio Army National Guard participates in and promotes programs that add value to Ohio's communities; protects life and property; and preserves peace, order, and public safety.

Program 01.01: Army National Guard Support

This program provides support to the 62 armories statewide that serve over 10,400 Army Guard members.

What the Budget Buys:

- Operates and maintains Ohio's armories, mostly through federal funding; and
- Supports 77 facility management and maintenance personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	745-409	Central Administration	511,415	511,415
GRF	GRF	745-499	Army National Guard	3,769,215	3,769,215
GRF	GRF	745-502	Ohio National Guard Unit Fund	65,000	65,000
GSF	534	745-612	Armory Improvements	279,000	279,000
GSF	537	745-604	Ohio National Guard Facility Maintenance	100,000	100,000
FED	342	745-616	Army National Guard Agreement	8,101,892	8,101,892
SSR	5U8	745-613	Community Match Armories	90,000	91,800
TOTAL FOR PROGRAM				**12,916,522**	**12,918,322**

PROGRAM SERIES 02: Ohio Air National Guard

This program series provides Air National Guard force structures that are organized, equipped, and trained to preserve peace, order, and public safety by responding to the call of the Governor in times of state emergency and providing for the nation's defense by supporting U.S. national security.

Program 02.01: Air National Guard Support

This program provides support for four Air Wings and seven subordinate Air Guard units with over 4,850 members.

What the Budget Buys:

- Operates and maintains four flying wings and three geographically separated units; and
- Supports staff of 61 maintenance personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	745-404	Air National Guard	1,780,089	1,780,089
GRF	GRF	745-502	Ohio National Guard Unit Fund	37,973	37,973
FED	3E8	745-628	Air National Guard Agreement	5,783,405	5,783,405
TOTAL FOR PROGRAM				**7,601,467**	**7,601,467**

Program 02.02: Firefighters And Security Guards

This program, under the federal Cooperative Agreement, provides fire protection and suppression services, and security protection services to four Air Wings.

What the Budget Buys:

- Uses federal funds to provide fire protection and security to four air wings; and
- Supports staff of 141 firefighters and security guards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3E8	745-628	Air National Guard Agreement	6,292,726	6,292,726
FED	341	745-615	Air National Guard Base Security	2,424,740	2,424,740
TOTAL FOR PROGRAM				**8,717,466**	**8,717,466**

Adjutant General

PROGRAM SERIES 03: Central Administration

This program series provides oversight, executive management, state response coordination, and internal support (human resources; contract, budget and fiscal support, public relations, and scholarship program activities) to the Ohio Army and Air National Guard and Adjutant General's Department functions.

Program 03.01: Executive/Administrative

This program provides executive and administrative support services to the Ohio Army and Air National Guard program and department. Services include executive staff, public relations, human resources, finance operations, purchasing and contracting operations, tuition grant scholarship coordination, and administrative and facility support services.

What the Budget Buys:

- Provides administrative and technological support to Army National Guard and Air National Guard;
- Provides coordination support with Board of Regents for the Ohio National Guard Scholarship program; and
- Maintains current staffing level at 49 administrative positions, including (but not limited to) executive staff, public relations, human resources, and finance and purchasing operations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	745-404	Air National Guard	159,673	159,673
GRF	GRF	745-409	Central Administration	2,941,473	2,941,473
GRF	GRF	745-499	Army National Guard	317,007	317,007
GSF	534	745-612	Armory Improvements	55,304	55,304
GSF	537	745-604	Ohio National Guard Facility Maintenance	44,826	44,826
FED	3E8	745-628	Air National Guard Agreement	98,629	98,629
FED	342	745-616	Army National Guard Agreement	111,094	111,094
TOTAL FOR PROGRAM				**3,728,006**	**3,728,006**

Program 03.02: Revenue Operations

This program provides various services for use by the military, guard members, and general public that generate revenue, especially overnight and events rentals.

What the Budget Buys:

- Operates the Camp Perry complex, a complex that contains a federal training site, a variety of firing ranges, rental facilities, and a small convention center;
- Maintains the Buckeye Inn complex, a complex that provides overnight accommodation for military personnel; and
- Supports 29 personnel to maintain facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	745-409	Central Administration	446,702	446,702
GSF	534	745-612	Armory Improvements	200,000	200,000
GSF	536	745-620	Camp Perry/Buckeye Inn Operations	1,094,970	1,094,970
GSF	537	745-604	Ohio National Guard Facility Maintenance	75,000	75,000
FED	3R8	745-603	Counter Drug Operations	25,000	25,000
FED	342	745-616	Army National Guard Agreement	473,907	473,907
SSR	528	745-605	Marksmanship Activities	126,078	128,600
TOTAL FOR PROGRAM				**2,441,657**	**2,444,179**

Adjutant General

Program 03.03: Militia

This program provides on a cadre or reserve basis, military forces capable of being expanded and trained to defend the state or provide emergency response whenever the Ohio National Guard is ordered into federal service or is otherwise unavailable, leaving the state without adequate defense or emergency response capabilities.

What the Budget Buys:

- Provides meals during Camp Perry annual training, as well as Ohio Military Reserve Academy training.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	745-401	Ohio Military Reserve	15,188	15,188
TOTAL FOR PROGRAM				**15,188**	**15,188**

LINE ITEM SUMMARY - Adjutant General

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	745-401	Ohio Military Reserve	22,294	10,142	19,340	15,188	15,188	.0	15,188	.0
GRF	745-403	Armory Deferred Maintenance	200,143	0	0	0	0	.0	0	.0
GRF	745-404	Air National Guard	1,857,551	1,885,328	1,893,494	1,939,761	1,939,762	.0	1,939,762	.0
GRF	745-409	Central Administration	3,939,730	4,203,119	4,149,248	3,899,591	3,899,590	.0	3,899,590	.0
GRF	745-499	Army National Guard	3,866,297	3,859,071	3,934,556	4,086,222	4,086,222	.0	4,086,222	.0
GRF	745-502	Ohio National Guard Unit Fund	101,350	99,000	100,953	102,973	102,973	.0	102,973	.0
TOTAL General Revenue Fund			**9,987,365**	**10,056,660**	**10,097,591**	**10,043,735**	**10,043,735**	**.0**	**10,043,735**	**.0**
534	745-612	Armory Improvements	321,058	697,970	276,883	1,034,304	534,304	(48.3)	534,304	.0
536	745-620	Camp Perry/Buckeye Inn Operations	1,076,986	1,075,860	1,094,056	1,094,971	1,094,970	.0	1,094,970	.0
537	745-604	Ohio National Guard Facility Maint	370,401	384,306	197,501	219,826	219,826	.0	219,826	.0
TOTAL General Services Fund Group			**1,768,445**	**2,158,136**	**1,568,440**	**2,349,101**	**1,849,100**	**(21.3)**	**1,849,100**	**.0**
3E8	CAP-067	Buckeye Inn Renovation/Federal	0	0	0	1,156,401	0	(100.0)	0	.0
3E8	745-628	Air National Guard Agreement	11,022,036	11,488,007	11,437,109	12,174,760	12,174,760	.0	12,174,760	.0
3R8	745-603	Counter Drug Operations	20,163	8,474	8,972	25,000	25,000	.0	25,000	.0
3S0	745-602	Higher Ground Character Education	4,639	28,871	0	0	0	.0	0	.0
341	745-615	Air National Guard Base Security	1,445,341	1,162,804	1,967,429	2,312,877	2,424,740	4.8	2,424,740	.0
342	CAP-065	Armory Construction/Federal	0	0	1,970,039	1,500,246	0	(100.0)	0	.0
342	745-616	Army National Guard Agreement	4,915,053	6,181,594	7,290,316	8,686,893	8,686,893	.0	8,686,893	.0
TOTAL Fed Special Revenue Fund Group			**17,407,232**	**18,869,750**	**22,673,865**	**25,856,177**	**23,311,393**	**(9.8)**	**23,311,393**	**.0**
5U8	CAP-066	Armory Construction/Local	0	0	554,037	1,363,973	0	(100.0)	0	.0
5U8	745-613	Community Match Armories	0	163,898	202,647	0	90,000	.0	91,800	2.0
528	745-605	Marksmanship Activities	8,939	151,711	123,506	126,079	126,078	.0	128,600	2.0
TOTAL State Special Revenue Fund Group			**8,939**	**315,609**	**880,190**	**1,490,052**	**216,078**	**(85.5)**	**220,400**	**2.0**
TOTAL Adjutant General			**29,171,981**	**31,400,155**	**35,220,086**	**39,739,065**	**35,420,306**	**(10.9)**	**35,424,628**	**.0**

Department of Administrative Services

Role and Overview

The Department of Administrative Services (DAS) was established in 1974 by consolidating specialized support services required to operate a state government into a single agency. The department's 841 employees assist customer agencies in the recruitment, selection, and retention of state employees; the administration, design, construction, and renovation of state-owned buildings; the procurement of goods and services; the management of state property; the coordination and promotion of equal access to state employment and contracting opportunities; the coordination of the state's information technology and telecommunications services; and the negotiation and interpretation of the state's collective bargaining contracts.

DAS plays an integral role in lowering the cost of running state government by providing enterprise-wide business services. We manage more than 30 program areas that serve our Ohio government customers, who in turn directly serve the interests of Ohio citizens. To provide these services, DAS is organized into six operating divisions: Equal Opportunity Division, General Services Division, Human Resources Division, Office of Collective Bargaining, and the Office of Information Technology (OIT) which includes the Service Delivery Division and the Investment and Governance Division. There also is a division that provides administrative support. The director of Administrative Services and the chief information officer are members of the Governor's cabinet. The Governor appoints the director of Administrative Services.

Executive Priorities for the Department of Administrative Services

- Provide centralized services to all state agencies to take advantage of both economies of scale and specialized expertise to ensure that the efficient use of resources is maintained and duplication of effort is avoided.
- Provide integrated business systems and services that enable state agencies to operate efficiently and effectively and maintain focus on their core missions.
- Provide an integrated human resources system that enables state agencies to operate efficiently and effectively.
- Create and implement an exemplary procurement system that meets or exceeds state agencies needs.
- Improve stewardship of state property and equipment through an effective asset management system that meets or exceeds the state's needs.
- Leverage Ohio's investment in information technology by through the implementation of statewide governance in collaboration with state agencies.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	144,540	142,393	128,899	143,114	11.0	160,848	12.4	161,362	.3
General Services Fund Group	163,362	154,367	162,944	216,321	32.8	216,357	.0	215,566	(.4)
Fed Special Revenue Fund Group	18	0	24	766	3,138	82	(89.3)	82	.0
Agency Fund Group	1,898,291	1,997,225	1,968,903	2,050,000	4.1	2,050,000	.0	2,050,000	.0
Holding Acct Redist Fund Group	6	3	6	20	214.0	20	.0	20	.0
TOTAL	**2,206,218**	**2,293,989**	**2,260,776**	**2,410,222**	**6.6**	**2,427,307**	**.7**	**2,427,030**	**.0**

Department of Administrative Services

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	73,462	74,586	67,481	76,399	13.2	83,471	9.3	86,543	3.7
Purchased Services	19,082	13,986	15,757	30,915	96.2	27,723	(10.3)	24,282	(12.4)
Maintenance	101,690	88,798	96,007	115,660	20.5	109,728	(5.1)	109,509	(.2)
Equipment	9,281	6,514	5,484	16,622	203.1	16,558	(.4)	16,499	(.4)
Subsidy	95	25	54	392	627.9	580	48.0	580	.0
Goods For Resale	9,167	8,596	5,706	4,963	(13.0)	5,808	17.0	5,789	(.3)
Capital Improvements	963	253	182	42	(76.7)	50	18.2	50	.0
Transfer & Other	1,992,476	2,101,230	2,070,105	2,165,230	4.6	2,183,389	.8	2,183,779	.0
TOTAL	**2,206,218**	**2,293,989**	**2,260,776**	**2,410,222**	**6.6**	**2,427,307**	**.7**	**2,427,030**	**.0**

PROGRAM SERIES 01: State Architect

The state architect program series consists of three programs that provide architectural, engineering, construction management services, and project oversight for public improvement projects.

Program 01.01: Capital Project Management Services

This program assists agencies with the competitive selection of associate architects, engineers, and construction managers and negotiates contracts and amendments for their services. Responsibilities include preparing bid announcements, administering bid openings, conducting field observations, assisting customers in the application of contract provisions, recommending payments for contractors and associates, participating in dispute resolutions, and collecting payroll data related to prevailing wage regulations. All state agencies, with the exception of the Departments of Transportation, Natural Resources, and certain commissions are subject to DAS oversight.

What the Budget Buys:

- Provides for the proper management of capital facility development for a large portion of the State's capital projects and maintains procedures and policies for effective project management for the design and construction of the state's capital projects;
- Maintains the master contractual requirements for design and construction contracts used in the development of state facilities;
- Provides guidance and support in the competitive selection and bidding process; and
- Promotes claims avoidance and alternative dispute resolution practices on capital projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GSF	117	100-644	General Services Division-Operating	339,102	337,199
GSF	131	100-639	State Architect's Office	6,468,685	6,529,687
090	R08	100-646	General Services Refunds	20,000	20,000
TOTAL FOR PROGRAM				**6,827,787**	**6,886,886**

Program 01.02: Space Planning And Interior Design

This program provides space-planning services to tenants of DAS and Ohio Building Authority (OBA) managed buildings and in commercially leased space. Services include maintenance of a space density database, performance plans that are reviewed for code compliance, and occupancy plans that calculate square footages in DAS and OBA buildings. Tenant agencies use these services for space analysis and programming, the survey of existing spaces, building stacking proposals, office space planning and design concepts, performance plans, interior signage in DAS buildings, review of modular furniture specifications, and furniture and finish options.

What the Budget Buys:

- Provides direct space-planning services to tenants of DAS buildings located in Columbus (includes the North High Complex, Education Department Building, and DAS's General Services Building), OBA buildings (includes the James A. Rhodes State Ohio Tower – Columbus, the Vern Riffe Center for Government & the Arts – Columbus, the Frank J. Lausche State Office Building – Cleveland, Michael V. DiSalle Government Center – Toledo, and the Oliver R. Ocasek Government Center – Akron), and those in commercially leased space; and
- Supports the development of stacking plans, space and occupancy surveys, and maintenance of a space density database to ensure effective usage of facility space.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	589,000	523,000
GSF	117	100-644	General Services Division-Operating	31,810	40,043
GSF	131	100-639	State Architect's Office	78,579	80,467
TOTAL FOR PROGRAM				**699,389**	**643,510**

Program 01.03: Energy Services

This program facilitates the cost-effective, efficient use of energy resources in state government operations and facilities through the use of performance-based contracts and capital improvement funds. DAS assists agencies with the integration of energy efficient measures in the design, construction, renovation, and use of state-owned, -assisted, or -leased facilities.

What the Budget Buys:

- Encourages cost savings through assistance to agencies in reducing utility bills through the use of energy conservation measures, often through the use of performance contracts where the contractor is paid out of the actual energy savings generated by the project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	100,000	100,000
GSF	117	100-644	General Services Division-Operating	25,031	25,022
GSF	131	100-639	State Architect's Office	430,010	437,273
TOTAL FOR PROGRAM				**555,041**	**562,295**

PROGRAM SERIES 02: Procurement Services

The procurement services program series consists of three programs that provide centralized procurement of supplies and services used in the daily operations of most state agencies, with the exception of data and telecommunication products and services.

Program 02.01: State Purchasing

This program provides term contracts and schedules to state agencies, state colleges and universities, and to political subdivisions. In fiscal year 2004, state agencies purchased approximately $285 million in goods and services from State Purchasing contracts. Responsibilities include vendor registration, development and distribution of bid solicitation documents, evaluation of bid responses, preparation of contract documents, monitoring activity against contracts, and assisting agencies and vendors in resolving contract compliance issues.

What the Budget Buys:

- Provides for the centralized competitive bidding for supplies and services for state agencies. Approximately $300 million or 15 percent of the state's $2 billion worth of purchased supplies and services are competitively bid by State Purchasing.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-421	OAKS Project Implementation	239,392	202,815
GRF	GRF	130-321	State Agency Support Services	213,318	217,078
GSF	117	100-644	General Services Division-Operating	2,960,534	3,065,638
TOTAL FOR PROGRAM				**3,413,244**	**3,485,531**

Program 02.02: Cooperative Purchasing

The Cooperative Purchasing program prepares procurement contracts used by local governments, school districts, and universities to meet their purchasing needs. Cooperative purchasing provides the contracting expertise of the state that may not be readily available to other public entities and helps realize savings through volume purchases. Some examples of items available through cooperative purchasing are: fire engines, fire fighting equipment, school and library furniture, law enforcement equipment, and underground pipe systems.

What the Budget Buys:

- Allows over 1,700 Ohio counties, townships, municipalities, school districts, public libraries, regional transit authorities, park districts, and other authorities to buy supplies and services through state government contracts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	255,424	263,710
TOTAL FOR PROGRAM				**255,424**	**263,710**

Program 02.03: Competitive Sealed Proposals

The Competitive Sealed Proposal program procures services that are not conducive to traditional bidding on behalf of state agencies, for example, building maintenance services. This procurement method employs the issuance of Request for Proposals (RFP) for the solicitation of Competitive Sealed Proposals which are evaluated on the basis of factors that include but are not limited to price.

What the Budget Buys:

- Provides for an alternative competitive selection process when the competitive sealed bid process is not possible or advantageous to the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	1,046,396	1,305,060
TOTAL FOR PROGRAM				**1,046,396**	**1,305,060**

PROGRAM SERIES 03: Document Management

This program series consists of five programs that allow agencies to copy, print, distribute, store, and retrieve written information.

Program 03.01: Printing – Document Reproduction

This program operates a network of copy centers that provide a wide range of printing services for state agencies, boards, and commissions.

What the Budget Buys:

- Operates a network of one main and six satellite copy centers that provide copying and printing services to state agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	184,457	184,961
GSF	210	100-612	State Printing	4,649,755	4,615,062
TOTAL FOR PROGRAM				**4,834,212**	**4,800,023**

Program 03.02: Printing -- Commercial Printing

This program procures printing services on a contract basis from commercial printers on behalf of state agencies when it is not cost effective for DAS to provide such services through its own copy centers. The program staff is responsible for managing printing projects from the design through procurement and manufacturing. For each printing project, program staff determines which contract mechanism, term contracts, one time bids, or direct purchase quotes will secure the best product at the best cost.

What the Budget Buys:

- Procures printed products for Ohio's state agencies. Printed products include multi-part forms, continuous forms, books, pamphlets, letterheads, envelopes, newsletters, maps, promotional items, and magazines; and
- Purchases services and products related to the production of printing such as typesetting and color separations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	95,332	95,582
GSF	210	100-612	State Printing	1,273,701	1,308,163
TOTAL FOR PROGRAM				**1,369,033**	**1,403,745**

Program 03.03: Records Management

Responsibilities include the establishment of standards, review of disposal requests, and establishment of general schedules for retention of the records of all state agencies. Records Management develops policies and procedures to manage the retention and disposal of records, both paper and electronic.

What the Budget Buys:

- Establishes consistent records management standards to be employed by state agencies; and
- Reviews disposal requests and the development of records retention schedules for all state agencies for paper and electronic documents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	101,230	103,624
GSF	117	100-644	General Services Division-Operating	8,513	8,534
GSF	210	100-612	State Printing	7,965	8,196
TOTAL FOR PROGRAM				**117,708**	**120,354**

Program 03.04: State Mail Services

This program provides inter-departmental mail delivery, metering, pre-sort services, and flat sorting services to state agencies. State Mail Services also serves as the front-line mail security for tenants in the Riffe Center and Rhodes Tower.

What the Budget Buys:

- Funds the processing of 35 million pieces of presort mail and provides mail metering services to customer agencies with ninety-seven (97) separate accounts utilizing the program, saving an estimated $300,000 annually in postage costs with total savings for all state mail programs greater than $4 million a year; and
- Supports inter-office mail delivery between agencies; and
- Ensures security of statewide mail operations through the use of federally mandated equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	732,350	751,350
GSF	117	100-644	General Services Division-Operating	55,689	55,815
GSF	122	100-637	Fleet Management	99,474	100,160
GSF	201	100-653	General Services Resale Merchandise	1,553,000	1,553,000
TOTAL FOR PROGRAM				**2,440,513**	**2,460,325**

PROGRAM SERIES 04: Fleet Management

The fleet management program series consists of two programs that support the state's motor vehicle fleet management functions and provides guidance on vehicle purchases, assignment, usage, maintenance, operation, and disposal.

Program 04.01: Statewide Fleet Services

Statewide Fleet Services provides customer agencies with an online fleet management information system named FleetOhio that provides vehicle management reports and vehicle inventory data for the state. Fleet Services also performs a technical review process on all customer requests for the purchase or lease of motor vehicles; develops policies, procedures, and provides oversight; and arranges for fleet fuel cards accepted by major oil companies.

What the Budget Buys:

- Provides vehicle management reports and inventory review to assist DAS and user agencies with the development of agency-specific fleet plans including maintenance management; and
- Continues the central administration of the state's Voyager Fleet Card Payment program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	53,276	51,878
GSF	122	100-637	Fleet Management	806,184	826,855
TOTAL FOR PROGRAM				**859,460**	**878,733**

Program 04.02: Vehicle Lease And Rental Services

This program maintains a supply of vehicles available for state agency use through long-term leases or short-term rentals.

What the Budget Buys:

- Provides 58 customer agencies with vehicles available for long-term (lease) or short-term (rent) and provides for the maintenance and replacement of these vehicles.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	18,947	19,629
GSF	122	100-637	Fleet Management	3,119,385	3,105,953
TOTAL FOR PROGRAM				**3,138,332**	**3,125,582**

PROGRAM SERIES 05: Risk Management

The risk management program series consists of two programs that coordinate insurance coverage to protect the state's assets from major loss and to ensure agencies against losses that would adversely impact their financial stability. This is accomplished through a combination of self-funding and insurance agreements.

Program 05.01: Vehicle Liability Services

This program administers the state's self-insured vehicle liability program, which covers a wide variety of vehicles, including emergency units. The program provides vehicle liability insurance for state agencies and acts as a liaison between agencies and private firms to enable agencies to reduce the cost of processing claims against vehicles.

What the Budget Buys:

- Provides vehicle liability insurance for 17,900 vehicles from fifty-one state agencies and acts as a liaison between agencies and private firms to reduce the cost of processing claims against vehicles; and
- Recovers payments from at-fault parties or their insurance carrier when vehicles are damaged.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	35,517	35,619
GSF	127	100-627	Vehicle Liability Insurance	3,344,644	3,344,644
TOTAL FOR PROGRAM				**3,380,161**	**3,380,263**

Program 05.02: Property, Casualty, and Bonding Services

This program procures property and casualty insurance coverage through private insurers on behalf of state agencies. Insurance policies also are procured and carried for fidelity bonds and other miscellaneous product lines.

What the Budget Buys:

- Provides state agencies with professional risk management services through the provision of property and casualty insurance from private vendors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	21,785	22,001
GSF	130	100-606	Risk Management Reserve	223,904	223,904
TOTAL FOR PROGRAM				**245,689**	**245,905**

PROGRAM SERIES 06: Property/Facilities Management

The property/facilities management program series consists of six programs that support the activities of state government by providing accommodations for state agencies' space needs and building management services.

Program 06.01: State and Federal Surplus

This program receives excess property from state agencies and offers it to eligible recipients for sale. Through this program, excess (beyond the needs of the state agency owner) and surplus (beyond the needs of any state agency) state property is reused or disposed. Surplus property is generally sold by public auction.

What the Budget Buys:

- Disposes of surplus property through the sale either to other state agencies or other governmental entities and private entities; and
- Provides for auctioneer services and Internet marketing of the surplus material.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	63,202	63,368
GSF	132	100-631	DAS Building Management	31,995	32,796
GSF	427	100-602	Investment Recovery	4,879,734	4,971,608
TOTAL FOR PROGRAM				**4,974,931**	**5,067,772**

Program 06.02: Real Estate Services

This program supports most state agencies in real estate matters throughout the 88 counties. Included in these services are leasing of commercial facilities for state agency use; state property appraisal review; preparation and processing of easements involving state property; and the purchase and sale of real estate for the state.

What the Budget Buys:

- Administers real estate services provided to state agencies, universities, and colleges. Services include real estate appraisal review, commercial leasing, easements, the purchase and sale of real estate, and the resolution of issues related to land and building management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	429,920	439,526
GSF	117	100-644	General Services Division-Operating	890,091	921,690
GSF	132	100-631	DAS Building Management	82,068	84,122
TOTAL FOR PROGRAM				**1,402,079**	**1,445,338**

Program 06.03: Safety and Security Services

This program provides security officers and electronic monitoring at the following state-owned buildings: 25 South Front Street (Ohio Department of Education), 246 North High Street and 35 East Chestnut Street (predominantly the Department of Health), 4200 Surface Road (DAS General Services Division), the State of Ohio Computer Center (SOCC); and commercially leased space occupied by the Environmental Protection Agency, Ohio Network Print Services, and Department of Health Vital Statistics.

What the Budget Buys:

- Provides safety and security services in five state-owned agency facilities in Columbus through the use of both DAS staff and contracted services based on cost-effectiveness.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	91,634	91,871
GSF	132	100-631	DAS Building Management	1,127,529	1,165,219
TOTAL FOR PROGRAM				**1,219,163**	**1,257,090**

Program 06.04: Facilities Management

This program provides centralized building operations and maintenance services for DAS-owned and -managed buildings.

What the Budget Buys:

- Provides centralized building operations and maintenance services for DAS owned and managed buildings. Services provided include: custodial, preventive maintenance, HVAC operations, maintenance and repairs, major remodeling and renovations, snow removal and landscaping. These services are provided by both DAS staff and contracted services based on cost-effectiveness.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-734	Major Maintenance - State Buildings	50,000	50,000
GSF	117	100-644	General Services Division-Operating	516,051	517,480
GSF	132	100-631	DAS Building Management	9,366,674	9,665,862
TOTAL FOR PROGRAM				**9,932,725**	**10,233,342**

Program 06.05: Skilled Trades

This program supplies maintenance and repair services such as HVAC, electrical, plumbing, and carpentry in DAS-managed facilities. Skilled trades staff also provides alteration and renovation work in other state-owned facilities, as requested by owner agencies.

What the Budget Buys:

- Provides services within state owned buildings upon the request of occupant agencies. These services are typically more extensive in scope than those provided through the Facilities Management program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	117	100-644	General Services Division-Operating	73,740	73,326
GSF	132	100-631	DAS Building Management	113,164	118,229
GSF	5C3	100-608	Skilled Trades	1,406,278	1,434,982
TOTAL FOR PROGRAM				**1,593,182**	**1,626,537**

Program 06.06: Fixed Asset Management

This program maintains the state's Fixed Asset Management System (FAMS). It also provides guidance on state inventory and capital (fixed) asset financial reporting. This fulfills the statutory requirement (Ohio Revised Code 125.16) to maintain, report, and certify inventories of agencies' state owned assets.

What the Budget Buys:

- Provides centralized policy and oversight to ensure uniform compliance with the inventory and financial reporting requirements of the Revised Code; and
- Maintains and provides web access to the state's fixed assets management system; and
- Advances efforts to development and implement the fixed asset management components of the Ohio Administrative Knowledge System (OAKS), the state's Enterprise Resource Planning (ERP) system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-421	OAKS Project Implementation	244,608	208,024
GSF	117	100-644	General Services Division-Operating	67,716	67,346
GSF	427	100-602	Investment Recovery	700,474	711,956
TOTAL FOR PROGRAM				**1,012,798**	**987,326**

PROGRAM SERIES 07: Enterprise Information Technology

This program series is home to the senior leadership and strategic direction setting body for the State of Ohio on issues of Information Technology. Responsibilities of this program series include provision of the state's Internet presence via the Ohio.gov portal, the state's computer networks, telecommunications, and the development and maintenance of the Ohio Business Gateway.

Program 07.01: Enterprise It Leadership

The state chief information officer is responsible for the strategic direction and efficient use of information technology across the state and for oversight of state activities related to information technologies. This program area supports planning, research, communication, and collaboration among government entities.

What the Budget Buys:

- Funds senior staff and technical experts to make informed, strategic decisions about the current use and future plans for Ohio's approach to information technology.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	229	100-630	IT GOVERNANCE	675,182	673,587
TOTAL FOR PROGRAM				**675,182**	**673,587**

Program 07.02: Digital Government

This program is responsible for the management of the state's Internet portal and providing Internet site hosting to state agencies. This program is also responsible for oversight of the development and operation the Ohio Business Gateway, which is a web-based application designed to permit businesses to file and pay various taxes and fees at one single internet location. The system will be expanded to enable other transactions between the state and the public. The Appalachian Broadband project, another Digital Government initiative, evaluates opportunities to leverage state infrastructure to extend high-speed Internet access into underserved areas of the Appalachian region to promote economic development.

What the Budget Buys:

- Provides an internet portal by which taxpayers can conduct business with the State of Ohio twenty four hours a day and seven days a week;
- Provides funding for the State Portal, which hosts the State of Ohio website, that receives over 38,000 hits a day; and
- Provides a 50-50 match with a federal grant to coordinate the broadband efforts in the Appalachian region.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-418	WEB SITES AND BUSINESS GATEWAY	3,275,280	3,275,280
GSF	229	100-630	IT GOVERNANCE	680,465	673,229
FED	3AJ	100-623	Information Technology Grants	82,048	82,048
TOTAL FOR PROGRAM				**4,037,793**	**4,030,557**

PROGRAM SERIES 08: Information Technology Governance

The information technology governance program series consists of two programs that provide enterprise-wide structure for management in the area of technology acquisition, policy, planning, project management, and project portfolio management to support agencies, boards, and commissions in their acquisition and use of information technology.

Program 08.01: Superintendence

This program provides enterprise-wide management and oversight in the areas of statewide technology policy, acquisition, planning, and project management to support all state agencies, boards, and commissions in their acquisition and use of information. Superintendence responsibilities include development and evaluation of bid documents and proposals, development and management of policies and standards, monitoring the status of large IT projects being conducted statewide, and compilation of the state's comprehensive IT plans.

What the Budget Buys:

- Executes statutory and federal rule responsibilities, obligations, and regulatory oversight with regard to the State's $600 million annual investment in technology; and
- Yields savings across all state agencies in excess of $50 million annually on IT purchases. These savings are nearly three times the annual budget of the entire program series.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	229	100-630	IT GOVERNANCE	12,236,690	11,635,377
TOTAL FOR PROGRAM				**12,236,690**	**11,635,377**

Program 08.02: Research And Advisory Services

This program provides IT research and advisory services for state agencies. Through contracted services, agencies can receive research, advice, and insights to support IT-related decision-making. These services are accessible via the Internet, telephone, and e-mail as well as in-person.

What the Budget Buys:

- Provides IT research and advisory services which are currently utilized by over 40 state agencies;
- Offers publications, onsite briefings, conferences, and consulting services (for example, Gartner, META, Columbus Technology Council and NOREX) for use by state agencies to address the latest technologies, industry trends, and business challenges; and
- Improved IT decision making through the use of expert advice and the application of proven best practices.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	229	100-630	IT GOVERNANCE	2,133,622	2,116,762
TOTAL FOR PROGRAM				**2,133,622**	**2,116,762**

PROGRAM SERIES 09: Information Technology Services

The information technology services program series consists of three programs that provide a variety of services including network infrastructure, data storage, and maintenance of operating system environments.

Program 09.01: Enterprise Computing

This program (formerly known as the Ohio Data Network) offers a wide complement of data center services across various mainframe and open platforms. This program provides computing platforms, associated technology, computer operations, data storage options, technical assistance, and database administration services. In addition, Enterprise Computing Services provides support and tools enabling customers to develop systems that seamlessly cross platform boundaries.

What the Budget Buys:

- Expands the Disaster Recovery program to include support for all of the core business applications;
- Consolidates and centralizes the current multiple help desk services for each computing platform operating today into a centralized operation; and
- Supports an initiative to centralize agencies' e-mail applications to eliminate the need for individual agencies to have their own servers and achieve other economies of scale.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	133	100-607	IT Service Delivery	44,242,783	42,983,664
GSF	229	100-630	IT Governance	1,475,225	1,303,008
GSF	4N6	100-617	Major IT Purchases	10,417,166	10,617,166
TOTAL FOR PROGRAM				**56,135,174**	**54,903,838**

Program 09.02: Unified Network Services

This program has two major components: Network Administration and the Multi Agency Radio Communication System (MARCS). Network Administration provides network connectivity, network infrastructure management for wide area and local area network connectivity, video connectivity, and network security. The program also provides local, long distance, and other associated telephone services. MARCS is a computer and communications network that provides voice and data communication statewide across a secure, interference-free radio system to support mobile voice, data, vehicle location services, and computer-aided dispatching for public safety and service entities. Users of the MARCS system in fiscal years 2006 – 2007 include the Departments of Highway Safety, Rehabilitation and Corrections, Natural Resources, Youth Services, Agriculture, Transportation, Health, the Emergency Management Agency, the Attorney General's Bureau Criminal Investigations, the Supreme Court, local police and fire departments, the National Guard, and Life Flight.

What the Budget Buys:

- Delivers network and telecommunication services of higher quality and lower cost than what state agencies could obtain independently;
- Supports management of the State's network backbone, including acting as the State's Internet Service Provider;
- Manages the State's Multi-Agency Radio Communications System (MARCS), the State's $272 million capital investment in the MARCS system that is now in operation; and
- Provides video network connectivity and support services to agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-419	IT Security Infrastructure	859,605	859,426
GSF	133	100-607	IT Service Delivery	29,432,544	30,323,177
GSF	229	100-630	IT Governance	1,094,208	1,003,689
GSF	4N6	100-617	Major IT Purchases	200,000	0
GSF	5C2	100-605	MARCS Administration	9,268,178	9,268,178
TOTAL FOR PROGRAM				**40,854,535**	**41,454,470**

Program 09.03: Enterprise Shared Services

Enterprise Shared Services supports multi-agency functions and services, including electronic commerce, electronic filing, and geographic information services (GIS). Enterprise Shared Services is the service provider for the Ohio Business Gateway and the Ohio Portal. In the three years since the inception of the Ohio Business Gateway, more than three billion dollars in state obligations have been filed through the Ohio Business Gateway.

What the Budget Buys:

- Provides statewide geocoding services for state agencies which has resulted in cost savings of over $800,000 per year;
- Provides electronic payment, electronic data exchange, data transformation, data delivery, and electronic commerce consulting services to state agencies; and
- As service provider for the Ohio Business Gateway and Ohio portal, manages the hardware and software infrastructure and upkeep of the state's web presence for over 80 agency web sites.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-419	IT Security Infrastructure	776,642	776,821
GSF	133	100-607	IT Service Delivery	7,743,105	7,038,723
GSF	229	100-630	IT Governance	236,420	196,060
TOTAL FOR PROGRAM				**8,756,167**	**8,011,604**

PROGRAM SERIES 10: Human Resources

The human resources program series consists of six programs designed to meet the human resources needs of state government.

Program 10.01: State Personnel

This program provides human resources services including the state's payroll processing, maintenance of the state merit standards program, development and dissemination of state personnel policies, employment processing, recruitment, statewide training design, and personnel records maintenance.

What the Budget Buys:

- Processes the state's payroll which includes the generation of approximately 59,000 payroll checks every two weeks, distribution of approximately $3.5 billion in wages and employee benefits annually, performance of annual employee wage reports, and benefit enrollment data reports;
- Provides centralized recruitment, including an on-line employment application process and civil service testing of prospective state employees;
- Administers and maintains the job classification plan and certification processes; and
- Continues the maintenance of personnel records.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-406	County & University Human Resources Services	60,000	60,000
GSF	125	100-622	Human Resources Division-Operating	12,526,441	12,352,806
TOTAL FOR PROGRAM				**12,586,441**	**12,412,806**

Program 10.02: Benefits Administration

This program administers benefits programs including health care, long term care, dental, vision and life insurance, COBRA, unemployment benefits, dependent care programs, disability leave, and workers' compensation for all state employees pursuant to various statutes and collective bargaining agreements. This program series provides communications programs for all employee health plans as well as mental health and substance abuse programs. It also administers the statewide wellness program pursuant to Governor Taft's executive order.

What the Budget Buys:

- Administers benefits programs for state employees including health care, long term care, dental, vision and life insurance, dependent care programs, and workers' compensation;
- Handles the administration of unemployment and Consolidated Omnibus Reconciliation Act (COBRA) health care programs;
- Adjudicates claims for the self-insured, self-administered disability leave benefit program;
- Oversees statewide absence management and wellness initiatives; and
- Manages contracts with benefit providers through the negotiation of rates, the conduct of performance audits of vendors and analysis and identification of health care industry trends.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	125	100-622	Human Resources Division-Operating	5,671,420	5,760,273
TOTAL FOR PROGRAM				**5,671,420**	**5,760,273**

Program 10.03: OCSEA Workforce Development

Workforce Development is a benefit created through the collective bargaining agreement between the State of Ohio and the Ohio Civil Service Employees Association (OCSEA). This program is designed to develop the job skills and abilities of all eligible union employees. The program offers tuition assistance, tuition reimbursement, professional development programs, career counseling, grants, labor-management training, pre-retirement seminars, conferences, and other developmental activities as determined necessary by the Workforce Development Steering Committee.

What the Budget Buys:

- Provides tuition assistance, reimbursement, professional development programs, career counseling, grants, labor-management training, pre-retirement seminars, conferences, computer purchase program for all eligible union employees in accordance with current bargaining agreements.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	125	100-622	Human Resources Division-Operating	32,569	33,120
GSF	5D7	100-621	Workforce Development	12,000,000	12,000,000
TOTAL FOR PROGRAM				**12,032,569**	**12,033,120**

Program 10.04: Exempt Employees Professional Development

This program provides for such programs as tuition reimbursement, computer purchase loan program and other professional development education and training for employees who are exempt from collective bargaining.

What the Budget Buys:

- Provides tuition reimbursement, computer purchase loan program, and other professional development education and training for exempt employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	125	100-622	Human Resources Division-Operating	59,364	60,367
GSF	5L7	100-610	Professional Development	2,700,000	2,700,000
TOTAL FOR PROGRAM				**2,759,364**	**2,760,367**

Program 10.05: Employee Educational Development

This program is comprised of five tuition reimbursement plans created as the result of collective bargaining agreements with the Service Employees International Union (District 1199), the State Council of Professional Educators (OEA/NEA), the Fraternal Order of Police (Ohio Labor Council Unit 2), and the Ohio State Troopers Association. Each plan has negotiated reimbursement levels for approved classes and seminars.

What the Budget Buys:

- Provides tuition reimbursement for 1199, OEA, OSTA (two units), and FOP bargaining unit members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	125	100-622	Human Resources Division-Operating	4,127	4,196
GSF	5V6	100-619	Employee Educational Development	936,129	936,129
TOTAL FOR PROGRAM				**940,256**	**940,325**

Program 10.06: Payroll Deductions

For processing efficiencies, agency and employee payroll deductions are collected into a single fund. Transfers or payments for approximately 1,000 payroll deductions are then made to other funds, government jurisdictions, and vendors. Payments are made for retirement, insurance, deferred compensation, and credit union account deposits as well as federal, state, and local taxes.

What the Budget Buys:

- Administers a pass-thru fund to centralize the payment of all state agency and employee payroll deductions including retirement, health, dental, vision and life insurance, union dues, deferred compensation, credit unions, and federal, state, local, and school district income taxes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	124	100-629	Payroll Deductions	2050,000,000	2050,000,000
TOTAL FOR PROGRAM				**2,050,000,000**	**2,050,000,000**

PROGRAM SERIES 11: Collective Bargaining

The collective bargaining program series consists of three programs that support the collective bargaining process with union-represented state employees on behalf of the governor. This program is responsible for collective bargaining agreements with five unions representing 15 bargaining units. The five unions include: the Ohio Civil Service Employees Association (OCSEA); District 1199 (includes the Health Care and Social Service Union, the Service Employees International Union); the State Council of Professional Educators; the Fraternal Order of Police (SCOPE); and the Ohio State Troopers Association (OSTA). More than 42,000 state employees are covered by these agreements.

Program 11.01: Contract Administration

This program is responsible for the interpretation of collective bargaining contract language, provision of guidance for statewide consistency in contract administration matters, and providing guidance when contract language may conflict with provisions of the Revised Code or other law. This service is provided for all agencies with unionized employees under the appointing authority of the governor.

What the Budget Buys:

- Administration of six collective bargaining agreements with five unions;
- Coordination and review of mid-term changes in collective bargaining agreements; and
- Development and provision of training to staff on arbitration advocacy, supervision, administrative investigations, and pre-disciplinary meetings to ensure effective contract administration.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	128	100-620	Collective Bargaining	1,159,381	1,214,381
TOTAL FOR PROGRAM				**1,159,381**	**1,214,381**

Program 11.02: Conflict Resolution Services

This program provides state agencies assistance in the resolution of employee grievances through the selection and scheduling of mediation and arbitration services. In addition, the program provides for representation in issues before the State Employees Relation Board. This service is provided for all agencies with unionized employees under the appointing authority of the governor.

What the Budget Buys:

- Representation of the state in the resolution of approximately 2,500 employee grievances per year; and
- Representation of the state before the State Employment Relations Board in approximately 100 unfair labor practice charges and unit determinations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	128	100-620	Collective Bargaining	1,293,833	1,317,583
TOTAL FOR PROGRAM				**1,293,833**	**1,317,583**

Program 11.03: Contract Negotiation

This program provides state agencies representation in contract negotiations. It also develops cost estimates of proposed changes to collective bargaining agreements, statistical analysis of labor market trends, labor costs for dispute resolution and contract negotiations, and statewide or agency payroll cost analysis when requested by the governor, the legislature, or state agencies.

What the Budget Buys:

- Negotiation, including fact-finding and conciliation hearings, of six collective bargaining agreements with five unions that will take place principally in fiscal 2006; and
- Development of cost estimates of proposed collective bargaining changes, statistical analysis of labor market trends, and labor costs for dispute resolution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	128	100-620	Collective Bargaining	957,738	878,988
TOTAL FOR PROGRAM				**957,738**	**878,988**

PROGRAM SERIES 12: Equal Opportunity Programs

The equal opportunity program series consists of four programs that assist state agencies with the promotion of equal access to state employment opportunities and state contracting opportunities. These programs assist minority and economically disadvantaged vendors to gain access to and obtain contracts with the state. These programs also provide services to state employees and minority communities.

Program 12.01: AA/EEO Compliance

This program directs and manages the state employee discrimination complaint procedure program. The discrimination complaint procedure provides a vehicle for any state employee to address and resolve perceived employment discrimination issues and ensures complaints are processed within state and federal laws or regulations governing those activities. The program provides guidelines, procedures, and expertise to state agencies, boards, and commissions in the development and implementation of strategic planning for equal employment opportunity programming within their departments.

What the Budget Buys:

- Provides leadership and guidance to state agencies, boards, and commissions to operate equal opportunity programs through the management of the state employee discrimination complaint procedure program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	188	100-649	Equal Opportunity Division-Operating	547,866	558,008
TOTAL FOR PROGRAM				**547,866**	**558,008**

Program 12.02: Minority Affairs

The Minority Affairs program provides liaison services to the Ohio Dr. Martin Luther King, Jr. Holiday Commission. The commission has three major programming initiatives: sponsorship of the Ohio Dr. Martin Luther King, Jr. Commemorative Celebration; publication of a yearly calendar to educate and enlighten Ohioans about equality-related topics and the legacy of Dr. King; and sponsorship of a statewide oratorical contest for Ohio youth that promotes awareness of the importance of providing opportunities for equal employment and economic development.

What the Budget Buys:

- Provides liaison services, funding, budget preparation, and clerical support to the Ohio Dr. Martin Luther King, Jr. Holiday Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-451	Minority Affairs	47,000	47,000
GSF	188	100-649	Equal Opportunity Division-Operating	3,506	3,559
TOTAL FOR PROGRAM				**50,506**	**50,559**

Program 12.03: Construction Compliance

The construction compliance program is responsible to ensure that construction contractors on state or state-assisted construction projects comply with laws and regulations pertinent to equal employment opportunity. A major responsibility of the program is issuance of certificates of compliance that permit contractors to conduct business on state or state-assisted contracts. This certifies that the contractor has not violated any affirmative action program requirements during the last five years.

What the Budget Buys:

- Ensures that construction contractors on state and/or state-assisted construction projects comply with laws and regulations pertinent to equal employment opportunity.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	102-321	Construction Compliance	1,190,959	1,206,779
GSF	188	100-649	Equal Opportunity Division-Operating	285,713	290,032
TOTAL FOR PROGRAM				**1,476,672**	**1,496,811**

Program 12.04: Equal Opportunity Certification

This program is designed to facilitate access to state government contracts and business services for underrepresented Ohio businesses. This program provides certification for Ohio businesses interested in participating in the Minority Business Enterprise (MBE) and Encouraging Diversity, Growth, and Equity (EDGE) programs. The MBE program assists minority businesses to obtain state government contracts through a set-aside procurement program for goods and services. The EDGE program is a business development program for small socially and economically disadvantaged businesses.

What the Budget Buys:

- Assists minority businesses with obtaining state government contracts through a set aside procurement program for goods and services; and
- Provides a business development program for small socially and economically disadvantaged businesses to facilitate access to state government contracts of various types and business services for EDGE certified businesses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-439	Equal Opportunity Certification Program	726,481	728,384
GSF	188	100-649	Equal Opportunity Division-Operating	156,293	158,657
TOTAL FOR PROGRAM				**882,774**	**887,041**

PROGRAM SERIES 13: State Support Services

The statewide support services program series consists of four programs that provide centralized support services to various state entities.

Program 13.01: Central Service Agency

Central Service Agency (CSA) provides accounting, budgeting, and payroll services for approximately 30 boards and commissions. Use of CSA-provided services allows small agencies to expend their limited resources more efficiently.

What the Budget Buys:

- Continues accounting, budgeting and payroll services for boards and commissions;
- Provides for the maintenance and coordination of the state's standard license renewal system that is shared by the professional licensing boards; and
- Funds the cost of communication lines and shared office equipment, including a copier, printer, and fax, used by boards and commissions located in the Riffe Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	115	100-632	Central Service Agency	466,517	485,178
TOTAL FOR PROGRAM				**466,517**	**485,178**

Program 13.02: State-Owned Buildings – Rent and Operations

This program provides for the payment of building debt service, building operating costs, and certain rent payments for state-owned buildings. These payments fund the maintenance of the Rhodes Tower, Riffe Center, Lausche Building, DiSalle Center, Ocasek Building, and operating and maintenance costs of the State of Ohio Computer Center. This program also supports rent for GRF-funded state agencies and veterans' groups that occupy space in DAS-owned buildings; the cost of vacant space and space undergoing renovation; rent expenses of tenants relocated due to building renovations; and the cost of appraisals and other evaluations.

What the Budget Buys:

- Provides for payment of scheduled debt service on the five state office towers, the State of Ohio Computer Center, and Administrative Building Fund Projects, including the Statehouse and Judicial Center renovations and estimated debt on new fiscal year 05-06 capital appropriations; and
- Funds the operation and maintenance of the five state office towers and the Computer Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-433	State of Ohio Computer Center	4,991,719	4,991,719
GRF	GRF	100-447	OBA - Building Rent Payments	115,740,400	116,091,300
GRF	GRF	100-448	OBA - Building Operating Payments	25,393,250	25,647,183
GRF	GRF	100-449	DAS - Building Operating Payments	4,160,383	4,170,623
TOTAL FOR PROGRAM				**150,285,752**	**150,900,825**

Program 13.03: Agency Audit Expenses

This program provides funding for DAS to pay the Auditor of State for state agency audits conducted on a biennial basis. Section 117.13 of the Ohio Revised Code requires that the Auditor of State bill for all audits conducted and specifies who is to be billed for each audit. State agencies that are audited on an annual basis, including all the major executive branch agencies, are required to pay for annual audits from agency operating budgets. State agencies that are audited on a biennial basis, including state boards, commissions, elected officials, the Ohio House, and the Ohio Senate do not pay for their audits and instead, DAS is statutorily responsible for the payment.

What the Budget Buys:

- Supports 5,520 audit hours in fiscal year 2006 and supports 5,298 audit hours in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-405	Agency Audit Expenses	329,000	329,000
TOTAL FOR PROGRAM				**329,000**	**329,000**

Program 13.04: Veterans' Records Conversion

This program supports the Governor's Office of Veterans' Affairs to digitize copies of original certificates of discharge and separation for Ohio veterans. Copies of these military service records may be provided to the 88 Ohio county veterans service offices and federal agencies, such as the Social Security Administration, Department of Veterans Affairs, and the National Records Center as required documentation to re-enlist or to claim benefits including retirement, disability, pension, health care, and burial.

What the Budget Buys:

- Maintains the Veterans Records System, including software, server, server connections, data storage, and tape backup for the entire biennium;
- Provides for scanning approximately 20,000 new military discharges (Ohio Veterans) into the system during fiscal years 2006 and 2007; and
- Funds the replacement of the Veterans' Records System server in fiscal year 2006.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	100-410	Veterans' Records Conversion	69,000	48,600
TOTAL FOR PROGRAM				**69,000**	**48,600**

PROGRAM SERIES 14: DAS Program Management

This program series provides centralized shared services, guidance, and oversight to DAS' operating divisions and offices. Services are provided through the Directors' Office and the following seven specialized support offices: Office of Chief Legal Counsel, Office of Finance, Office of Employee Services, Office of Communications, Office of Legislative Affairs, Office of Quality, and Management Information Systems.

Program 14.01: Program Management

This program provides services, guidance, and oversight to all of DAS' operating divisions and offices. These services include legal counsel, finance, human resources, communications, legislative relations, and MIS support.

What the Budget Buys:

- Maintains departmental management; and
- Supports statewide initiatives including upgrades to state fleet services, procurement program improvements, labor negotiations and joint labor-management committees, and the implementation of the procurement, asset management, capital improvement project tracking, and human resources modules of the Ohio Administrative Knowledge System (OAKS).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	130-321	State Agency Support Services	527,970	534,408
GSF	112	100-616	DAS Administration	5,221,393	5,299,427
GSF	4P3	100-603	DAS INFORMATION SERVICES	5,902,099	6,117,004
TOTAL FOR PROGRAM				**11,651,462**	**11,950,839**

Department of Administrative Services

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Information Technology Fund/607 is divided into two lines, the original line item remaining, as well as IT Governance/630 to better distinguish the roles of two distinct areas of the Office of Information Technology (OIT). The new line item funds OIT's governance duties, while the existing line item, 100-607 will fund service delivery functions.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
133	100-607	Information Technology Fund	85,183,301	81,418,438	-4.4%	80,345,564	-1.3%
229	100-630	IT Governance	17,089,538	18,531,812	8.4%	17,601,712	-5.0%

Line Item Notes

MARCS/417: This program has become self-sufficient through the use of fees and no longer requires GRF support. For additional information, please refer to program 09.03 Enterprise Shared Services.

IT Security Infrastructure/419: Funding is increased to support the Office of Information Technology ‘s efforts to develop a more robust statewide security infrastructure. For more information, please refer to program 09.02 Unified Network Services and program 09.03 Enterprise Shared Services.

Fleet Management/637: HB 95 of the 125th General Assembly (the fiscal year 2004-2005 operating budget bill) expanded the role of the DAS fleet management program in an effort to further reduce the state’s fleet. This recommendation funds continuation of this process begun in fiscal year 2004 which effectively led and continues to lead to an increased usage of DAS’s centralized fleet. For more information, please refer to program 04.01 Statewide Fleet Services, and program 04.02 Vehicle Lease and Rental Services.

LINE ITEM SUMMARY - Administrative Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	100-402	Unemployment Compensation	111,679	144,673	85,396	0	0	.0	0	.0
GRF	100-405	Agency Audit Expenses	484,958	803,211	347,524	329,000	329,000	.0	329,000	.0
GRF	100-406	County & University Human Res Svcs	775,157	413,684	417,433	400,000	60,000	(85.0)	60,000	.0
GRF	100-409	Departmental Information Services	721,219	756,740	25,099	0	0	.0	0	.0
GRF	100-410	Veterans' Records Conversion	435,904	8,473	33,016	44,296	69,000	55.8	48,600	(29.6)
GRF	100-414	Ohio Geog. Referenced Info Program	895,982	400,788	53,041	0	0	.0	0	.0
GRF	100-416	Strategic Technology Devlpmnt Prgs	5,155,654	2,383,555	936,864	0	0	.0	0	.0
GRF	100-417	MARCS	4,357,979	2,533,996	893,369	700,000	0	**	0	.0
GRF	100-418	Web Sites and Business Gateway	1,253,427	3,363,716	3,135,526	3,275,279	3,275,280	.0	3,275,280	.0
GRF	100-419	IT SECURITY INFRASTRUCTURE	4,809,683	2,003,732	1,805,070	936,248	1,636,247	**	1,636,247	.0
GRF	100-420	Innovation Ohio	114,949	9,865	0	0	0	.0	0	.0
GRF	100-421	OAKS Project Implementation	520,594	577,274	442,956	423,000	484,000	14.4	410,839	(15.1)
GRF	100-433	State of Ohio Computer Center	4,512,246	4,508,077	5,011,160	4,991,719	4,991,719	.0	4,991,719	.0
GRF	100-439	Equal Opportunity Certification Prg	512,885	491,630	616,100	641,839	726,481	13.2	728,384	.3
GRF	100-447	OBA - Building Rent Payments	86,817,974	95,626,591	83,978,669	97,491,809	115,740,400	18.7	116,091,300	.3
GRF	100-448	OBA - Building Operating Payments	22,932,224	19,759,115	23,179,819	26,003,250	25,393,250	(2.3)	25,647,183	1.0
GRF	100-449	DAS - Building Operating Payments	4,659,905	4,106,167	3,995,368	4,163,472	4,160,383	(.1)	4,170,623	.2
GRF	100-451	Minority Affairs	547,643	53,156	37,600	47,000	47,000	.0	47,000	.0
GRF	100-734	Major Maintenance - State Bldgs	22,167	78,577	38,092	42,300	50,000	18.2	50,000	.0
GRF	102-321	Construction Compliance	1,183,265	986,248	969,024	1,103,000	1,190,959	8.0	1,206,779	1.3
GRF	130-321	State Agency Support Services	3,714,885	3,383,514	2,898,129	2,522,001	2,693,788	6.8	2,668,986	(.9)
TOTAL General Revenue Fund			**144,540,379**	**142,392,782**	**128,899,255**	**143,114,213**	**160,847,507**	**12.4**	**161,361,940**	**.3**
112	100-616	DAS Administration	4,483,568	4,363,442	4,429,802	4,889,854	5,221,393	6.8	5,299,427	1.5
115	100-632	Central Service Agency	513,528	2,027,576	941,906	918,813	466,517	(49.2)	485,178	4.0
117	100-644	General Services Division-Operating	5,893,793	5,650,444	4,645,453	6,899,932	6,834,247	(1.0)	7,245,772	6.0
122	100-637	Fleet Management	1,336,397	1,305,840	1,500,778	2,815,135	4,025,043	**	4,032,968	.2
125	100-622	Human Resources Division-Operating	16,319,493	15,995,137	15,388,783	17,779,815	18,293,921	2.9	18,210,762	(.5)
127	100-627	Vehicle Liability Insurance	1,471,404	1,753,214	2,005,039	3,344,644	3,344,644	.0	3,344,644	.0
128	100-620	Collective Bargaining	2,392,826	2,426,124	2,655,153	3,410,952	3,410,952	.0	3,410,952	.0
130	100-606	Risk Management Reserve	154,467	187,986	196,411	223,904	223,904	.0	223,904	.0
131	100-639	State Architect's Office	6,920,425	5,640,502	5,816,486	6,189,959	6,977,274	12.7	7,047,427	1.0
132	100-631	DAS Building Management	10,715,747	9,893,968	8,650,757	10,721,430	10,721,430	.0	11,066,228	3.2
133	100-607	IT Service Delivery	74,145,322	66,504,666	72,691,058	102,272,839	81,418,432	**	80,345,564	(1.3)
188	100-649	Equal Opportunity Division-Operatng	867,848	773,192	805,889	1,103,697	993,378	(10.0)	1,010,256	1.7
201	100-653	General Services Resale Merchandise	1,505,552	942,534	1,348,893	1,553,000	1,553,000	.0	1,553,000	.0
210	100-612	State Printing	6,058,680	5,368,457	4,777,923	5,072,991	5,931,421	16.9	5,931,421	.0
229	100-630	IT Governance	0	0	0	0	18,531,812	**	17,601,712	(5.0)
4N6	100-617	Major IT Purchases	2,744,333	2,161,817	232,317	10,617,166	10,617,166	.0	10,617,166	.0
4P3	100-603	DAS Information Services	2,951,038	2,486,802	3,935,717	6,233,638	5,902,099	(5.3)	6,117,004	3.6
427	100-602	Investment Recovery	5,529,010	4,840,391	5,418,384	5,580,208	5,580,208	.0	5,683,564	1.9

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Administrative Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5AB	100-624	Non-Federal Info Technology Grants	0	0	1,313	8,433	0	(100.0)	0	.0
5A8	100-614	Energy Grants	65,000	0	0	0	0	.0	0	.0
5C2	100-605	MARCS Administration	927,573	2,142,196	6,458,686	9,268,178	9,268,178	.0	9,268,178	.0
5C3	100-608	Skilled Trades	1,377,696	991,007	1,197,231	1,905,655	1,406,278	(26.2)	1,434,982	2.0
5D7	100-621	Workforce Development	12,783,583	17,236,196	16,543,124	12,000,000	12,000,000	.0	12,000,000	.0
5L7	100-610	Professional Development	2,093,090	1,675,742	2,685,719	2,700,000	2,700,000	.0	2,700,000	.0
5M6	100-615	E-Government Development	2,112,076	0	0	0	0	.0	0	.0
5V6	100-619	Employee Educational Development	0	0	616,716	811,129	936,129	15.4	936,129	.0
TOTAL General Services Fund Group			**163,362,449**	**154,367,233**	**162,943,538**	**216,321,372**	**216,357,426**	**.0**	**215,566,238**	**(.4)**
3AJ	100-623	Information Technology Grants	0	0	23,666	581,058	82,048	(85.9)	82,048	.0
3AL	100-625	MARCS Grants	0	0	0	43,626	0	(100.0)	0	.0
3AM	100-626	Homeland Security Grants	0	0	0	141,800	0	(100.0)	0	.0
3H6	100-609	Federal Grants OGRIP	16,802	0	0	0	0	.0	0	.0
307	100-633	Federal Grants-Energy	1,354	0	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**18,156**	**0**	**23,666**	**766,484**	**82,048**	**(89.3)**	**82,048**	**.0**
113	100-628	Unemployment Comp Pass Through	3,573,261	4,436,064	2,648,824	0	0	.0	0	.0
124	100-629	Payroll Deductions	1894,717,358	1992,789,254	1966,254,440	2050,000,000	2050,000,000	.0	2050,000,000	.0
TOTAL Agency Fund Group			**1898,290,619**	**1997,225,318**	**1968,903,264**	**2050,000,000**	**2050,000,000**	**.0**	**2050,000,000**	**.0**
R08	100-646	General Services Refunds	6,420	3,480	6,370	20,000	20,000	.0	20,000	.0
TOTAL Holdng Acct Redist Fund Group			**6,420**	**3,480**	**6,370**	**20,000**	**20,000**	**.0**	**20,000**	**.0**
TOTAL Dept of Administrative Svcs			**2206,218,023**	**2293,988,813**	**2260,776,093**	**2410,222,069**	**2427,306,981**	**.7**	**2427,030,226**	**.0**

**** Please see the Appropriation Line Item analysis for further detail.**

Commission on African American Males

Role and Overview

The Commission on African American Males (CAAM) oversees and supervises four separate and distinct subcommittees devoted to solving problems and advancing recommendations to improve the lives of African American males. The commission conducts research to determine the nature of problems concerning African American males in four-targeted areas that include employment, criminal justice, education, and health. In addition the commission conducts community education and public awareness programs designed for African American males and holds public hearings.

CAAM has 41 commission members, including the directors or designees of 14 state agencies, five members of the General Assembly, and 22 Ohioans appointed by the Governor. The commission has an annual budget of $292,000 and employs a staff of three. From 1990 until 1999, activities of the commission were conducted with the oversight of the Ohio Civil Rights Commission. Am. Sub. H.B. 283 established CAAM as a freestanding agency effective July 1, 1999.

Executive Priorities for the Commission on African American Males

- Solve problems and advance recommendations in the areas of employment, criminal justice, education, and health to improve the lives of African American males.
- Conduct research, community education, and public awareness programs.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	454	305	272	282	3.9	282	.0	282	.0
State Special Revenue Fund Group	0	3	2	10	394.3	10	.0	10	.0
TOTAL	**454**	**308**	**274**	**292**	**6.8**	**292**	**.0**	**292**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	131	182	170	210	23.6	110	(47.5)	110	.0
Purchased Services	78	30	25	0	(100.0)	112	.0	112	.0
Maintenance	129	52	45	57	26.0	43	(25.0)	43	.0
Equipment	10	10	4	4	9.2	1	(75.0)	1	.0
Subsidy	106	33	30	21	(30.0)	26	22.6	26	.0
TOTAL	**454**	**308**	**274**	**292**	**6.8**	**292**	**.0**	**292**	**.0**

Commission on African American Males

PROGRAM SERIES 01: Community Projects

This program series includes programs that focus on dissemination of information and educating African American males in four areas: employment, criminal justice, education, and health issues.

Program 01.01: Speaker Services

This program provides a positive role model for students and other clients through the use of paid and volunteer speakers.

What the Budget Buys:

- Delivers presentations to over 7,000 students and clients annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	036-100	Personal Services	30,000	30,000
GRF	GRF	036-200	Maintenance	11,000	11,000
TOTAL FOR PROGRAM				**41,000**	**41,000**

Program 01.02: Health Education

This program provides current data and materials to men statewide to reduce the risk of undetected prostate cancer, diabetes, and heart disease.

What the Budget Buys:

- Educates African American males on the importance of living a healthy life style and getting tested for the targeted diseases.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	036-100	Personal Services	48,000	48,000
GRF	GRF	036-200	Maintenance	11,000	11,000
GRF	GRF	036-300	Equipment	1,000	1,000
TOTAL FOR PROGRAM				**60,000**	**60,000**

Program 01.03: Community Board Meetings

This program enables CAAM staff to serve on community boards and attend meetings, programs, and conferences.

What the Budget Buys:

- Enables CAAM staff to stay abreast of local needs; and
- Provides CAAM the opportunity to publicize their services and needs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	036-100	Personal Services	15,102	15,102
GRF	GRF	036-200	Maintenance	3,180	3,180
TOTAL FOR PROGRAM				**18,282**	**18,282**

Commission on African American Males

Program 01.04: Conferences

This program provides funding for local and statewide conferences on health, education, employment, and criminal justice.

What the Budget Buys:

- Hosts an annual statewide technology conference; and
- Participate in numerous community conferences.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	036-100	Personal Services	112,379	112,379
GRF	GRF	036-200	Maintenance	9,210	9,210
SSR	4H3	036-601	African American Males-Gifts/Grant	10,000	10,000
TOTAL FOR PROGRAM				**131,589**	**131,589**

Program 01.05: Scholarships and Awards

This program awards scholarships and awards to college students to help offset tuition costs.

What the Budget Buys:

- Provides $1,000 a year in scholarships; and
- Provides $25,000 for grants to local agencies that provide education and services to African American males.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	036-100	Personal Services	14,610	14,610
GRF	GRF	036-200	Maintenance	519	519
GRF	GRF	036-501	CAAM Awards & Scholarships	1,000	1,000
GRF	GRF	036-502	Community Projects	25,000	25,000
TOTAL FOR PROGRAM				**41,129**	**41,129**

LINE ITEM SUMMARY - Commission on African American Males

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	036-100	Personal Services	257,810	211,480	194,205	209,610	220,091	5.0	220,091	.0
GRF	036-200	Maintenance	129,015	49,993	43,354	47,180	34,909	(26.0)	34,909	.0
GRF	036-300	Equipment	10,053	10,336	3,662	4,000	1,000	(75.0)	1,000	.0
GRF	036-501	CAAM Awards & Scholarships	1,400	11,014	6,700	765	1,000	30.7	1,000	.0
GRF	036-502	Community Projects	55,548	22,287	23,583	20,445	25,000	22.3	25,000	.0
TOTAL General Revenue Fund			**453,826**	**305,110**	**271,504**	**282,000**	**282,000**	**.0**	**282,000**	**.0**
4H3	036-601	African American Males-Gifts/Grant	0	2,506	2,023	10,000	10,000	.0	10,000	.0
TOTAL State Special Revenue Fund Group			**0**	**2,506**	**2,023**	**10,000**	**10,000**	**.0**	**10,000**	**.0**
TOTAL Comm. on African Amer. Males			**453,826**	**307,616**	**273,527**	**292,000**	**292,000**	**.0**	**292,000**	**.0**

Role and Overview

The Department of Aging (AGE) advocates for and serves the needs of Ohioans age 60 years and older. The agency works to improve the quality of life for older citizens with an emphasis on community-based and self-care options that promote active, healthy, and independent living. Day-to-day administration of the department is the responsibility of the director who is advised by a 12-member advisory council. Both the director and the council members are appointed by the Governor. The department, with an annual budget of approximately $422 million and 99 employees, works with 12 regional Area Agencies on Aging to administer federal and state senior citizens programs throughout Ohio.

Approximately 74 percent of the department's funding is directed to the PASSPORT program that provides community-based long-term care services to low-income older persons. The department houses the Long-Term Care Ombudsman program to advocate for long-term care consumers and hosts an online consumer guide to assist consumers and professionals in selecting a nursing home. The department also operates the Golden Buckeye Card program, the first statewide consumer discount program in the nation. Through the use of an outside contractor, the Golden Buckeye Card program also provides prescription drug discounts that enable seniors and persons with disabilities to receive needed prescription drugs at the lowest possible price. The department also provides community education and outreach through its publications, conferences, and events.

The Federal Administration on Aging has designated the Ohio Department of Aging as the State Unit on Aging for the purpose of administering programs funded by the Older Americans Act and related state programs, e.g., Senior Community Services, Alzheimer's Respite.

Executive Priorities for the Department of Aging

- Provide cost-effective, high-quality home and community-based care to help seniors, who otherwise might enter nursing homes, remain safely independent.
- Provide support to caregivers by helping them access services, including support, training, and respite care.
- Screen all persons seeking long-term care to determine the appropriate placement. When long-term care is needed, provide information about options that can allow a person to remain at home.
- Serve as an advocate for long-term care consumers by seeking resolution of complaints through the Office of the State Long-Term Care Ombudsman.
- Expand opportunities for older adults to be involved in their communities through the National Senior Services Corps and Senior Community Services Employment Program.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	88,400	99,997	110,214	132,160	19.9	151,683	14.8	159,586	5.2
General Services Fund Group	1,907	2,084	114	626	450.6	373	(40.4)	373	.0
Fed Special Revenue Fund Group	191,892	214,045	226,100	248,432	9.9	289,072	16.4	319,017	10.4
State Special Revenue Fund Group	30,003	29,502	39,261	40,844	4.0	39,777	(2.6)	39,509	(.7)
TOTAL	**312,202**	**345,628**	**375,689**	**422,061**	**12.3**	**480,904**	**13.9**	**518,485**	**7.8**

Department of Aging

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	8,400	8,704	8,548	10,947	28.1	9,917	(9.4)	10,228	3.1
Purchased Services	1,434	1,702	1,434	2,321	61.8	1,934	(16.6)	2,108	9.0
Maintenance	2,494	1,932	1,681	2,214	31.7	2,633	18.9	2,575	(2.2)
Equipment	335	168	167	443	165.3	229	(48.3)	178	(22.4)
Subsidy	286,897	321,535	349,871	394,321	12.7	455,441	15.5	492,646	8.2
Transfer & Other	12,642	11,587	13,988	11,815	(15.5)	10,749	(9.0)	10,749	.0
TOTAL	**312,202**	**345,628**	**375,689**	**422,061**	**12.3**	**480,904**	**13.9**	**518,485**	**7.8**

PROGRAM SERIES 01: Senior Independence Services

This program series enables seniors and persons with disabilities to live with dignity in settings they prefer and assures that government programs honor and support the role of families and friends who provide their care.

Program 01.01: Community Services and Nutrition

The primary purpose of the Community Services and Nutrition program is to help older adults live independently in their own homes and communities. Community services and activities include, but are not limited to, personal care, case management, and care coordination programs; information and referral; transportation to medical visits, shopping, and other essential activities; home maintenance and repair; and recreation, wellness, and disease prevention programs provided at senior centers and other community sites. Nutrition services provided include home-delivered meals, congregate meals, nutrition education, and other nutrition-related services (e.g., nutrition consultation, Senior Farmers' Market Nutrition Program).

What the Budget Buys:

- Provides nutrition and community services to approximately 284,000 older Ohioans;
- Funds nearly 1.5 million one-way trips to over 25,000 recipients; and
- Allows Area Agencies on Aging to determine service provisions and allocate funds in accordance with those priorities (such as transportation, personal care services, and home-delivered meals).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	490-321	Operating Expenses	1,964,229	1,963,925
GRF	GRF	490-411	Senior Community Services	9,578,520	9,569,520
GRF	GRF	490-416	JCFS Elderly Transportation	100,000	100,000
FED	3M3	490-611	Federal Aging Nutrition	27,622,693	28,037,034
FED	3M4	490-612	Federal Independence Services	18,649,331	18,988,151
FED	322	490-618	Federal Aging Grants	9,791,146	9,896,939
TOTAL FOR PROGRAM				**67,705,919**	**68,555,569**

Program 01.02: Support for Informal Caregivers

This program provides information to caregivers about available services and assistance in gaining access to support services. The program offers support groups, individual counseling, training in decision making and problem solving related to care giving roles, respite care to temporarily relieve caregivers of their responsibilities, and supplemental services to complement the care provided by the caregivers.

The Alzheimer's Respite program provides temporary care for an Alzheimer's patient to give family members time to attend to their own needs. Respite care can take several forms: a home care worker visiting the home of an Alzheimer's patient, a stay in an adult day care center, overnight care in a hospital or nursing home, support groups, caregiver training, or family care planning meetings.

What the Budget Buys:

- Provides respite care services to more than 9,500 Ohioans with Alzheimer's disease;
- Provides temporary relief to full-time caregivers of Ohioans with Alzheimer's disease;
- Provides caregiver education and support groups to local Alzheimer's Association chapters as well as a statewide toll-free information hotline; and
- Expands the respite voucher program to additional areas of the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	114,521	114,520
GRF	GRF	490-411	Senior Community Services	1,052,468	1,061,468
GRF	GRF	490-414	Alzheimer Respite	4,085,888	4,085,888
FED	3M4	490-612	Federal Independence Services	7,466,988	7,578,993
FED	322	490-618	Federal Aging Grants	409,428	414,400
TOTAL FOR PROGRAM				**13,129,293**	**13,255,269**

Program 01.03: Service Coordination in Senior Housing

Service coordinators provide information and assistance to low-income elderly and other special-needs tenants living in subsidized rental housing to help them access needed community services and other benefits for which they are eligible.

What the Budget Buys:

- Provides grants to 11 local non-profit organizations that employ and supervise part-time service coordinators at 22 low-income senior housing sites throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	40,637	40,636
SSR	5W1	490-616	Resident Services Coordinator Program	262,500	262,500
TOTAL FOR PROGRAM				**303,137**	**303,136**

Program 01.04: Residential State Supplement

This program provides a cash supplement to aged, blind, or disabled Medicaid recipients to help pay for approved living arrangements. These arrangements, which include adult foster homes, adult care facilities and residential care facilities, rooms or apartments and residential facilities, provide supervision and/or assistance with daily living activities.

What the Budget Buys:

- Provides a cash benefit to 2,000 aged, blind, or disabled Medicaid recipients to help pay for approved living arrangements; and
- Provides case management, quality assurance, and program administration through the local Area Agencies on Aging.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-412	Residential State Supplement	9,156,771	9,156,771
FED	3C4	490-607	PASSPORT	700,000	700,000
SSR	4J4	490-610	PASSPORT/Residential State Supplement	2,835,000	2,835,000
TOTAL FOR PROGRAM				**12,691,771**	**12,691,771**

Program 01.05: PASSPORT

The PASSPORT program facilitates access to long-term care services and provides home and community-based services for disabled individuals age 60 and over through a Medicaid waiver. The PASSPORT program provides community-based services such as personal care, homemaker, adult day care service, home-delivered meals, chore services, medical equipment and supplies, independent living assistance, emergency response system, social work counseling, nutrition consultation, transportation, and minor home modifications as an alternative to nursing facility placement. The Choices waiver, a PASSPORT-based program, allows individuals more flexibility in planning care, scheduling the delivery of services, and choice of providers. In the fiscal year 2006-2007 biennium, the department will create an assisted living waiver that will offer another option to institutional nursing home care. The waiver will be open to enrollment in FY 2007 and will be available statewide to any eligible Medicaid recipient.

What the Budget Buys:

- Supports an average monthly caseload of over 26,000 in PASSPORT by the end of FY 2007;
- Funds over 200 participants in Choices, a PASSPORT-based self-directed program;
- Provides funding to 13 PASSPORT administering agencies to provide pre-admission screening and make service recommendations to Ohioans seeking to enter nursing homes;
- Provides administrative funds to create and support the assisted living waiver and evaluate the program's effectiveness; and
- Funds 1,800 participants in the assisted living waiver program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	271,000	0
GRF	GRF	490-403	PASSPORT	112,045,715	121,009,372
GRF	GRF	490-422	Assisted Living Waiver	0	359,919
FED	3C4	490-607	PASSPORT	197,983,143	217,496,387
FED	3C4	490-622	Assisted Living - Federal	0	5,687,374
SSR	4J4	490-610	PASSPORT/Residential State Supplement	30,428,984	30,428,984
SSR	4U9	490-602	PASSPORT	4,424,969	4,424,969
TOTAL FOR PROGRAM				**345,153,811**	**379,407,005**

Program 01.06: Program of All Inclusive Care for the Elderly (PACE)

The PACE program is a managed care program for the elderly that is financed by both Medicare and Medicaid. In Ohio, PACE services are available from two PACE providers at four PACE sites. Program participants receive all of their needed health care, medical care, and ancillary services in acute, subacute, institutional, and community settings from the PACE providers. PACE providers are allowed to pool all of their resources to pay for whatever services the individual needs, including services not otherwise covered by Medicare or Medicaid. This flexibility enables the providers to be proactive in their efforts to improve the health status of the participants. The department is taking over full administration of this program from the Department of Job and Family Services beginning in fiscal year 2006.

What the Budget Buys:

- Funds single provider services to 880 individuals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-421	PACE	11,354,145	10,214,809
FED	3C4	490-621	PACE-Federal	10,854,083	14,586,135
TOTAL FOR PROGRAM				**22,208,228**	**24,800,944**

PROGRAM SERIES 02: Elder Rights

This program series consists of three programs that create an environment within Ohio where respect for elder rights is encouraged, where mechanisms are put in place to assist older persons in asserting their rights, and where older persons understand and exercise their rights and privileges.

Program 02.01: Long-Term Care Ombudsman

This program provides staff and volunteer ombudsmen who field complaints about long-term care services for individuals residing in nursing facilities, assisted living facilities or receiving home care. Ombudsman also voice consumer needs and concerns to policy makers and providers.

What the Budget Buys:

- Funds the investigation of over 10,000 complaints; and
- Provides consumers with information on benefits, individual rights, regulation, and assistance with selecting a long-term care service.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-410	Long-Term Care Ombudsman	689,437	689,437
FED	3M4	490-612	Federal Independence Services	1,742,689	1,709,749
SSR	4C4	490-609	Regional Long-Term Care Ombudsman Program	910,000	935,000
SSR	5BA	490-620	Ombudsman Support	615,000	0
TOTAL FOR PROGRAM				**3,957,126**	**3,334,186**

Program 02.02: Long-Term Care Consumer Guide

The Long-Term Care Consumer Guide provides information about long-term care services available in the state. The guide includes information such as size, location, services offered, customer satisfaction, regulatory compliance, performance, and quality measures on all nursing homes in Ohio. Consumers can easily compare data about facilities from this guide.

What the Budget Buys:

- Funds a comprehensive website to serve as a source of decision making materials for determining the most appropriate long-term care service; and
- Funds a consumer satisfaction survey in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5K9	490-613	Long Term Care Consumers Guide	298,400	620,000
TOTAL FOR PROGRAM				**298,400**	**620,000**

Program 02.03: Benefits Counseling and Legal Service Development

The Benefits Counseling and Legal Service Development Program helps older Ohioans with questions about Medicare, Medicaid, HMOs, or private health insurance, including Medicare supplemental insurance.

Legal service development is a requirement of the Older Americans Act to ensure that there is an adequate legal services infrastructure in the state for adults age 60 and over.

What the Budget Buys:

- Funds 69 community education activities in addition to advising the Ohio Senior Health Insurance Information program (OSHIIP) on the development of consumer information products; and
- Provides nearly 25,000 hours of legal service and insurance benefit education to 7,500 clients.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3M4	490-612	Federal Independence Services	48,279	49,003
FED	322	490-618	Federal Aging Grants	45,986	46,545
TOTAL FOR PROGRAM				**94,265**	**95,548**

PROGRAM SERIES 03: Healthy and Productive Aging

This program series helps to meet the needs of active seniors, caregivers, and the general population by providing counseling, information, and programs about Medicare, insurance, and retirement; caregiver support; prescription drug discounts; employment and volunteer activities; and fitness/wellness programs.

Program 03.01: Golden Buckeye Card

The Golden Buckeye Card is a savings program through which merchants offer percentages off retail prices, free products or services, and special savings days. The Golden Buckeye Prescription Drug Savings program provides Ohio's older citizens and adults with disabilities significant savings on prescription medications. Management of the Golden Buckeye Prescription Drug Savings program is handled by an outside contract at no expense to the state.

What the Budget Buys:

- Maintains the Golden Buckeye Card for nearly 2 million Ohioans;
- Funds a drug utilization review process that identifies an average of 60 possibly harmful drug interactions each month; and
- Passes an average savings of 24% on prescription drug prices through the Prescription Drug Savings program to the consumer.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	140,000	140,000
GRF	GRF	490-405	Golden Buckeye Card	467,614	467,614
TOTAL FOR PROGRAM				**607,614**	**607,614**

Program 03.02: Senior Community Services Employment Program

This program offers work experience and job training for income-eligible Ohioans age 55 and older. The program, managed by three contract organizations, places participants in subsidized, part-time community assignments with either non-profit or government agencies. During their assignments, participants are assessed, provided with an individual employment plan, and encouraged to obtain an unsubsidized position.

What the Budget Buys:

- Makes available nearly 540 subsidized part-time positions for seniors in the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	20,388	20,694
FED	322	490-618	Federal Aging Grants	4,587,794	4,656,610
TOTAL FOR PROGRAM				**4,608,182**	**4,677,304**

Program 03.03: National Senior Service Corps

This program provides a subsidy to support a small portion of the operating expenses for the Corporation for National and Community Service – National Senior Service Corps (NSSC) programs. In Ohio the NSSC is comprised of 28 Retired and Senior Volunteer programs, eight Foster Grandparent programs, and six Senior Companion programs.

What the Budget Buys

- Facilitates 28 Retired Senior Volunteer programs involving 16,958 volunteers;
- Funds eight Foster Grandparent programs involving 884 seniors who contribute time to 3,300 children with special needs; and
- Funds six Senior Companion programs with 489 volunteers who enable another 1,100 seniors to remain in their homes by helping with transportation and home care needs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	20,780	20,780
GRF	GRF	490-506	National Senior Service Corps	352,943	352,943
TOTAL FOR PROGRAM				**373,723**	**373,723**

Program 03.04: Senior Olympics

This program encourages active lifestyles through physical and social activity as a means to improve the health and extend the independence of individual seniors.

What the Budget Buys:

- Funds ten local Senior Olympic games serving 5,000 athletes annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-321	Operating Expenses	8,312	8,312
GRF	GRF	490-406	Senior Olympics	15,638	15,638
TOTAL FOR PROGRAM				**23,950**	**23,950**

Program 03.05: Community Outreach

This program plans and orchestrates a number of events, which serve to bring attention, understanding, and support to issues facing Ohio's seniors and their families. In addition, this program also develops and distributes regular publications and outreach tools designed to raise awareness of senior issues and programs to help seniors and their families.

What the Budget Buys

- Funds a variety of publications and communications including a comprehensive website, a bi-monthly news release, a monthly newsletter, a magazine, an annual report for legislators and public officials, and a monthly television show.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	480	490-606	Senior Community Outreach and Education	372,677	372,677
TOTAL FOR PROGRAM				**372,677**	**372,677**

PROGRAM SERIES 04: Ohio Community Service Council National Service Programs

This program series encompasses the operations of the Ohio Community Service Council (OCSC), which operates as a semi-autonomous agency with the Department of Aging as its fiscal agent. OCSC manages the federally funded AmeriCorps program in Ohio and promotes volunteerism and community service efforts across the state.

Program 04.01: AmeriCorps and Other Volunteer Opportunities

This program is supported by pass-through funding for AmeriCorps projects by state agencies or local non-profit agencies. Under a "domestic Peace Corps" model, AmeriCorps participants receive a small stipend for living expenses and earn college tuition credits in exchange for dedicated community service to address locally defined needs.

What the Budget Buys:

- Provides the funding to facilitate 50 grants awarded and administrated to AmeriCorps projects throughout Ohio;
- Coordinates 1,000 AmeriCorps workers providing 1.8 million hours of service biennially; and
- Organizes 30,000 volunteers providing 300,000 hours of service toward AmeriCorps projects biennially.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3R7	490-617	Ohio Community Service Council Programs	8,243,000	8,246,000
TOTAL FOR PROGRAM				**8,243,000**	**8,246,000**

Program 04.02: Community Infrastructure Development

This program includes initiatives to improve or expand statewide infrastructure and local capacity for promotion and management of volunteerism. It includes support for Citizen Corps Councils to recruit and manage Homeland Security volunteers; funding for youth-involved grant-making entities to encourage civic engagement; and training and technical assistance to AmeriCorps grantees.

What the Budget Buys:

- Funds a statewide database with volunteers listed by region and skill set in the event of terrorist activity or natural disaster.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3R7	490-617	Ohio Community Service Council Programs	642,000	642,000
SSR	624	490-604	OCSC Community Support	2,000	2,000
TOTAL FOR PROGRAM				**644,000**	**644,000**

Program 04.03: Program Management

This program supports OCSC administrative operations that are not related to other specific programs.

What the Budget Buys:

- Funds five employees to oversee the administrative needs of OCSC.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	490-409	Ohio Community Service Council Operations	203,647	193,465
FED	3R7	490-617	Ohio Community Service Council Programs	285,000	282,000
SSR	624	490-604	OCSC Community Support	500	500
TOTAL FOR PROGRAM				**489,147**	**475,965**

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Appropriation line item Prescription Drug Program/419 is merged into Golden Buckeye/405 to consolidate similar program activities. To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	490-405	Golden Buckeye	467,614	467,614	0.0%	467,614	0.0%

Line Item Notes

Operating Expenses/321: This line item includes the FY 2006 creation and start-up expenses for the Assisted Living waiver program. For additional detail, please refer to program 01.05 PASSPORT.

PACE/421 and Pace – Federal/622: AGE assumes administrative responsibility for the PACE program from ODJFS beginning in FY 2005, and then assumes full program responsibility in FY 2006. For additional detail, please refer to program 01.06, Program for All-Inclusive Care for the Elderly (PACE).

LINE ITEM SUMMARY - Aging

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	490-100	Personal Services	1,198	0	0	0	0	.0	0	.0
GRF	490-200	Maintenance	57,746	0	0	0	0	.0	0	.0
GRF	490-321	Operating Expenses	1,908,867	2,395,202	2,289,917	2,308,867	2,579,867	**	2,308,867	(10.5)
GRF	490-403	PASSPORT	54,790,788	68,416,077	81,028,907	103,746,032	112,045,715	8.0	121,009,372	8.0
GRF	490-405	Golden Buckeye Card	267,627	305,769	287,471	297,628	467,614	**	467,614	**
GRF	490-406	Senior Olympics	17,707	16,625	16,636	15,638	15,638	.0	15,638	.0
GRF	490-407	Long Term Care Consumer Guide	555,450	505,046	3,194	0	0	.0	0	.0
GRF	490-408	STARS	204,561	9,356	0	0	0	.0	0	.0
GRF	490-409	Ohio Comm Srvc Council Operatns	287,689	254,394	218,926	214,365	203,647	(5.0)	193,465	(5.0)
GRF	490-410	Long-Term Care Ombudsman	1,303,908	1,375,499	923,894	689,437	689,437	.0	689,437	.0
GRF	490-411	Senior Community Services	13,178,454	11,569,394	11,062,855	10,630,988	10,630,988	.0	10,630,988	.0
GRF	490-412	Residential State Supplement	10,660,774	9,963,250	9,916,867	9,156,771	9,156,771	.0	9,156,771	.0
GRF	490-414	Alzheimers Respite	4,460,262	4,463,989	3,815,434	4,085,888	4,085,888	.0	4,085,888	.0
GRF	490-416	JCFS Elderly Transportation	169,440	153,217	138,369	130,067	100,000	(23.1)	100,000	.0
GRF	490-419	Prescription Drug Discount Prgm	0	163,086	170,003	169,986	0	**	0	**
GRF	490-421	PACE	0	0	0	360,950	11,354,145	3045.6	10,214,809	**
GRF	490-422	Assisted Living Waiver	0	0	0	0	0	.0	359,919	.0
GRF	490-499	Senior Employment Program	173	0	0	0	0	.0	0	.0
GRF	490-504	Senior Facilities	59,100	0	0	0	0	.0	0	.0
GRF	490-506	Nat'l Senior Service Corps	476,694	405,626	341,098	352,943	352,943	.0	352,943	.0
TOTAL General Revenue Fund			**88,400,438**	**99,996,530**	**110,213,571**	**132,159,560**	**151,682,653**	**14.8**	**159,585,711**	**5.2**
480	490-606	SR Community Outreach and Education	5,667	30,905	39,251	372,677	372,677	.0	372,677	.0
5R5	490-614	OHIOREADS/STARS	1,835,475	1,932,205	70,467	0	0	.0	0	.0
5T4	490-615	Aging Network Support	65,395	121,255	3,890	252,830	0	(100.0)	0	.0
TOTAL General Services Fund Group			**1,906,537**	**2,084,365**	**113,608**	**625,507**	**372,677**	**(40.4)**	**372,677**	**.0**
3C4	490-607	PASSPORT	129,640,473	150,866,891	159,885,409	171,954,474	198,683,143	15.5	218,196,387	9.8
3C4	490-621	PACE-Federal	0	0	0	360,950	10,854,083	2907.1	14,586,135	34.4
3C4	490-622	Assisted Living - Federal	0	0	0	0	0	.0	5,687,374	**
3M3	490-611	Federal Aging Nutrition	21,544,668	21,882,733	23,469,012	26,818,149	27,622,693	3.0	28,037,034	1.5
3M4	490-612	Federal Independence Services	21,436,381	23,072,633	25,051,078	27,094,455	27,907,287	3.0	28,325,896	1.5
3R7	490-617	Ohio Commity Srvc Council Programs	6,499,403	7,287,999	6,592,325	8,905,150	9,170,000	3.0	9,170,000	.0
322	490-618	Federal Aging Grants	12,771,442	10,935,115	11,102,606	13,298,626	14,834,354	11.5	15,014,494	1.2
TOTAL Fed Special Revenue Fund Group			**191,892,367**	**214,045,371**	**226,100,430**	**248,431,804**	**289,071,560**	**16.4**	**319,017,320**	**10.4**
4C4	490-609	Reg Long-Term Care Ombmn Prg	414,661	340,729	388,071	900,000	910,000	1.1	935,000	2.7
4J4	490-610	PASSPORT/Residential State Supplmnt	24,000,000	24,000,000	33,268,052	33,263,984	33,263,984	.0	33,263,984	.0
4U9	490-602	PASSPORT	5,000,000	5,000,000	5,459,342	5,500,000	4,424,969	(19.5)	4,424,969	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Aging

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5BA	490-620	Ombudsman Support	0	0	0	615,000	615,000	.0	0	(100.0)
5K9	490-613	Long Term Care Consumers Guide	587,946	160,374	108,789	0	298,400	.0	620,000	107.8
5W1	490-616	Resident Srvcs Coordinator Prgm	0	0	7,042	262,499	262,500	.0	262,500	.0
624	490-604	OCSC Community Support	0	1,004	30,165	302,500	2,500	(99.2)	2,500	.0
TOTAL State Special Revenue Fund Group			**30,002,607**	**29,502,107**	**39,261,461**	**40,843,983**	**39,777,353**	**(2.6)**	**39,508,953**	**(.7)**
TOTAL Department of Aging			**312,201,949**	**345,628,373**	**375,689,070**	**422,060,854**	**480,904,243**	**13.9**	**518,484,661**	**7.8**

**** Please see the Appropriation Line Item analysis for further detail.**

Department of Agriculture

Role and Overview

The Department of Agriculture (ODA) provides regulatory protection for consumers, farmers, and agribusinesses in Ohio in areas including: food safety; plant pest control; pesticide regulation and other plant industry interests; animal health; amusement ride safety; and oversight of Ohio's large-scale livestock and poultry operations. In addition to licensing and enforcement activities, the department promotes Ohio's agricultural products in domestic and international markets and educates citizens about the state's agricultural industry. The agency is managed by a director appointed by the Governor. The department has an annual budget of more than $46 million that supports the activities of 432 full-time employees. Additional information is available about the Department of Agriculture at http://www.ohioagriculture.gov.

Executive Priorities for the Department of Agriculture

- Provide regulatory protection for the citizens of Ohio through regulatory protection to producers, agribusinesses, and the public as a whole.
- Promote Ohio agricultural products in domestic and international markets.
- Educate Ohioans about agricultural industries.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	22,077	20,057	19,553	20,057	2.6	17,430	(13.1)	17,089	(2.0)
Fed Special Revenue Fund Group	8,410	9,522	13,827	15,549	12.5	15,845	1.9	15,846	.0
State Special Revenue Fund Group	8,794	9,285	11,471	11,008	(4.0)	13,802	25.4	14,290	3.5
Clean Ohio Fund Group	40	93	32	149	370.1	149	.0	149	.0
TOTAL	**39,321**	**38,957**	**44,883**	**46,763**	**4.2**	**47,227**	**1.0**	**47,374**	**.3**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	28,002	28,590	27,436	32,125	17.1	32,791	2.1	33,616	2.5
Purchased Services	777	1,003	1,132	1,326	17.1	1,468	10.7	1,324	(9.8)
Maintenance	7,901	7,584	8,574	10,918	27.3	11,360	4.1	10,903	(4.0)
Equipment	1,137	501	1,394	753	(46.0)	1,080	43.3	1,003	(7.1)
Subsidy	520	654	886	358	(59.5)	358	.0	358	.0
Capital Improvements	7	0	1,928	636	(67.0)	0	(100.0)	0	.0
Transfer & Other	977	626	3,533	647	(81.7)	170	(73.7)	170	.0
TOTAL	**39,321**	**38,957**	**44,883**	**46,763**	**4.2**	**47,227**	**1.0**	**47,374**	**.3**

Department of Agriculture

PROGRAM SERIES 01: General Agriculture

This program series includes funding for County Agricultural Societies, the Ohio Farm Loan program, the Farmland Preservation program, and the Utility Radiological Safety program.

Program 01.01: County Agricultural Societies

This program provides funding to reimburse junior fair activities of the 94 county and independent agricultural societies throughout Ohio. Funds are disbursed in January after the agricultural societies provide a junior fair report of the expenses at their respective fairs. Funding levels determine the reimbursements that each society receives and thereby the premiums to individual participants. Approximately 100,000 junior fair participants exhibit at county and independent fairs in Ohio. Agricultural societies provide educational opportunities for junior fair participants in addition to providing premiums and cash awards at the fairs.

What the Budget Buys:

- Provides funding to reimburse agricultural societies for premiums and cash awarded to junior fair participants that exhibit at county and independent fairs in Ohio. The reimbursement received by agricultural societies depends on the funding available as well as the number of junior fair participants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-501	County Agricultural Societies	358,226	358,226
TOTAL FOR PROGRAM				**358,226**	**358,226**

Program 01.02: Ohio Farm Loan

This program provides first-time loans to higher risk farmers who are unable to obtain conventional credit without a guarantee. The program solicits and reviews, with its advisory board, applications for loans.

What the Budget Buys:

- Continues Ohio's practice of using only the interest from the federal funding in Fund 336 to award low-interest loans to Ohio farmers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	336	700-617	Ohio Farm Loan Revolving Fund	43,793	44,679
TOTAL FOR PROGRAM				**43,793**	**44,679**

Program 01.03: Farmland Preservation

The Office of Farmland Preservation assists in maintaining productive farmland. The program educates the general population on protecting farmland from conversion to non-agricultural use. The office also administers the Clean Ohio Fund's Agricultural Easement Purchase Program and assists local officials with farmland protection efforts.

What the Budget Buys:

- Provides funding to continue efforts to maintain farmlands.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-409	Farmland Preservation	241,573	241,573
CLF	057	700-632	Clean Ohio Agricultural Easement	149,000	149,000
TOTAL FOR PROGRAM				**390,573**	**390,573**

Program 01.04: Utility Radiological Safety

In the event of a nuclear power plant disaster, agency personnel are responsible for testing food grown or processed within specified distances from nuclear power plants. Employees are trained to test various food products that may have been exposed to radioactive material to determine their safety for consumption. The majority of the costs are spent for training and response activities for the Dairy, Meat Inspection, Plant Inspection, Animal Industry, and Food Safety staff.

What the Budget Buys:

- Continue preparedness efforts to protect Ohio citizens in the case of a nuclear disaster.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4E4	700-606	Utility Radiological Safety	73,059	73,059
TOTAL FOR PROGRAM				**73,059**	**73,059**

PROGRAM SERIES 02: Amusement Ride Safety

This program series is responsible for inspecting amusement park rides.

Program 02.01: Amusement Ride Safety

The Division of Amusement Ride Safety is responsible for annually inspecting over 2,000 permanent and portable amusement rides in the state; licensing and regulating games and sideshows at the state, county, and independent fairs; and investigating ride accidents.

What the Budget Buys:

- Supports the current operations of the inspection program to ensure that the public is protected; and
- Supports 11 staff, including eight ride inspectors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	578	700-620	Ride Inspection Fees	829,943	839,943
TOTAL FOR PROGRAM				**829,943**	**839,943**

PROGRAM SERIES 03: Food, Dairies, and Drugs

This program series protects consumers by ensuring that Ohio's dairy and food products are produced and processed under wholesome and safe conditions.

Program 03.01: Dairy Inspection

The Dairy Division ensures that dairy products that are produced and processed in Ohio remain wholesome and safe for consumption. The licensing and inspection of over 4,200 milk producers, transporters, processors, transfer stations, and receiving stations assures the sanitary production, processing, and transportation of milk based products.

What the Budget Buys:

- Continues inspection and licensing activities at the current level; and
- Supports 27 staff positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-403	Dairy Division	1,304,504	1,304,504
SSR	4R2	700-637	Dairy Industry Inspection	1,541,466	1,621,460
TOTAL FOR PROGRAM				**2,845,970**	**2,925,964**

Program 03.02: Food Safety

Food Safety provides a comprehensive approach to ensure a safe food supply through surveillance, sampling, inspection, consultation, technical assistance, and training. Regulatory responsibilities are enforced in the food processing plants, wholesale storage and distribution sites, and retail facilities that produce, process, label, store, distribute, and sell food products.

What the Budget Buys:

- Supports the enforcement of the department's regulatory responsibilities in food processing plants, wholesale storage and distribution sites, and retail facilities that produce, process, label, store, distribute, and sell food products;
- Allows for improved communications of food-borne outbreak investigations and recall notifications through coordination with local health departments, the Ohio Department of Health, the United States Food and Drug Administration, and the United States Department of Agriculture;
- Funds the monitoring of wholesale operations to ensure proper handling of over-the-counter drugs, dietary supplements, and cosmetics; and
- Supports 21 current employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-407	Food Safety	939,099	939,099
SSR	4P7	700-610	Food Safety Inspection	816,096	858,096
TOTAL FOR PROGRAM				**1,755,195**	**1,797,195**

PROGRAM SERIES 04: Agriculture Market Development

This program series promotes Ohio agriculture and food products both domestically and overseas.

Program 04.01: International and Domestic Marketing

The Division of Markets provides marketing services to Ohio's food and agricultural industry to promote and provide a competitive advantage for Ohio-based products that are marketed internationally and nationally. Division staff participate in trade shows, coordinate trade missions, conduct training seminars on exporting, and provide market research information to help promote international development of Ohio-based products.

What the Budget Buys:

- Continues the support of Ohio's product marketing in domestic and international markets; and
- Supports a staff of seven employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-411	International Trade & Market Development	517,524	517,524
SSR	4T7	700-613	International Trade & Market Development	52,000	54,000
TOTAL FOR PROGRAM				**569,524**	**571,524**

Program 04.02: Commodity Marketing

Chapter 924 of the Ohio Revised Code permits producers of Ohio agricultural commodities to form marketing committees to promote their products, provide research, and conduct educational programs for the betterment of their commodities. The department provides oversight of six marketing programs including: apples, beef, corn, eggs, small fruits and vegetables, and sheep and wool. Commodity groups assess producers and forward the proceeds to the department's Division of Markets. The funding is deposited into the Agriculture Commodity Marketing Program and distributed to the marketing committees.

What the Budget Buys:

- Allows for the distribution of collected assessments and the provision of oversight to marketing committees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	494	700-612	Agriculture Commodity Marketing Program	170,220	170,220
TOTAL FOR PROGRAM				**170,220**	**170,220**

Program 04.03: OHIO PROUD Marketing

OHIO PROUD is the department's main marketing program. The program was created in 1993 in order to increase the sales of agricultural products raised, grown, or processed in Ohio. Licensed partners include 204 companies from 61 counties that represent more than 1,200 products. Consumer awareness is one of the principle methods used to promote products. Program employees travel to approximately 80 events each year in an OHIO PROUD van that is used to display information to consumers. The program also funds advertising such as newspaper ads and billboards.

What the Budget Buys:

- Continues the promotion of the sale of agricultural products raised, grown, or processed in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-404	Ohio Proud	185,395	185,395
SSR	4R0	700-636	Ohio Proud Marketing	38,300	38,300
TOTAL FOR PROGRAM				**223,695**	**223,695**

Program 04.04: Grape Industries Research and Marketing

This program seeks to expand Ohio's wine and grape-growing industry with marketing and promotion in order to create income-producing agribusiness. There are approximately 90 licensed and bonded wineries in Ohio. Past research has focused on disease management, pest control, and the development of grape vines that can thrive in the state's cool climate. Revenue to support the program is generated from taxes collected on the sale of wine in Ohio.

What the Budget Buys:

- Allows for the expansion of Ohio's wine and grape growing industry; and
- Funds research on grape disease management and pest control.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	496	700-626	Ohio Grape Industries	1,071,099	1,071,054
TOTAL FOR PROGRAM				**1,071,099**	**1,071,054**

PROGRAM SERIES 05: Plant Industry

This program series includes five programs that provide regulation and safeguarding of plant products and the control of plant pests. The programs are Plant Pest Control, Apiary, and Seed; Gypsy Moth Suppression; Feed, Fertilizer, and Lime Inspection; Grain Warehouse; and Pesticide Regulation.

Program 05.01: Plant Pest Control, Apiary, and Seed

This program consists of four subprograms: Plant Pest Control, Apiary, Seed, and a component that administers seven separate federal grants – 1) Cooperative Pest Record Keeping Contract (United States Department of Agriculture), 2) Homeland Security (United States Department of Agriculture), 3) Cooperative Forestry Assistance (United States Department of Agriculture), 4) Consolidated Pesticide Enforcement Agreement (United States Environmental Protection Agency), 5) Consolidated Pesticide Coop (United States Environmental Protection Agency), 6) Indicated Feed Inspections (United States Department of Health and Human Services), and 7) Emerald Ash Borer (United States Department of Agriculture).

The Plant Pest Control program inspects and certifies/licenses nursery stock producers and dealers, inspects agricultural and forest products for harmful pests, administers state and federal quarantines, eradicates harmful plant pest infestations, performs laboratory analysis of samples, and conducts pest containment inspections.

The Apiary program is a joint state and county program regulating places where colonies of bees are kept. Boards of county commissioners appoint inspectors upon the approval of the Director of Agriculture. County inspectors then work with and are supervised and trained by the department. Annually there are over 5,000 apiary locations registered and over 20,000 colonies inspected.

The Seed program includes the inspection of seed labeling procedures and records, and the sampling and testing of seed lots for quality assurance.

What the Budget Buys:

- Provides for the eradication of harmful new plant infestations, the performance of required laboratory analysis of samples prior to issuing phytosanitary certificates, plant pest containment inspections, and the performance of post entry quarantine inspections of plant material imported from foreign countries;
- Supports the inspection of 20,000 bee colonies in the state to ensure health and a disease-free status;
- Funds the inspection of seed labeling procedures and records, sampling of seed lots to ensure quality, testing of germination and purity for farmers' seed, and the issuance of permits; and
- Allows for the collection and testing of approximately 3,000 seed samples each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-410	Plant Industry	391,216	50,000
FED	3R2	700-614	Federal Plant Industry	4,800,000	4,800,000
TOTAL FOR PROGRAM				**5,191,216**	**4,850,000**

Program 05.02: Gypsy Moth Suppression

This program minimizes the impact of the Gypsy Moth on the natural resources and citizens of Ohio. The Gypsy Moth is a destructive insect pest that currently threatens Ohio's forests, woodlands, and ornamental trees. There are two components to this program, the suppression program that attempts to lessen the impact of the moth in the 43 counties in which it is already established and the Slow-the-Spread program, which provides detection, monitoring, and eradication activities in areas where the moth is not established. The suppression program is matched 50/50 with the USDA Forest Service and the Slow-the-Spread program is matched 65/35 with the USDA Forest Service.

What the Budget Buys:

- Funds continuing suppression efforts and activities to slow the spread of the Gypsy Moth.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-413	Gypsy Moth Prevention	200,000	200,000
TOTAL FOR PROGRAM				**200,000**	**200,000**

Program 05.03: Feed, Fertilizer, and Lime Inspection

The feed and fertilizer section protects consumers purchasing feeds, fertilizers, and liming materials by assuring that the products contain the amount of nutrients and/or minerals listed on the products' labels. The section accomplishes this by testing samples of different animal feeds, agricultural fertilizers, lawn fertilizers, and lime products. Inspectors also conduct safety inspections of anhydrous ammonia equipment and feed mills. The ammonia equipment inspections ensure safe storage and handling of ammonia fertilizer products, while the feed mill inspections are a key step in preventing bovine spongiform encephalopathy (BSE, or Mad Cow Disease).

What the Budget Buys:

- Provides for the inspection and testing of feed, fertilizer, and lime products to ensure the quality and safety of products; and
- Funds safety inspections of ammonia tanks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4C9	700-605	Feed, Fertilizer, Seed, & Lime Inspection	1,922,857	1,891,395
TOTAL FOR PROGRAM				**1,922,857**	**1,891,395**

Program 05.04: Grain Warehouse

This program prevents the loss of grain proceeds by farmers in the event of grain elevator failures. The program licenses and performs fiscal oversight to monitor the financial adequacy of the 245 grain elevator companies that have over 485 locations throughout the state. The program also serves as an insurance program for elevators that become insolvent and cannot pay the farmers that store grain in the facilities.

What the Budget Buys:

- Funds the licensure and monitoring of 245 grain warehouse companies and provides fiscal relief for farmers harmed by elevators that become insolvent.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	497	700-627	Commodity Handlers Regulatory Program	515,820	529,978
TOTAL FOR PROGRAM				**515,820**	**529,978**

Program 05.05: Pesticide Regulation

This program ensures that only approved pesticides are used in Ohio. The program oversees the application, labeling of products, testing, and licensing of pesticides and pesticide applicators in Ohio. In addition, the program is responsible for investigating over 300 complaints annually of misuse of pesticides.

What the Budget Buys:

- Funds the inspection of pesticide manufacturing facilities and the collection of sample products for analysis of label claims; and
- Allows for the licensure of all commercial pesticide dealers, pesticide applicators, and pesticide products.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	669	700-635	Pesticide Program	2,993,232	3,354,448
TOTAL FOR PROGRAM				**2,993,232**	**3,354,448**

PROGRAM SERIES 06: Weights and Measures

This program series is responsible for enforcing all weights and measures laws in Ohio.

Program 06.01: Weights and Measures

The department administers and enforces all weights and measures laws of Ohio. The Division of Weights and Measures' Metrology Lab houses standards of mass, length, and volume for the state. The lab is the only United States Department of Commerce-authorized metrology lab in the state. The effectiveness of the program is measured by the accuracy of the weighting and measuring devices in the marketplace. The program's major responsibility is to inspect, test, and seal each commercial weighting and measuring device under its jurisdiction. The division examines these devices as often as necessary to certify county and municipal standards. The program ensures that pound, kilogram, gallon, liter, foot, meter, and other tools provide accurate measurements.

What the Budget Buys:

- Provides for the inspection, testing, and sealing of each commercial weighting and measuring device as required by statute; and
- Supports training for county and municipal inspectors and service technicians that work for private scale and meter service companies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5BF	700-643	Weights and Measures	1,160,600	1,160,600
SSR	5H2	700-608	Metrology Lab and Scale Certification	351,526	362,526
TOTAL FOR PROGRAM				**1,512,126**	**1,523,126**

PROGRAM SERIES 07: Animal Industry

This program series includes animal disease, damage control, and animal and poultry inspection.

Program 07.01: Animal Disease Control

This program maintains a disease-free status for Ohio's flocks and herds, protects livestock and poultry from emerging, foreign, and re-emerging diseases, protects consumers from tissue and milk residues, protects livestock and poultry interests, and provides high caliber animal disease diagnostic laboratory services. The Division of Animal Industry has substantial responsibilities relative to animal agriculture emergency preparedness due to foreign animal diseases such as the Foot and Mouth Disease threat, surveillance for BSE, and monitoring and

testing for West Nile Virus. The division also participates in the National Animal Identification System and the Animal Disease Incident Annex, prepares and assures Ohio's ability to respond to emergency situations and disease outbreaks, and participates in bio-security training exercises. Regulatory disease control programs utilize field staff consisting of veterinarians and livestock inspectors working closely with the United States Department of Agriculture Veterinary Services. These regulatory programs enforce, inspect, and monitor livestock dealers, auction markets, concentration yards, weighers, renderers, collectors, and garbage feeders. The Animal Disease Diagnostic Laboratory's (ADDL) technical staff use state of the art equipment to provide diagnostic services. New duties for the division include tampering and exhibition testing, tissue and drug residue investigation, Ohio Egg Quality Assurance Program auditing and inspecting, and increased disease control work.

What the Budget Buys:

- Funds the enforcement, inspection, and monitoring of livestock dealers, auction markets, concentration yards, weighers, renderers, collectors, and garbage feeders;
- Allows for the maintenance of a disease-free status for Ohio's flocks and herds;
- Supports the protection of livestock and poultry from emerging, foreign, and re-emerging diseases;
- Provides protection to consumers from tissue and milk residues; and
- Funds animal disease diagnostic laboratory services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-401	Animal Disease Control	3,574,506	3,574,506
SSR	4V5	700-615	Animal Industry Lab Fees	810,000	810,000
TOTAL FOR PROGRAM				**4,384,506**	**4,384,506**

Program 07.02: Poultry Inspection

This program develops testing and disease control initiatives involving Ohio's poultry industry. Ohio ranks second in the nation in egg production and is one of only six states to enact an egg quality assurance program to voluntarily minimize the risk of *Salmonella Enteritidis* (SE) in eggs. In addition, substantial efforts have been directed to increased surveillance for Avian Influenza and Exotic Newcastle Disease. The Animal Disease Diagnostic Laboratory conducts over 230,000 tests per year on poultry.

What the Budget Buys:

- Supports egg safety initiatives, including the Ohio Egg Quality Assurance Program to assess, control, and reduce the threat of *Salmonella Enteritidis* in Ohio eggs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-415	Poultry Inspection	251,678	251,678
TOTAL FOR PROGRAM				**251,678**	**251,678**

Program 07.03: Livestock Testing and Inspection

This program supports the testing of exhibition livestock at the state, county, and independent fairs, as well as at other exhibitions. Public concern for a safe food supply, the need to develop residue avoidance mentalities in food producers, and the desire to elevate youth exhibitors' skills provide the rationale for the program. The volume of samples required to be tested determines the program's cost. The labor hours needed to obtain samples, perform tests, track results, distribute sample collection kits, and respond to violations also impact the program's funding needs.

What the Budget Buys:

- Continues testing of exhibition livestock at county and independent fairs as well as the Ohio State Fair and other exhibitions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-424	Livestock Testing & Inspections	115,946	115,946
TOTAL FOR PROGRAM				**115,946**	**115,946**

PROGRAM SERIES 08: Meat Inspection

This program series ensures a high level of quality in meat and poultry products as a result of the division's inspection and labeling activities.

Program 08.01: Meat Inspection

The Division of Meat Inspection is a regulatory entity that ensures the safety of meat and poultry products that are produced and processed in Ohio. The primary goal is to protect health and safety by ensuring that meat and poultry slaughtered or processed for interstate commerce has passed both ante-mortem and postmortem inspection. Passing inspection means eliminating diseases that are directly transmissible from animals to humans, eliminating carcasses with residues/chemicals that are harmful to humans, processing raw products in a sanitary manner, and overseeing the science-based Hazard Analysis Critical Control Points pathogen elimination system in meat and poultry plants. Each slaughter facility must pay fees and register each year. Funding is split approximately 50/50 with the federal government and approximately 130 employees are assigned to this program.

What the Budget Buys:

- Continues the current level of activities designed to ensure the quality of meat products.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-499	Meat Inspection Program - State Share	4,696,889	4,696,889
FED	326	700-618	Meat Inspection Program - Federal Share	5,201,291	5,201,291
SSR	4T6	700-611	Poultry and Meat Inspection	47,294	47,294
TOTAL FOR PROGRAM				**9,945,474**	**9,945,474**

PROGRAM SERIES 09: Consumer Analytical Laboratory

This program provides safe and accurately labeled food products for consumers and safe agricultural products for Ohio's farmers, and prevents the occurrence of unsafe environmental conditions resulting from the improper use of pesticides and fertilizers.

Program 09.01: Consumer Analytical Laboratory

The Consumer Analytical Laboratory (CAL) provides laboratory-testing services of samples collected by employees of the regulatory divisions of the agency. The samples are received from agency programs, other state agencies, local health districts, school districts, private companies, and private citizens. The tests performed by the CAL include testing for food-borne pathogens such as *Salmonella, Listeria monocytogenes,* and *E-coli,* analyzing agricultural liming and fertilizers, determining pesticide residue levels in food and milk, testing water for metals, volatile organic compounds and other contaminates, and determining the cause of livestock and poultry death.

What the Budget Buys:

- Continues the current level of testing provided by the laboratory's 21 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-406	Consumer Analytical Lab	819,907	819,907
SSR	652	700-634	Animal and Consumer Analytical Lab	989,447	987,447
TOTAL FOR PROGRAM				**1,809,354**	**1,807,354**

PROGRAM SERIES 10: Large Livestock Regulation

This program series monitors large livestock operations. With the rural environment in close proximity to urban residents, it is increasingly important to provide acceptable environmental standards for large livestock producers. The goal is to eliminate water quality hazards and to establish acceptable standards to maintain quality surface and ground water in areas of large livestock operations.

Program 10.01: Large Livestock Regulation

This program regulates management practices and practices for the handling of manure, including insect and rodent control, and monitors the guidelines for compliance. The program also provides permits and certificates for large livestock facilities and establishes building standards for new facilities. The program's standards not only benefit livestock producers, but the rural and urban neighbors of these facilities.

What the Budget Buys:

- Funds the monitoring of large livestock operations.
- Provides funding for the Concentrated Animal Feeding Facility Advisory Committee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-418	Livestock Regulation Program	1,228,496	1,228,496
SSR	5L8	700-604	Livestock Management Program	30,000	30,000
TOTAL FOR PROGRAM				**1,258,496**	**1,258,496**

PROGRAM SERIES 11: Auctioneers Licensing

This program series ensures that auctioneers are properly trained, progress through an apprenticeship program, and are meet testing requirements before they are issued an auctioneer's license.

Program 11.01: Auctioneers Licensing

In October 2001, the licensing function and administration of the Ohio Auctioneer Program was transferred from the Department of Commerce to the Department of Agriculture. The program provides licensing for all auctioneers that operate in the State of Ohio. The program provides training for auctioneers and works with the Ohio Auctioneer Commission to set standards.

What the Budget Buys:

- Provides licensing and regulation services for Ohio's 3,300 auctioneers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4D2	700-609	Auction Education	23,885	24,601
SSR	5B8	700-629	Auctioneers	365,390	365,390
TOTAL FOR PROGRAM				**389,275**	**389,991**

PROGRAM SERIES 12: Program Management

This program series includes the director's office, fiscal services, and human resources management as well as specialized functions such as enforcement, tobacco, and a variety of small general agricultural programs.

Program 12.01: Program Management

This program includes the: 1) Director's Office; 2) Business Management; 3) Human Resources; 4) Enforcement; 5) Laboratory and Building Maintenance; 6) Data Processing; 7) Legal; 8) Office of Tobacco Administration; and 9) General Agricultural Functions – including rural development partnership programs.

What the Budget Buys:

- Provides support services to all Department of Agriculture programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	700-321	Operating Expenses	2,605,330	2,605,330
FED	3J4	700-607	Indirect Cost	1,500,027	1,500,027
FED	382	700-601	Cooperative Contracts	4,300,000	4,300,000
TOTAL FOR PROGRAM				**8,405,357**	**8,405,357**

Department of Agriculture

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

The Animal Industries Laboratory Fund (Fund 4V5) and the Laboratory Services Fund (Fund 652) receive similar fees and support similar services. By merging fund 4V5 and corresponding line item Animal Industry Lab Fees/615 with fund 652 containing the Animal and Consumer Analytical Lab/634, the department will have more flexibility to provide services.

Seed Program/643 is merged into Feed, Fertilizer, Seed, and Lime Inspection/605, allowing the agency to streamline funding for similar activities.

The Scale Certification Fund (Fund 579) containing Scale Certification/630, is merged into the Weights and Measures Laboratory Fund (Fund 5H2) containing Metrology Lab and Scale Certification/608, to combine similar program activities under the same funding.

To illustrate changes in funding levels due to this restructuring, estimated FY 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
652	700-634	Animal and Consumer Analytical Lab	1,786,391	1,799,447	0.7%	1,799,447	0.0%
4C9	700-605	Feed Fertilizer Seed and Lime Insp.	1,249,541	1,922,857	53.9%	1,891,395	-1.6%
5H2	700-608	Metrology Lab and Scale Certification	280,526	351,526	25.3%	362,526	3.1%

Line Item Notes

Amusement Ride Safety/402: GRF Funding for this program is eliminated and fees will be increased through the administrative rules process to cover the costs of operating the program.

Animal Damage Control/405: The Executive Budget eliminates funding for this program.

Weights and Measures /412: GRF Funding for this program is eliminated and new fees are proposed in the Executive Budget to cover the costs of operating the program.

LINE ITEM SUMMARY - Agriculture

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	700-321	Operating Expenses	2,950,680	2,871,033	2,744,543	2,605,330	2,605,330	.0	2,605,330	.0
GRF	700-401	Animal Disease Control	4,051,686	3,696,187	3,676,789	3,874,506	3,574,506	(7.7)	3,574,506	.0
GRF	700-402	Amusement Ride Safety	212,509	204,682	220,178	275,943	0	**	0	**
GRF	700-403	Dairy Division	1,513,088	1,451,132	1,424,209	1,404,504	1,304,504	(7.1)	1,304,504	.0
GRF	700-404	Ohio Proud	239,010	237,213	183,069	185,395	185,395	.0	185,395	.0
GRF	700-405	Animal Damage Control	66,351	45,802	42,830	89,257	0	**	0	**
GRF	700-406	Consumer Analytical Lab	875,625	771,745	767,207	819,907	819,907	.0	819,907	.0
GRF	700-407	Food Safety	1,320,209	1,023,631	727,923	939,099	939,099	.0	939,099	.0
GRF	700-409	Farmland Preservation	122,019	238,601	266,286	241,573	241,573	.0	241,573	.0
GRF	700-410	Plant Industry	1,556,472	1,156,738	1,097,897	1,041,216	391,216	(62.4)	50,000	(87.2)
GRF	700-411	Int'l Trade & Market Development	876,708	550,322	551,735	517,524	517,524	.0	517,524	.0
GRF	700-412	Weights and Measures	932,575	886,728	859,089	854,573	0	**	0	**
GRF	700-413	Gypsy Moth Prevention	644,375	365,347	413,663	541,721	200,000	(63.1)	200,000	.0
GRF	700-414	Conc. Animal Feeding Fac. Adv. Comm	13,960	2,073	1,521	15,121	0	(100.0)	0	.0
GRF	700-415	Poultry Inspection	315,325	294,981	259,760	251,678	251,678	.0	251,678	.0
GRF	700-418	Livestock Regulation Program	1,251,096	1,300,773	1,198,513	1,228,496	1,228,496	.0	1,228,496	.0
GRF	700-424	Livestock Testing & Inspections	166,049	91,332	114,683	115,946	115,946	.0	115,946	.0
GRF	700-499	Meat Inspection Prgrm- State Share	4,468,968	4,467,842	4,622,817	4,696,889	4,696,889	.0	4,696,889	.0
GRF	700-501	County Agricultural Societies	431,548	390,863	380,787	358,226	358,226	.0	358,226	.0
GRF	700-503	Swine and Cattle Breeder Awards	68,921	10,283	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**22,077,174**	**20,057,308**	**19,553,499**	**20,056,904**	**17,430,289**	**(13.1)**	**17,089,073**	**(2.0)**
3AB	700-641	Agricultural Easement	0	0	1,927,736	431,372	0	(100.0)	0	.0
3J4	700-607	Indirect Cost	803,981	978,495	1,220,180	1,286,877	1,500,027	16.6	1,500,027	.0
3R2	700-614	Federal Plant Industry	1,473,736	1,336,907	2,324,784	4,625,000	4,800,000	3.8	4,800,000	.0
3X6	700-639	Federal Grants	0	496,603	0	3,497	0	(100.0)	0	.0
3X7	700-640	Specialty Crops Support	0	274,258	479,673	37,813	0	(100.0)	0	.0
326	700-618	Meat Inspection Prgrm- Fed Share	4,317,792	4,424,749	4,455,061	4,951,291	5,201,291	5.0	5,201,291	.0
336	700-617	Ohio Farm Loan Revolving Fund	159,731	176,533	61,560	181,774	43,793	(75.9)	44,679	2.0
382	700-601	Cooperative Contracts	1,654,917	1,834,134	3,357,722	4,031,189	4,300,000	6.7	4,300,000	.0
TOTAL Fed Special Revenue Fund Group			**8,410,157**	**9,521,679**	**13,826,716**	**15,548,813**	**15,845,111**	**1.9**	**15,845,997**	**.0**
4C9	700-605	Feed,Fertilizer,Seed,& Lime Insp	870,328	1,013,741	887,462	1,008,541	1,922,857	**	1,891,395	(1.6)
4D2	700-609	Auction Education	25,280	27,573	23,484	30,476	23,885	(21.6)	24,601	3.0
4E4	700-606	Utility Radiological Safety	45,129	45,926	72,543	73,059	73,059	.0	73,059	.0
4P7	700-610	Food Safety Inspection	367,647	534,440	547,556	789,711	816,096	3.3	858,096	5.1
4R0	700-636	Ohio Proud Marketing	34,328	3,384	21,691	38,300	38,300	.0	38,300	.0
4R2	700-637	Dairy Industry Inspection	1,149,031	1,093,988	1,068,104	1,184,183	1,541,466	30.2	1,621,460	5.2
4T6	700-611	Poultry and Meat Inspection	62,862	46,371	42,386	47,294	47,294	.0	47,294	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Agriculture

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4T7	700-613	Int'l Trade & Market Dev.	40,037	76,112	42,909	42,000	52,000	23.8	54,000	3.8
4V5	700-615	Animal Industry Lab Fees	488,838	854,239	507,993	711,944	0	**	0	**
490	700-623	Agro Ohio Fund	0	9,823	0	50,000	0	(100.0)	0	.0
493	700-603	Fruits and Vegetables Inspect. Fees	23,987	0	0	0	0	.0	0	.0
494	700-612	Agr. Commodity Marketing Program	169,038	185,645	210,791	240,000	170,220	(29.1)	170,220	.0
496	700-626	Ohio Grape Industries	631,843	780,188	890,672	1,071,099	1,071,099	.0	1,071,054	.0
497	700-627	Commodity Handlers Regulatory Prgrm	551,230	539,209	476,641	664,118	515,820	(22.3)	529,978	2.7
498	700-628	Agr. Commodity Indemnification	747,794	407,386	3,238,153	250,000	0	(100.0)	0	.0
5BF	700-643	Weights and Measures	0	0	0	0	1,160,600	**	1,160,600	.0
5B8	700-629	Auctioneers	120,581	237,015	255,335	365,390	365,390	.0	365,390	.0
5H2	700-608	Metrology Lab and Scale Certificatn	70,911	67,003	90,599	108,849	351,526	**	362,526	3.1
5L8	700-604	Livestock Management Program	0	0	0	100,000	30,000	(70.0)	30,000	.0
5Z4	700-642	Seed Program	0	0	0	241,000	0	(100.0)	0	.0
578	700-620	Ride Inspection Fees	483,213	385,269	404,665	497,000	829,943	67.0	839,943	1.2
579	700-630	Scale Certification	266,780	226,965	161,380	171,677	0	**	0	**
588	700-633	Brand Registration	0	0	0	5,500	0	(100.0)	0	.0
652	700-634	Animal and Consumer Analytical Lab	1,040,172	1,108,654	926,850	1,074,447	1,876,624	**	1,831,232	(2.4)
669	700-635	Pesticide Program	1,604,605	1,642,258	1,602,115	2,243,232	2,993,232	33.4	3,354,448	12.1
TOTAL State Special Revenue Fund Group			**8,793,634**	**9,285,189**	**11,471,329**	**11,007,820**	**13,879,411**	**26.1**	**14,323,596**	**3.2**
057	700-632	Clean Ohio Agricultural Easement	39,913	93,099	31,698	149,000	149,000	.0	149,000	.0
TOTAL Clean Ohio Fund Group			**39,913**	**93,099**	**31,698**	**149,000**	**149,000**	**.0**	**149,000**	**.0**
TOTAL Department of Agriculture			**39,320,878**	**38,957,275**	**44,883,242**	**46,762,537**	**47,303,811**	**1.2**	**47,407,666**	**.2**

**** Please see the Appropriation Line Item analysis for further detail.**

Air Quality Development Authority

Role and Overview

The Ohio Air Quality Development Authority (OAQDA) helps conserve air as a natural resource, prevents or abates air pollution, and assists in the financing of air quality facilities for industry, commerce, and research.

The Air Quality Development Authority is governed by a seven-member board. Five of the members are public members appointed by the Governor. The other two members are the directors of the Ohio Department of Health and the Ohio Environmental Protection Agency. The day-to-day functions of the authority are performed by a staff of nine with an annual budget of approximately $18.8 million. The authority assists businesses in meeting environmental mandates by financing the purchase, construction, or installation of air quality facilities. These activities are funded through administrative fees charged to the beneficiaries of its bond issues. The authority operates the Ohio Clean Air Ombudsman for the Small Business program, which is funded by revenue generated by permit fees collected pursuant to Title V of the Clean Air Act Amendments of 1990. The authority also oversees the Ohio Coal Development Office, whose mission is to encourage research, development, and deployment of clean coal technologies. Operating costs of the program are funded through General Revenue Fund appropriations; grants and financing of the program are supported by the proceeds of Ohio Coal Development bonds, general obligation issues of the state. More information regarding the Ohio Air Quality Development Authority is available at http://www.ohioairquality.org/.

Executive Priorities for the Air Quality Development Authority

- Provide financing assistance for investments resulting in better air quality.
- Assist small businesses in complying with Clean Air Act requirements.
- Support and encourage development and deployment of clean coal technology.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	0	0	7,701	9,749	26.6	7,640	(21.6)	9,555	25.1
Coal Research/Development Fund	0	0	8,520	8,500	(.2)	10,000	17.6	10,000	.0
Agency Fund Group	484	407	445	562	26.2	591	5.2	599	1.3
TOTAL	**484**	**407**	**16,666**	**18,811**	**12.9**	**18,231**	**(3.1)**	**20,154**	**10.5**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	332	297	670	802	19.7	841	4.8	849	.9
Purchased Services	0	0	13	25	91.5	0	(100.0)	0	.0
Maintenance	86	92	235	212	(10.0)	238	12.5	243	2.1
Equipment	0	0	4	2	(53.6)	10	400.0	10	.0
Subsidy	66	18	8,551	8,585	.4	10,071	17.3	10,071	.0
Transfer & Other	0	0	7,193	9,185	27.7	7,071	(23.0)	8,981	27.0
TOTAL	**484**	**407**	**16,666**	**18,811**	**12.9**	**18,231**	**(3.1)**	**20,154**	**10.5**

Air Quality Development Authority

PROGRAM SERIES 01: Air Quality Development Authority

The authority combines financing and technical assistance and research and development support to encourage investment resulting in better Ohio air quality. The effort makes environmental protection and economic development mutually compatible and beneficial.

Program 01.01: Facility Development and Financing

Through the issuance of bonds, the program assists Ohio entities in financing air quality improvements. It oversees administration of those bond issues and educates various constituencies on air quality issues.

What the Budget Buys:

- Provides support for the administration and management of $1.7 billion in outstanding debt;
- Educates potential client base about the program;
- Assists in developing eligible projects and coordinates the application process; and
- Oversees issuance of new project revenue bonds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	570	898-601	Operating Expenses	256,875	263,693
TOTAL FOR PROGRAM				**256,875**	**263,693**

Program 01.02: Clean Air Resource Center

The program fulfills the federal requirement to provide specific assistance to small businesses, which must comply with the Clean Air Act. It provides technical and financing assistance, and fills the role of Small Business Ombudsman for Clean Air.

What the Budget Buys:

- Educates small businesses about the requirements of the Clean Air Act at state and federal levels;
- Provides access to technical advice on rules, regulations, and compliance options such as new technologies and pollution prevention;
- Analyzes the financing needs of small businesses as they meet regulatory challenges; and
- Provides financing assistance for small business investment necessary to comply with Clean Air Act requirements, ranging from new management systems to process changes to new or modified equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	4Z9	898-602	Small Business Ombudsman	263,165	264,196
AGY	5A0	898-603	Small Business Assistance	71,087	71,087
TOTAL FOR PROGRAM				**334,252**	**335,283**

Air Quality Development Authority

Program 01.03: Ohio Coal Development Office

This program is Ohio's clean coal technology research, development, and deployment office. It supports these efforts through grants and loans that co-fund projects that develop and implement clean coal technologies. Section 15, Article VIII of the Ohio Constitution authorizes this program.

What the Budget Buys:

- Awards and administers grants to assist the development and deployment of technologies which will make coal an economically and environmentally responsible energy source, especially Ohio coal;
- Provides technical, administrative, and management assistance to grantees;
- Monitors technological advances in the field and strategic policies developed by federal agencies and corporations;
- Works with its Technical Advisory Committee to determine program direction, identify R&D priorities, develop program solicitations, review proposals and award grants; and
- Supports the Ohio Coal Research Consortium, a network of Ohio universities conducting basic research in the clean coal technology field.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	898-402	Coal Development Office	568,814	573,814
GRF	GRF	898-901	Coal R&D Gen Obligation Debt Service	7,071,100	8,980,800
046	046	898-604	Coal Research & Development Fund	10,000,000	10,000,000
TOTAL FOR PROGRAM				**17,639,914**	**19,554,614**

LINE ITEM SUMMARY - Air Quality Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	898-402	Coal Development Office	0	0	507,573	563,814	568,814	.9	573,814	.9
GRF	898-901	Coal R&D Gen Obligation Debt Srvc	0	0	7,192,980	9,185,100	7,071,100	(23.0)	8,980,800	27.0
TOTAL General Revenue Fund			**0**	**0**	**7,700,553**	**9,748,914**	**7,639,914**	**(21.6)**	**9,554,614**	**25.1**
046	898-604	Coal Research & Development Fund	0	0	8,520,120	8,500,000	10,000,000	17.6	10,000,000	.0
TOTAL Coal Research/Development Fund			**0**	**0**	**8,520,120**	**8,500,000**	**10,000,000**	**17.6**	**10,000,000**	**.0**
4Z9	898-602	Small Business Ombudsman	197,653	204,778	194,006	233,482	263,165	12.7	264,196	.4
5A0	898-603	Small Business Assistance	66,121	17,526	28,495	85,000	71,087	(16.4)	71,087	.0
570	898-601	Operating Expenses	219,853	184,260	222,816	243,383	256,875	5.5	263,693	2.7
TOTAL Agency Fund Group			**483,627**	**406,564**	**445,317**	**561,865**	**591,127**	**5.2**	**598,976**	**1.3**
TOTAL Air Quality Development			**483,627**	**406,564**	**16,665,990**	**18,810,779**	**18,231,041**	**(3.1)**	**20,153,590**	**10.5**

Department of Alcohol and Drug Addiction Services

Role and Overview

The Department of Alcohol and Drug Addiction Services (ODADAS) has been serving Ohio citizens with a comprehensive approach to alcohol and drug addiction since its creation in 1989. The department plans, initiates, and coordinates an extensive system of alcohol and drug addiction services designed to prevent abuse and treat Ohio's addicted populations. The department collaborates extensively with other state and local agencies and treatment/prevention professionals throughout the state to ensure a coordinated effort in achieving its mission.

The director of ODADAS, appointed by the Governor, is supported by a staff of 110 and manages an annual budget of over $176 million. The department distributes state and federal funds to 50 local Alcohol and Drug Addiction Services and Alcohol, Drug Addiction, and Mental Health Services (ADAS/ADAMHS) boards that contract with approximately 1,072 community programs for alcohol and other drug addiction prevention and treatment services. The boards are required to follow the guidelines established by the department regarding the use of the funds. Approximately half of the department's subsidy funds are distributed to boards throughout the state on a per-capita/needs basis, and the remainder of the funds are provided to specific alcohol and other drug programs. The department also certifies all alcohol and other drug addiction treatment programs and driver intervention programs. In addition, it operates therapeutic community treatment units in two of the state's prisons, the Ohio Reformatory for Women and the Pickaway Correctional Institution.

Executive Priorities for the Department of Alcohol and Drug Addiction Services

- Provide statewide leadership for alcohol and drug prevention.
- Provide alcohol and drug addiction treatment services for the health, safety, and productivity of all Ohioans.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	31,211	30,113	37,214	36,677	(1.4)	37,743	2.9	38,841	2.9
General Services Fund Group	5,553	5,539	317	285	(10.0)	285	.0	285	.0
Fed Special Revenue Fund Group	98,813	106,239	108,543	122,093	12.5	126,093	3.3	130,093	3.2
State Special Revenue Fund Group	14,996	13,839	15,133	17,280	14.2	17,850	3.3	18,350	2.8
TOTAL	**150,574**	**155,729**	**161,206**	**176,335**	**9.4**	**181,971**	**3.2**	**187,570**	**3.1**

Department of Alcohol and Drug Addiction Services

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	6,900	6,922	7,334	7,873	7.3	8,599	9.2	8,859	3.0
Purchased Services	1,464	947	1,249	1,505	20.5	1,118	(25.7)	962	(14.0)
Maintenance	1,645	1,713	1,462	1,561	6.8	1,520	(2.6)	1,425	(6.2)
Equipment	62	61	159	129	(18.8)	54	(58.6)	53	(.9)
Subsidy	139,430	144,743	149,637	163,426	9.2	169,399	3.7	174,990	3.3
Transfer & Other	1,073	1,344	1,365	1,841	34.9	1,281	(30.4)	1,281	.0
TOTAL	**150,574**	**155,729**	**161,206**	**176,335**	**9.4**	**181,971**	**3.2**	**187,570**	**3.1**

PROGRAM SERIES 01: Prevention Services

The Division of Prevention Services prepares prevention guidelines and reviews and recommends state-funded prevention grants and programs. The division facilitates increased public awareness of the consequences of alcohol and other drug addictions. The division also provides resources and consultation to ADAMHS/ADAS boards and community agencies recommending programs for development and enhancement. The division maintains membership in the National Substance Abuse Prevention Network and acts as liaison with other national, state, and local advocacy groups. Membership allows the division access to their prevention strategies to increase abstinence from alcohol and illicit drug use, defer the onset of alcohol use, eliminate high-risk use of alcohol and other legal drugs, and to impact environmental risk factors related to alcohol, tobacco, and other drugs in Ohio communities.

Program 01.01: Local ADAMHS/ADAS Boards - Prevention

ODADAS allocates prevention funds based on a per capita/needs basis to local ADAMHS/ADAS boards to provide funding to area agencies to support the development of prevention programs in their communities. The boards use the subsidy funds to purchase prevention and intervention services from area agencies.

This program also houses the State Incentive Project that focuses on enhancing the statewide prevention plan and implementing evidence based prevention programs.

What the Budget Buys:

- Funds programming to prevent alcohol, tobacco, and other drug use; and
- Funds prevention activities to raise public awareness of the harmful effects of alcohol, tobacco, and other drug use.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	1,076,697	2,144,495
GRF	GRF	038-404	Prevention Services	892,769	923,413
FED	3G4	038-614	Substance Abuse Block Grant	14,158,570	14,158,570
FED	3H8	038-609	Demonstration Grants	2,550,000	2,550,000
SSR	475	038-621	Statewide Treatment and Prevention	62,948	62,948
TOTAL FOR PROGRAM				**18,740,984**	**19,839,426**

Program 01.02: Statewide Prevention Services

This program supports four unique but essential prevention programs. The Ohio Resource Network for Safe Drug Free Schools and Communities acts as a drug and alcohol prevention information clearinghouse, providing technical assistance and training. Urban Minority Alcoholism and Drug Abuse Outreach Programs assure culturally appropriate services are provided to minority populations. The Ohio Parents for Drug Free Youth program provides technical assistance and training to colleges, drug free community coalitions, and underage drinking prevention coalitions around Ohio to increase their ability to reduce tobacco and other drugs within their communities. The Head Start Alcohol and Other Drug Prevention program, offered through the University of Cincinnati's College of Education, provides technical assistance and training to Head Start and preschool teachers and administrators throughout the state on how to integrate alcohol, tobacco, and other drug prevention programs within their present curriculum. These four prevention programs support the provision of prevention services at the local level and across the state, reaching Ohioans of all ages.

What the Budget Buys:

- Funds the Ohio Resources Network for Safe Drug-Free Schools and Communities;
- Funds the Urban Minority Alcoholism and Drug Abuse Outreach Program;
- Funds the Ohio Parents for Drug Free Youth Program; and
- Funds the Head Start Alcohol and Other Drug Prevention program through the University of Cincinnati's College of Education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3G4	038-614	Substance Abuse Block Grant	2,928,758	2,928,758
SSR	475	038-621	Statewide Treatment and Prevention	200,000	200,000
TOTAL FOR PROGRAM				**3,128,758**	**3,128,758**

Program 01.03: School and Community Services

This program supports prevention services through school and community services programs. Prevention at Work is a program that helps businesses to meet the U.S. Department of Transportation and Bureau of Workers' Compensation conditions to be a drug free workplace. The Safe and Drug-Free Schools and Communities program provides school-age children, their families, and educators with prevention activities. Drug Free Community Coalitions assist county alcohol and drug boards develop strategic prevention plans. The Higher Education High Risk Drinking Initiative funds programs at colleges and universities aimed at preventing crime related to underage and adult use of alcohol. Underage Drinking Prevention Programs combat underage drinking through a statewide media campaign "Parents Who Host Lose the Most."

What the Budget Buys:

- Funds the Prevention at Work Program;
- Funds Safe and Drug-Free Schools and Community programs;
- Funds Drug Free Community Coalitions;
- Funds Community Prevention programs;
- Funds Higher Education High-Risk Drinking Initiatives; and
- Funds Underage Drinking Prevention programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	406,148	406,148
GRF	GRF	038-404	Prevention Services	98,714	98,714
FED	3G3	038-603	Drug Free Schools	3,415,002	3,415,002
FED	3G4	038-614	Substance Abuse Block Grant	2,219,576	2,219,576
FED	3H8	038-609	Demonstration Grants	338,935	338,935
SSR	475	038-621	Statewide Treatment and Prevention	394,930	394,930
TOTAL FOR PROGRAM				**6,873,305**	**6,873,305**

Program 01.04: Youth and Family Services

This program supports prevention efforts aimed at youth and families. The Youth Mentoring Program provides youth with an opportunity to interact with an adult or peer mentor to help them make healthy decisions about alcohol, tobacco, and other drug use. The Parent Awareness Task Force provides parents with information to help parents talk to their children about alcohol, tobacco, and other drug use. The Problem Identification and Referral Initiative works with homeless women in Montgomery and Lucas counties to prevent addiction by identifying potential problems.

What the Budget Buys:

- Funds the Youth Mentoring Program;
- Funds the Parent Awareness Task Force; and
- Funds the Problem Identification and Referral Initiative.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	843,852	843,852
GRF	GRF	038-404	Prevention Services	30,000	30,000
FED	3G4	038-614	Substance Abuse Block Grant	843,982	843,982
SSR	475	038-621	Statewide Treatment and Prevention	277,265	277,265
TOTAL FOR PROGRAM				**1,995,099**	**1,995,099**

PROGRAM SERIES 02: Treatment and Recovery Services

The Division of Treatment and Recovery Services continues ODADAS' role of establishing, promoting, and supporting innovative treatment services for all Ohioans by supporting local alcohol and drug addiction service providers. The division also operates a therapeutic treatment community at the Pickaway Correctional Institution and the Ohio Reformatory for Women.

Program 02.01: Local ADAMHS/ADAS Boards - Treatment

The Alcohol, Drug Addiction, and Mental Health Services/Alcohol and Drug Addiction Services (ADAMHS/ADAS) Board program supports treatment programs for those abusing alcohol and/or other drugs by distributing subsidy funds to local ADAMHS/ADAS boards that then contract with local treatment providers. These funds are used by the ADAMHS/ADAS boards to match federal Medicaid funds and purchase alcohol and other drug treatment services for qualifying individuals.

What the Budget Buys:

- Matches federal Medicaid funding for prevention and treatment services; and
- Funds subsidy payments to 50 ADAMHS/ADAS boards across the state to purchase treatment services from local providers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	20,161,133	20,161,133
FED	3G4	038-614	Substance Abuse Block Grant	31,225,394	31,225,394
SSR	475	038-621	Statewide Treatment and Prevention	7,261,850	7,761,850
TOTAL FOR PROGRAM				**58,648,377**	**59,148,377**

Program 02.02: Women's Services Special Grants

The Women's Services Special Grants Program funds a statewide network of 90 gender and culturally specific prevention, outpatient, and residential treatment programs for alcohol and other drug addicted pregnant women, women with dependent children, and female adolescents. Alcohol and other drug treatment services supported with these funds include prevention, detoxification, outpatient, and residential treatment, along with a comprehensive array of support services including housing, childcare, transportation, and case management.

What the Budget Buys:

- Funds 90 programs targeted towards women in the areas of alcohol and drug addiction prevention, outpatient, and residential treatment programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3G4	038-614	Substance Abuse Block Grant	14,258,709	14,258,709
SSR	475	038-621	Statewide Treatment and Prevention	2,299,676	2,299,676
TOTAL FOR PROGRAM				**16,558,385**	**16,558,385**

Program 02.03: Family and Adolescent Treatment

This program supports a statewide network of developmentally appropriate treatment services for alcohol and other drug abusing youth. This network provides a comprehensive continuum of care including intervention, outpatient, and residential treatment and aftercare. These adolescent-specific programs address the need for specialized services for youth. ODADAS, local ADAS/ADAMHS Boards, and community groups consistently identify this population as a priority.

What the Budget Buys:

- Funds timely access and quality prevention and treatment services to adolescents and their families.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	7,932,000	7,932,000
FED	3H8	038-609	Demonstration Grants	1,983,433	1,975,915
SSR	475	038-621	Statewide Treatment and Prevention	392,000	392,000
TOTAL FOR PROGRAM				**10,307,433**	**10,299,915**

Program 02.04: Criminal Justice Services

This program supports 21 drug courts, 18 Treatment Alternatives to Street Crime programs, six Therapeutic Communities, and the Second Chance Program. These programs leverage the criminal justice system by bringing case managers, parole officers, judges, and treatment providers together on a collaborative basis, sharing information, to transform substance-abusing offenders into drug-free and crime-free citizens.

What the Budget Buys:

- Funds 21 drug courts serving 2,800 offenders;
- Funds 18 Treatment Alternatives to Street Crime programs serving 10,500 people;
- Funds six Therapeutic Communities serving 1,200 people; and
- Funds the Second Chance Program serving 250 people.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	3,665,163	3,665,163
FED	3G4	038-614	Substance Abuse Block Grant	3,471,161	3,471,161
FED	3H8	038-609	Demonstration Grants	1,349,123	1,349,123
SSR	475	038-621	Statewide Treatment and Prevention	1,124,637	1,124,637
TOTAL FOR PROGRAM				**9,610,084**	**9,610,084**

Program 02.05: Medicaid

The ODADAS Medicaid program addresses the alcohol and other drug treatment needs of eligible Medicaid consumers in Ohio. Ten alcohol and other drug treatment services are covered under the state Medicaid plan including: ambulatory detoxification, assessment, case management, crisis intervention, group counseling, individual counseling, intensive outpatient, laboratory urinalysis, medical/somatic, and methadone administration.

What the Budget Buys:

- Provides Medicaid eligible services to over 30,000 Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3J8	038-610	Medicaid	42,000,000	46,000,000
TOTAL FOR PROGRAM				**42,000,000**	**46,000,000**

Program 02.06: Special Populations

The Special Populations Program supports services targeted to persons living with HIV/AIDS and those individuals experiencing the co-occurring disorders of alcohol and other drug addiction and severe mental illness.

What the Budget Buys:

- Funds promote the advancement of evidence-based practices for those individuals experiencing the co-occurring disorders of alcohol and other drug addiction and severe mental illness;
- Funds services designed to aid persons living with HIV/AIDS; and
- Funds subsidies for prevention and treatment to county boards in areas with ten or more cases of HIV/AIDS per 100,000 people.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-401	Treatment Services	1,224,772	1,224,772
FED	3G4	038-614	Substance Abuse Block Grant	462,370	462,370
SSR	475	038-621	Statewide Treatment and Prevention	624,036	624,036
TOTAL FOR PROGRAM				**2,311,178**	**2,311,178**

Program 02.07: Problem Gambling Initiative

Through an interagency partnership agreement with the Ohio Lottery Commission, this program supports five pilot projects that address the needs of individuals experiencing alcohol and other drug addiction with the co-occurring disorder of pathological gambling. Services provided under this agreement include education, community awareness, outreach, outpatient alcohol and other drug treatment, staff training, and evaluation.

What the Budget Buys:

- Funds five pilot programs that address the needs of individuals with co-occurring alcohol or drug addiction and pathological gambling.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5T9	038-616	Problem Gambling Services	285,000	285,000
TOTAL FOR PROGRAM				**285,000**	**285,000**

PROGRAM SERIES 03: Planning, Outcomes, and Research

The Division of Planning, Outcomes, and Research is responsible for running the Synar or Tobacco Law Compliance Program. The Synar program inspects and works with retailers of tobacco products to ensure that Ohio stays in compliance by not selling tobacco products to minors.

Program 03.01: Quality and Compliance Assurance

Federal law requires Ohio to decrease youth access to tobacco. To prevent the loss of the federal Substance Abuse Prevention and Treatment (SAPT) Block Grant revenue that funds alcohol and other drug prevention and treatment services, Ohio must demonstrate an 80 percent or higher compliance rate regarding the sale of tobacco products to minors. Unannounced inspections of retailers that sell tobacco products are conducted annually to determine compliance with this requirement.

What the Budget Buys:

- Funds the Tobacco Law Compliance (Synar) Program that conducts unannounced compliance checks of tobacco retailers to prevent illegal sales to minors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3G4	038-614	Substance Abuse Block Grant	219,250	219,250
SSR	475	038-621	Statewide Treatment and Prevention	80,750	80,750
TOTAL FOR PROGRAM				**300,000**	**300,000**

PROGRAM SERIES 04: Quality Improvement

The department sets standards for alcohol and drug treatment, methadone, and driver intervention programs for prevention and treatment providers. The Division of Quality Improvement conducts on-site reviews to assess compliance to grant of certification/licensure.

Program 04.01: Technical Assistance and Training

This program provides technical assistance and training as part of the certification and licensure site visit both during and following reviews. Assistance is geared towards areas identified as needing improvement. Individualized technical assistance is also provided upon request. Technical assistance functions are designed to bring provider agencies into compliance with required standards to increase the likelihood that qualified staff provides services in a safe and confidential manner.

What the Budget Buys:

- Enables the department to set prevention and treatment standards and provides training and technical assistance to providers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	475	038-621	Statewide Treatment and Prevention	25,000	25,000
TOTAL FOR PROGRAM				**25,000**	**25,000**

Program 04.02: Certification

The Division of Quality Improvement inspects, certifies, and licenses alcohol and drug addiction treatment programs, methadone programs, and driver intervention programs. The division also develops clinical documentation tools and is responsible for the development of a utilization review of the service system based on the protocols for levels of care placement criteria. Responsibilities also include the coordination of investigations of complaints received from clients, staff, and providers.

What the Budget Buys:

- Funds the department's certification and licensure activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3G4	038-614	Substance Abuse Block Grant	713,827	735,242
SSR	475	038-621	Statewide Treatment and Prevention	27,600	27,600
TOTAL FOR PROGRAM				**741,427**	**762,842**

PROGRAM SERIES 05: Program Management

This program series is responsible for funding the administrative core functions necessary for the department to operate.

Program 05.01: Program Management

This program supports the department's mission to provide statewide leadership for alcohol and other drug addiction prevention and treatment services for health, safety, and productivity of all Ohioans through the Office of Executive Services, Legal Services, Information Technology, Fiscal Operations, Human Resources, Prevention Services, Treatment and Recovery Services, and the Division of Planning, Outcomes, and Research.

Department of Alcohol and Drug Addiction Services

What the Budget Buys:

- Funds the core administrative functions needed to support the department's activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	038-321	Operating Expenses	1,128,275	1,128,275
GRF	GRF	038-401	Treatment Services	283,500	283,500
FED	3G3	038-603	Drug Free Schools	84,998	84,998
FED	3G4	038-614	Substance Abuse Block Grant	2,498,403	2,476,988
FED	3H8	038-609	Demonstration Grants	871,584	879,102
FED	3N8	038-611	Administrative Reimbursement	500,000	500,000
SSR	475	038-621	Statewide Treatment and Prevention	4,729,308	4,729,308
SSR	689	038-604	Education and Conferences	350,000	350,000
TOTAL FOR PROGRAM				**10,446,068**	**10,432,171**

LINE ITEM SUMMARY - Alcohol and Drug Addiction Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	038-321	Operating Expenses	1,403,184	1,263,834	1,152,281	1,128,275	1,128,275	.0	1,128,275	.0
GRF	038-401	Treatment Services	28,529,628	27,796,578	35,066,985	34,556,568	35,593,265	3.0	36,661,063	3.0
GRF	038-404	Prevention Services	1,278,663	1,053,008	994,857	991,731	1,021,483	3.0	1,052,127	3.0
TOTAL General Revenue Fund			**31,211,475**	**30,113,420**	**37,214,123**	**36,676,574**	**37,743,023**	**2.9**	**38,841,465**	**2.9**
5B7	038-629	TANF Transfer-Treatment	4,361,087	4,037,681	1,370	0	0	.0	0	.0
5E8	038-630	TANF Transfer-Mentoring	1,052,024	1,440,848	58,502	0	0	.0	0	.0
5T9	038-616	Problem Gambling Services	140,000	60,000	256,818	285,000	285,000	.0	285,000	.0
TOTAL General Services Fund Group			**5,553,111**	**5,538,529**	**316,690**	**285,000**	**285,000**	**.0**	**285,000**	**.0**
3G3	038-603	Drug Free Schools	3,003,665	3,246,443	3,200,471	3,500,000	3,500,000	.0	3,500,000	.0
3G4	038-614	Substance Abuse Block Grant	68,376,728	72,509,621	71,190,422	73,000,000	73,000,000	.0	73,000,000	.0
3H8	038-609	Demonstration Grants	1,347,071	969,906	4,112,095	7,093,075	7,093,075	.0	7,093,075	.0
3J8	038-610	Medicaid	25,597,718	29,079,448	29,591,090	38,000,000	42,000,000	10.5	46,000,000	9.5
3N8	038-611	Administrative Reimbursement	487,908	433,313	448,674	500,000	500,000	.0	500,000	.0
TOTAL Fed Special Revenue Fund Group			**98,813,090**	**106,238,731**	**108,542,752**	**122,093,075**	**126,093,075**	**3.3**	**130,093,075**	**3.2**
475	038-621	Statewide Treatment and Prevention	14,435,298	13,248,825	14,552,980	17,000,000	17,500,000	2.9	18,000,000	2.9
5P1	038-615	Credentialing	379,479	381,971	362,426	0	0	.0	0	.0
689	038-604	Education and Conferences	181,114	207,847	217,188	280,000	350,000	25.0	350,000	.0
TOTAL State Special Revenue Fund Group			**14,995,891**	**13,838,643**	**15,132,594**	**17,280,000**	**17,850,000**	**3.3**	**18,350,000**	**2.8**
TOTAL Dept of Alcohol & Drug Add Svc			**150,573,567**	**155,729,323**	**161,206,159**	**176,334,649**	**181,971,098**	**3.2**	**187,569,540**	**3.1**

Ohio Arts Council

Role and Overview

The Ohio Arts Council (OAC) administers grant programs in the areas of arts learning, individual creativity, arts access, arts innovation, capacity building, sustainability, and international partnerships that provide support to arts organizations and artists, and provides services that enhance the growth of the arts in Ohio. The OAC also manages the Riffe Gallery featuring art exhibits and educational programs at the Riffe state government building in Columbus, Ohio, and administers the Percent for Arts Program bringing art to state-funded capital projects.

The council consists of 19 members. Four members are appointed by the legislature and 15 are appointed by the Governor. The executive director is appointed by and reports to the council. The administrative, clerical, and program staff of approximately 32 employees report to the executive director. The council's budget in fiscal year 2005 is approximately $13.5 million with funds from the General Revenue Fund, National Endowment for the Arts and other grantors, and Percent for Arts appropriations. Of this amount approximately $9.3 million is projected to be spent on grants, representing 68.9 percent of the OAC budget. More information on the Ohio Arts Council can be found at http://www.oac.state.oh.us/.

Executive Priorities for the Ohio Arts Council

- Provide financial support for the arts through grant programs.
- Cultivate learning and artistic development through arts services.
- Manage and maintain the Riffe Gallery.
- Administer the Percent for Arts Program for state-funded capital projects.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	15,506	14,522	12,403	11,376	(8.3)	10,238	(10.0)	10,238	.0
General Services Fund Group	602	465	123	516	317.6	486	(5.7)	486	.0
Fed Special Revenue Fund Group	741	889	1,346	1,657	23.1	1,537	(7.2)	1,537	.0
TOTAL	**16,849**	**15,876**	**13,873**	**13,549**	**(2.3)**	**12,262**	**(9.5)**	**12,262**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	2,852	2,673	2,665	2,943	10.4	2,656	(9.7)	2,656	.0
Purchased Services	38	24	43	25	(41.5)	17	(32.0)	17	.0
Maintenance	806	622	530	711	34.2	870	22.3	870	.0
Equipment	69	75	228	33	(85.5)	15	(55.5)	15	.0
Subsidy	13,008	12,464	10,353	9,751	(5.8)	8,618	(11.6)	8,618	.0
Capital Improvements	75	18	55	86	57.6	86	.0	86	.0
TOTAL	**16,849**	**15,876**	**13,873**	**13,549**	**(2.3)**	**12,262**	**(9.5)**	**12,262**	**.0**

Ohio Arts Council

PROGRAM SERIES 01: Arts Programming

This program series promotes, encourages, and fosters the arts through grants for programs and services designed to strengthen the arts in Ohio.

Program 01.01: Arts Programs

This program supports quality arts experiences through its grants. Grants moneys strengthen Ohio communities culturally, educationally, and economically by funding artists and arts organizations directly to keep artistic productions flourishing and make art readily available to the general population. Funding categories include Arts Learning, Individual Creativity, Arts Access, Arts Innovation, Capacity Building, and Sustainability and International Partnership. Grants are distributed to both organizations and individuals through an application and open panel review process.

What the Budget Buys:

- Provides approximately 675 grants per fiscal year to various individuals and organizations, including community festivals, symphony orchestras, dance companies, museums, primary and secondary schools, public arts programs at colleges and universities, choral groups, and theaters.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	370-502	Program Subsidies	7,975,480	7,975,480
TOTAL FOR PROGRAM				**7,975,480**	**7,975,480**

Program 01.02: Arts Services

This program offers services and programs that are designed to strengthen the organizations funded. Such programs and services include support for international cultural and educational exchanges for the state's arts and arts education professionals, the Ohio online visual artist registry, arts policy research, and the Ohio River Border Initiative (ORBI), a program to strengthen the partnership with West Virginia to support Appalachian arts and crafts. This program also supports the administrative expenses of the Ohio Arts Council, including wages, utilities, printing, and technology upkeep.

What the Budget Buys:

- Funds wages and benefits for 34 employees, including all arts programming and administrative staff members.
- Supports building rental, communication, and operating costs; and
- Maintains support for arts education and strengthening programming, including policy research, online artist registry, and regional cooperative efforts to promote the arts and culture.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	370-100	Personal Services	1,781,235	1,781,235
GRF	GRF	370-200	Maintenance	387,760	387,760
GRF	GRF	370-300	Equipment	2,820	2,820
GSF	460	370-602	Gifts and Donations	400,000	400,000
FED	314	370-601	Federal Programs	1,537,200	1,537,200
TOTAL FOR PROGRAM				**4,109,015**	**4,109,015**

Program 01.03: Riffe Gallery

The Riffe Gallery in Columbus, Ohio, presents and supports the arts in Ohio through exhibitions and special educational programs. The gallery encourages the development of professional artists and curators, shares the collections of Ohio arts institutions, and fosters an awareness of the visual arts among Ohioans.

What the Budget Buys:

- Provides four to five visual arts exhibitions per fiscal year of varying themes with related educational programming for the general public, with particular attention to the many school children served;
- Supports contracted services for exhibition staff, curators, and gallery sitters; and
- Funds renovation of space between exhibitions and the promotion of each exhibition.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	370-100	Personal Services	17,000	17,000
GRF	GRF	370-200	Maintenance	71,986	71,986
GRF	GRF	370-300	Equipment	1,880	1,880
TOTAL FOR PROGRAM				**90,866**	**90,866**

PROGRAM SERIES 02: Percent for Art

This program series administers capital appropriated funds set aside for the acquisition, commissioning, and installation of works of art for new and renovated public buildings.

Program 02.01: Percent for Art

The Percent for the Arts program provides for the acquisition, commissioning, and installation of works of art for new or renovated public buildings funded with capital appropriations of more than $4 million dollars. These administrative costs, and the cost of the artwork itself, are funded directly through the agency/university capital budget in that one percent of the appropriation for projects involving state funding of at least $4 million are to be used for this purpose.

What the Budget Buys:

- Supports administrative costs associated with the acquisition, commissioning, and installation of artwork in public buildings;
- Implements the Percent for the Arts programs for agencies or universities with eligible capital projects, with the number served dependent on capital projects in the given fiscal year; and
- Serves the general public and state and university workers in providing visual artwork for their enjoyment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4B7	370-603	Percent For Art Acquisitions	86,366	86,366
TOTAL FOR PROGRAM				**86,366**	**86,366**

LINE ITEM SUMMARY - Arts Council

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	370-100	Personal Services	2,117,941	2,024,585	1,896,848	1,892,879	1,798,235	(5.0)	1,798,235	.0
GRF	370-200	Maintenance	594,474	574,022	489,060	483,943	459,746	(5.0)	459,746	.0
GRF	370-300	Equipment	43,941	21,368	227,788	0	4,700	.0	4,700	.0
GRF	370-502	Program Subsidies	12,750,126	11,902,374	9,789,435	8,998,912	7,975,480	(11.4)	7,975,480	.0
TOTAL General Revenue Fund			**15,506,482**	**14,522,349**	**12,403,131**	**11,375,734**	**10,238,161**	**(10.0)**	**10,238,161**	**.0**
4B7	370-603	Percent For Art Acquisitions	75,035	18,379	54,800	86,366	86,366	.0	86,366	.0
460	370-602	Gifts and Donations	526,659	446,649	68,697	429,325	400,000	(6.8)	400,000	.0
TOTAL General Services Fund Group			**601,694**	**465,028**	**123,497**	**515,691**	**486,366**	**(5.7)**	**486,366**	**.0**
314	370-601	Federal Programs	740,598	888,896	1,346,153	1,657,300	1,537,200	(7.2)	1,537,200	.0
TOTAL Fed Special Revenue Fund Group			**740,598**	**888,896**	**1,346,153**	**1,657,300**	**1,537,200**	**(7.2)**	**1,537,200**	**.0**
TOTAL Arts Council			**16,848,774**	**15,876,273**	**13,872,781**	**13,548,725**	**12,261,727**	**(9.5)**	**12,261,727**	**.0**

Role and Overview

The Attorney General (AGO) serves as the state's legal advisor, providing legal representation for the Governor, statewide elected officials, the legislature, and all state departments, agencies, boards, commissions, and state-support universities and colleges. The AGO also serves as the state's chief law enforcement officer, providing assistance to local and federal law enforcement agencies.

The Attorney General is a constitutional officer elected to a four-year term. The Attorney General has a staff of about 1,285 employees and an annual budget of approximately $172 million. The office provides training and investigative and technical assistance to local law enforcement agencies through the Bureau of Criminal Identification and Investigation, the Ohio Peace Officer Training Academy, and the Ohio Organized Crime Investigations Commission. These sections constitute approximately one-third of the Attorney General's Office.

The Attorney General's staff also provides legal counsel and representation, either directly or through the appointment of special counsel, to all state agencies and officers. The Attorney General enforces consumer protection laws and regulations by advising businesses, resolving complaints, and providing consumer alerts. The office collects funds owed to the state through its revenue recovery program and from other activities such as Medicaid and workers' compensation fraud programs.

More information regarding the Attorney General is available at http://www.ag.state.oh.us/index.asp.

Executive Priorities for the Attorney General

- Serve as the state's chief lawyer.
- Protect the people and interests of the state by assisting local law enforcement and demanding accountability for tax dollars.
- Protect Ohio's most vulnerable citizens.
- Protect against fraud, waste, and abuse.

Attorney General

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	59,657	57,918	55,321	54,149	(2.1)	54,149	.0	54,149	.0
General Services Fund Group	28,136	34,728	36,034	38,880	7.9	40,105	3.2	40,105	.0
Fed Special Revenue Fund Group	21,910	23,164	22,433	35,690	59.1	27,452	(23.1)	27,452	.0
State Special Revenue Fund Group	37,620	37,446	41,542	46,133	11.1	49,699	7.7	49,699	.0
Holdng Acct Redist Fund Group	2,814	890	1,559	3,776	142.2	601	(84.1)	601	.0
TOTAL	**150,137**	**154,145**	**156,889**	**178,627**	**13.9**	**172,007**	**(3.7)**	**172,007**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	85,439	91,176	90,690	93,315	2.9	94,117	.9	96,337	2.4
Purchased Services	4,738	4,259	3,331	6,375	91.4	4,358	(31.6)	4,239	(2.7)
Maintenance	20,417	20,312	22,736	27,640	21.6	25,951	(6.1)	24,062	(7.3)
Equipment	3,883	3,587	5,432	9,406	73.1	5,664	(39.8)	5,583	(1.4)
Subsidy	20,777	21,965	20,749	25,323	22.0	26,046	2.9	26,083	.1
Capital Improvements	165	3	0	0	(100.0)	0	.0	0	.0
Transfer & Other	14,718	12,843	13,951	16,569	18.8	15,872	(4.2)	15,702	(1.1)
TOTAL	**150,137**	**154,145**	**156,889**	**178,627**	**13.9**	**172,007**	**(3.7)**	**172,007**	**.0**

PROGRAM SERIES 01: Criminal Justice

This program series includes the law enforcement activities and victims services, the Attorney General's highest priority programs. The services provided under these programs have the greatest impact on protecting and assisting citizens in Ohio when compared to any of the other programs within the Office of the Attorney General.

Program 01.01: Law Enforcement

The Law Enforcement Program encompasses all sections and functions of the office charged with providing services to the law enforcement community across the state, as well as those sections providing enforcement related activities. This is the largest segment of the Attorney General's Office and includes the Bureau of Criminal Identification and Investigations, the Peace Officer Training Academy, the Organized Crime Investigations Commission, and units for capital crimes and health care fraud.

Attorney General

What the Budget Buys:

- Maintains existing levels of services;
- Supports the current 414 staff positions assigned to law enforcement activities;
- Focuses on activities in the area of reducing turnaround time and reducing backlogs for various crime scene and laboratory operations;
- Develops and expands the Ohio Law Enforcement Gateway, a secure Web site designed to provide law enforcement agencies and prosecutors access to a host of crime-fighting databases and to encourage sharing information between jurisdictions; and
- Increases emphasis on programs administered by the Bureau of Criminal Identification and Investigation, ranging from DNA and crime lab analysis to undercover narcotics investigations and detection of methamphetamine labs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	055-321	Operating Expenses	23,053,400	22,929,554
GSF	106	055-612	General Reimbursement	11,808,428	11,678,872
GSF	4Z2	055-609	BCI Asset Forfeiture/Cost Reimbursement	1,332,109	1,332,109
GSF	421	055-617	Police Officers' Training Academy Fee	1,693,213	1,693,213
GSF	590	055-633	Peace Officer Private Security Fund	98,370	98,370
GSF	629	055-636	Corrupt Activity Invest/Prosecution	15,000	15,000
FED	3E5	055-638	Anti-Drug Abuse	1,981,102	1,981,102
FED	3R6	055-613	Attorney General Federal Funds	3,842,097	3,842,097
FED	306	055-620	Medicaid Fraud Control	2,799,000	2,799,000
SSR	659	055-641	Sol/Hazardous Waste Background Investigations	621,159	621,159
090	R42	055-601	Organized Crime Comm Account	25,025	25,025
TOTAL FOR PROGRAM				**47,268,903**	**47,015,501**

Program 01.02: Victims Services

This program encompasses all functions of the office charged with protecting or assisting victims of crime and with protecting children and the elderly. Crime Victims' Services administers the Ohio Crime Victims Compensation Fund, which awards compensation to eligible victims of violent crime for their un-reimbursed economic losses; the Victims Assistance Program, which provides funding to rape crisis centers and domestic violence shelters; the Missing Children's Clearinghouse; and the Identity Theft Passport Program, which is aimed at assisting victims of stolen identities. In addition, the program supports the Child and Elder Protection program by having experienced criminal prosecutors and investigators assist local prosecutors in child support, physical and sexual abuse cases, internet and computer crime investigations, and elder abuse cases.

What the Budget Buys:

- Enables the AGO to meet the requirements included in H.B. 95 regarding the Crime Victims Compensation Law, which expanded both the allowable benefits and participation in the program; and
- Enables the department to meet the DNA collection and testing requirements in H.B. 427.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	383	055-634	Crime Victims Assistance	18,439,313	18,439,313
SSR	402	055-616	Victims of Crime	30,000,000	30,000,000
TOTAL FOR PROGRAM				**48,439,313**	**48,439,313**

Attorney General

PROGRAM SERIES 02: Legal Services

This program series provides legal services to protect the rights of citizens and businesses in Ohio and provides legal representation to the various state officials and state agencies.

Program 02.01: Citizen Protection

This program includes consumer protection, charitable law, environmental enforcement, and antitrust. As a result of H.B. 512, the AGO has been assigned the duty of establishing and maintaining instant bingo licenses for all gaming establishments along with regulatory, investigatory, and audit responsibilities. Beginning in fiscal year 2005, the AGO, in conjunction with the Ohio Lottery Commission, plans to use licensing resources of both state agencies to perform these responsibilities and to establish a Web-based system for the management of charitable gaming.

What the Budget Buys:

- Provides for the current level of services; and
- Establishes and maintains instant bingo licenses per House Bill 512. Funding from Fund 418, Charitable Foundations, is provided to meet these requirements with revenue coming from instant bingo license fees and the license fees for manufacturers and distributors of bingo supplies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	055-321	Operating Expenses	7,063,311	7,165,464
GSF	4Y7	055-608	Title Defect Recision	250,000	250,000
GSF	418	055-615	Charitable Foundations	4,899,066	4,899,066
GSF	420	055-603	Attorney General Antitrust	446,449	446,449
GSF	5A9	055-618	Telemarketing Fraud Enforcement	7,500	7,500
GSF	631	055-637	Consumer Protection Enforcement	1,373,832	1,373,832
090	R05	055-632	Antitrust Settlements	1,000	1,000
090	R18	055-630	Consumer Frauds	300,000	300,000
TOTAL FOR PROGRAM				**14,341,158**	**14,443,311**

Program 02.02: State Agencies

This program provides legal representation to state officials and state agencies, which is the core function of the AGO. The State Agencies program consists of 14 sections: executive agencies, health and human services, special counsel, business counsel, corrections litigation, court of claims, employment law, taxation, transportation, workers compensation, education, opinions, and civil rights.

What the Budget Buys:

- Supports the current level of activities and the current staffing level of 402 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	055-321	Operating Expenses	15,844,170	15,986,743
GSF	106	055-612	General Reimbursement	6,356,397	6,424,828
GSF	107	055-624	Employment Services	850,000	850,000
GSF	195	055-660	Workers' Compensation Section	7,769,628	7,769,628
FED	381	055-611	Civil Rights Legal Service	390,815	390,815
TOTAL FOR PROGRAM				**31,211,010**	**31,422,014**

PROGRAM SERIES 03: Program Management

This program series provides support operations of the AGO and unique programs including county sheriff and county prosecutor pay supplements and the D.A.R.E. program.

Program 03.01: Program Management

This program provides funding for the support operations of the AGO including information technology, finance, human resources, office services, training, communications, and collections enforcement. This program supports 250 employees and primarily benefits the other programs in the department. The Collections Enforcement section is responsible for collecting all delinquent debt owed Ohio on behalf of agencies, institutions, universities, and other government entities for taxes, fines, penalties, service fees, loans, and any other debt due. The AGO's concentrated investment in the collections department during the past two years includes section restructuring, training, teamwork incentives, and technology upgrades. These investments have resulted in collection rates that are at an all-time high. The increase is reflected in $1.0 million per week in collections and record collections of $22 million in June 2004.

What the Budget Buys:

- Continues the progress made in the area of collections resulting in increased revenue to the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	055-321	Operating Expenses	6,686,807	6,528,395
GSF	106	055-612	General Reimbursement	3,205,371	3,266,496
SSR	419	055-623	Claims Section	15,149,954	15,149,954
TOTAL FOR PROGRAM				**25,042,132**	**24,944,845**

Program 03.02: Programs

This program supports three activities: county sheriff pay supplements, county prosecutor supplements, and the D.A.R.E. program. Both pay supplements are mandated in the Ohio Revised Code and are funded from the General Revenue Fund. The D.A.R.E. program provides grants to local law enforcement agencies to establish and implement drug abuse resistance programs in public schools. The D.A.R.E. program is funded by $75 of the $425 driver's license reinstatement fee.

What the Budget Buys:

- Establishes and continues programs in schools by local law enforcement to inform and educate students of issues surrounding drug use and abuse; and
- Provides more interaction at the local level between school-age children and the law enforcement community to develop positive relationships.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	055-411	County Sheriffs	760,495	779,509
GRF	GRF	055-415	County Prosecutors	740,704	759,222
SSR	4L6	055-606	DARE	3,927,962	3,927,962
090	R04	055-631	General Holding Account	275,000	275,000
TOTAL FOR PROGRAM				**5,704,161**	**5,741,693**

LINE ITEM SUMMARY - Attorney General

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	055-321	Operating Expenses	55,986,212	54,388,845	52,583,487	52,688,468	52,647,688	(.1)	52,610,156	(.1)
GRF	055-405	Law Related Education	196,793	189,610	0	0	0	.0	0	.0
GRF	055-406	Community Police Match/Assistance	2,350,495	2,256,620	1,310,209	0	0	.0	0	.0
GRF	055-411	County Sheriffs	611,198	588,890	721,468	736,929	760,495	3.2	779,509	2.5
GRF	055-415	County Prosecutors	512,283	493,585	705,701	723,490	740,704	2.4	759,222	2.5
TOTAL General Revenue Fund			**59,656,981**	**57,917,550**	**55,320,865**	**54,148,887**	**54,148,887**	**.0**	**54,148,887**	**.0**
106	055-612	General Reimbursement	15,685,238	21,170,681	18,676,980	18,870,196	21,370,196	13.2	21,370,196	.0
107	055-624	Employment Services	763,874	728,906	720,813	850,000	850,000	.0	850,000	.0
195	055-660	Workers' Compensation Section	6,900,975	7,215,468	7,338,982	7,769,628	7,769,628	.0	7,769,628	.0
4Y7	055-608	Title Defect Recision	165,527	601,682	235,148	570,623	250,000	(56.2)	250,000	.0
4Z2	055-609	BCI Asset Forfeiture/Cost Reimb	434,452	764,130	1,497,284	1,332,108	1,332,109	.0	1,332,109	.0
418	055-615	Charitable Foundations	1,514,826	2,158,643	4,393,682	5,399,066	4,899,066	(9.3)	4,899,066	.0
420	055-603	Attorney General Antitrust	206,259	256,126	381,238	1,000,000	446,449	(55.4)	446,449	.0
421	055-617	Police Officers' Trng Academy Fee	1,086,580	1,122,769	1,609,417	1,593,212	1,693,213	6.3	1,693,213	.0
5A9	055-618	Telemarketing Fraud Enforcement	0	0	0	7,500	7,500	.0	7,500	.0
590	055-633	Peace Officer Private Security Fund	50,710	46,306	95,961	98,370	98,370	.0	98,370	.0
629	055-636	Corrupt Activity Invest/Prosecution	482,655	20,332	0	15,000	15,000	.0	15,000	.0
631	055-637	Consumer Protection Enforcement	844,575	642,979	1,084,552	1,373,832	1,373,832	.0	1,373,832	.0
TOTAL General Services Fund Group			**28,135,671**	**34,728,022**	**36,034,057**	**38,879,535**	**40,105,363**	**3.2**	**40,105,363**	**.0**
3E5	055-638	Anti-Drug Abuse	1,959,837	1,948,796	1,896,466	5,486,007	1,981,102	(63.9)	1,981,102	.0
3R6	055-613	Attorney General Federal Funds	3,088,262	3,472,897	3,029,163	8,574,973	3,842,097	(55.2)	3,842,097	.0
306	055-620	Medicaid Fraud Control	2,269,012	2,250,943	2,595,631	2,799,000	2,799,000	.0	2,799,000	.0
381	055-611	Civil Rights Legal Service	347,853	311,521	372,491	390,815	390,815	.0	390,815	.0
383	055-634	Crime Victims Assistance	14,245,338	15,179,429	14,539,053	18,439,313	18,439,313	.0	18,439,313	.0
TOTAL Fed Special Revenue Fund Group			**21,910,302**	**23,163,586**	**22,432,804**	**35,690,108**	**27,452,327**	**(23.1)**	**27,452,327**	**.0**
4L6	055-606	DARE	3,399,848	3,336,129	3,409,912	3,927,962	3,927,962	.0	3,927,962	.0
402	055-616	Victims of Crime	21,988,957	22,932,548	23,928,216	27,933,893	30,000,000	7.4	30,000,000	.0
419	055-623	Claims Section	11,705,241	10,567,345	13,760,778	13,649,954	15,149,954	11.0	15,149,954	.0
659	055-641	Sol/Haz Waste Bkgrnd Investigations	525,779	609,807	443,490	621,159	621,159	.0	621,159	.0
TOTAL State Special Revenue Fund Group			**37,619,825**	**37,445,829**	**41,542,396**	**46,132,968**	**49,699,075**	**7.7**	**49,699,075**	**.0**
R03	055-629	Bingo License Refunds	775	650	525	0	0	.0	0	.0
R04	055-631	General Holding Account	2,474,500	579,794	1,346,307	3,275,000	275,000	(91.6)	275,000	.0
R05	055-632	Antitrust Settlements	0	0	0	1,000	1,000	.0	1,000	.0

LINE ITEM SUMMARY - Attorney General

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
R18	055-630	Consumer Frauds	238,810	309,674	189,967	300,000	300,000	.0	300,000	.0
R42	055-601	Organized Crime Comm Account	99,794	0	22,166	200,000	25,025	(87.5)	25,025	.0
TOTAL Holdng Acct Redist Fund Group			**2,813,879**	**890,118**	**1,558,965**	**3,776,000**	**601,025**	**(84.1)**	**601,025**	**.0**
TOTAL Attorney General			**150,136,658**	**154,145,105**	**156,889,087**	**178,627,498**	**172,006,677**	**(3.7)**	**172,006,677**	**.0**

Role and Overview

The Auditor of State (AUD), an elected constitutional officer, is responsible for auditing the financial statements of all public offices in Ohio including cities, villages, school districts, universities, townships, and state agencies, boards and commissions. In striving to ensure public funds are spent appropriately and in accordance with state and local law, the Auditor has placed an increased emphasis on combating fraud, waste, and abuse to protect scarce public resources. In addition, the Auditor of State conducts performance audits, which include recommendations for management and efficiency improvements to entity operations; special audits; as well as the identification of fraud, waste and abuse of public funds. The Auditor also provides a number of services to local governments, including Open Government Training, access to the Uniform Accounting Network, training to local public offices and officers, and processing payments made by state agencies to employees, taxpayers, vendors and others. The office is made up of three major divisions, the Audit Division, the Legal Division and the Administration Division. These duties and others are accomplished within an annual budget of $75.8 million and with a staff of 898 employees.

Executive Priorities for the Auditor Of State

- Ensure that all public funds are spent appropriately and in accordance with state and local laws through the conduct of financial audits of all public offices in Ohio including cities, villages, schools, universities, counties, townships, and state agencies, boards and commissions in efforts.
- Identify fraud, waste, and abuse of public funds through the performance of special audits.
- In an effort to save taxpayer dollars, support local governments through a variety of services which include: training, technical assistance, consulting services, continuing education, conducting performance audits; and the development of recommendations for management and efficiency improvements.
- Issue warrants and process electronic fund transfers of the state for purposes of payroll, public assistance payments, vendors, and taxpayer refunds.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	33,611	34,181	32,571	31,876	(2.1)	31,876	.0	31,876	.0
Auditor of State Fund Group	41,345	45,935	42,694	43,325	1.5	43,888	1.3	43,888	.0
TOTAL	**74,956**	**80,116**	**75,265**	**75,202**	**(.1)**	**75,765**	**.7**	**75,765**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	63,141	67,533	64,753	71,571	10.5	64,205	(10.3)	64,205	.0
Purchased Services	1,110	1,091	612	0	(100.0)	0	.0	0	.0
Maintenance	8,430	8,271	8,001	3,252	(59.4)	9,665	197.2	9,541	(1.3)
Equipment	2,043	3,166	1,844	343	(81.4)	1,867	444.2	1,991	6.6
Transfer & Other	233	54	55	36	(35.0)	27	(24.1)	27	.0
TOTAL	**74,956**	**80,116**	**75,265**	**75,202**	**(.1)**	**75,765**	**.7**	**75,765**	**.0**

Auditor of State

PROGRAM SERIES 01: Financial Audit Services

This program is responsible for conducting financial audits of all public entities as required by Chapter 117 of the Ohio Revised Code.

Program 01.01: Financial Audits

This program performs financial audits of over 5,100 public entities in Ohio at least once every two fiscal years or every year for those entities that fall within Federal Schedule guidelines for Single Audits. Generally, these audits entail a review of the methods, accuracy, and legality of accounts, financial reports, records, and files of public entities. These audits also include a compliance component to ascertain the entity's compliance with the laws, rules, ordinances, and orders pertaining to the office.

What the Budget Buys:

- Supports the 628 full-time equivalent financial auditors that conduct field audits for public entities as required by state and federal law;
- Funds equipment used by financial auditing staff which are necessary to perform duties as they are required to travel and conduct on-site auditing services; and
- Provides funding to support the costs incurred in conducting over 3,400 financial audits each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	21,308,675	21,308,675
GRF	GRF	070-406	UAN/Technology Improvement Fund	1,031,206	1,031,206
AUS	109	070-601	Public Audit Exp Intra-State	6,138,000	6,138,000
AUS	422	070-601	Public Audit Exp Local Government	27,061,211	27,061,211
AUS	584	070-603	Training Program	11,812	11,812
TOTAL FOR PROGRAM				**55,550,904**	**55,550,904**

PROGRAM SERIES 02: Fraud and Investigative Audit Services

This program series identifies fraud, waste, and abuse of public funds by public and private entities that receive public funds in an effort to protect scarce public resources and minimize the incidence of fraud, waste and abuse of public funds.

Program 02.01: Health Care Contract Audit

This program provides audit services that identify and report instances of noncompliance with federal and state rules and regulations. The Auditor develops interoffice agreements intended to help other state agencies meet federal audit requirements. Services include: audits of reimbursement claims submitted by doctors, hospitals, long term care facilities and other Medicaid providers; audits of county agencies that expend public assistance, child support enforcement and children services funds administered by the Ohio Department of Job and Family Services; audits of cost reports used to set payment rates for providers of Medicaid services; and assessments of controls employed by state agencies to minimize fraud, waste, and abuse. The Health Care Contract Audit program aims to minimize the state's exposure to fraud, waste and abuse by identifying funds to be recovered that otherwise would have been lost. In the past four fiscal years, the program identified $22.4 million in misspent dollars, which resulted in $5.6 million in actual recoveries for the state. As Medicaid continues to account for an ever-larger share of the state budget, these audits have the potential to identify significant cost savings for the state.

Auditor of State

What the Budget Buys:

- Enables the identification of fraud, waste and abuse associated with health care contracts and results in the recovery of state resources;
- Supports a staff of 25 that conduct field-based auditing services of agencies that request Auditor of State services; and
- Provides for travel and equipment expenses necessary in the conduct of on-site audits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	868,933	868,933
GRF	GRF	070-406	UAN/Technology Improvement Fund	31,771	31,771
AUS	109	070-601	Public Audit Exp Intra-State	1,674,000	1,674,000
TOTAL FOR PROGRAM				**2,574,704**	**2,574,704**

Program 02.02: Special Audits

This program conducts special audits to investigate allegations of fraud, theft, and misappropriation of public funds by public and private entities that receive public funds. Special audits are initiated based on evaluations of requests from public officials or initiated at the discretion of the Auditor of State pursuant to authority granted in Chapter 117 of the Ohio Revised Code. Special audits enable the Auditor to hold accountable those who betray the public's trust and, in so doing, help to restore the public's confidence in those entrusted to manage public resources. The Taxpayer Protection Initiative, which was launched on October 1, 2003, has logged 415 consumer calls through July 13, 2004, from which 89 complaints have resulted and been investigated. The Auditor's Office has also partnered with local organizations to conduct education and training seminars to for law enforcement officials, financial experts, and other professionals from a wide range of disciplines. In fiscal year 2004, eight special audits were released in which $6.4 million in findings for recovery were identified.

What the Budget Buys:

- Enables the identification of fraud, waste and abuse which results in the recovery of state resources;
- Supports 11 staff that investigate allegations of fraud, theft, and misappropriation of public funds; and
- Provides for equipment and travel to conduct investigations and on-site audits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	125,000	125,000
GRF	GRF	070-406	UAN/Technology Improvement Fund	31,771	31,771
AUS	109	070-601	Public Audit Exp Intra-State	465,000	465,000
AUS	422	070-601	Public Audit Exp Local Government	933,145	933,145
TOTAL FOR PROGRAM				**1,554,916**	**1,554,916**

PROGRAM SERIES 03: Performance Audit Services

This program series conducts performance audits of public entities to help identify and correct inefficient managerial operations and waste of taxpayer dollars, in addition to general oversight and advice to ensure greater operational efficiencies of public offices and the maximization of taxpayer dollars.

Program 03.01: Performance Audit

The Performance Audit Section of the Auditor's Office conducts operational audits, which entail a comprehensive review of any programs or areas of operation in which the Auditor of State believes that greater operational efficiencies or enhanced program results can be achieved. Typically, performance audits identify and help correct inefficient managerial operations, waste of taxpayer dollars in addition to providing general oversight and advice to ensure efficient operation of public offices and maximization of taxpayer dollars.

The Auditor of State may conduct a performance audit of any school district or local government entity (counties, townships, villages, etc.) which has been designated as being in a state of fiscal caution (school districts only), watch or emergency pursuant to Section 3316.031 and Chapter 118 of the Ohio Revised Code. The Auditor of State is also authorized to conduct performance audits of any other public entity upon request. In fiscal year 2004, the Auditor of State's Office issued 25 performance audits of schools districts and local government entities, yielding 1,176 recommendations, which if fully implemented, would result in annual savings and revenue enhancements of $38.7 million.

What the Budget Buys:

- Funds support 40 staff that conduct comprehensive field-based audits of operational efficiency; and
- Supports travel and equipments costs incurred due to the need to conduct audits on-site.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	1,737,865	1,737,865
GRF	GRF	070-403	Fiscal Watch/Emergency Tech Assistance	250,000	250,000
GRF	GRF	070-406	UAN/Technology Improvement Fund	62,542	62,542
AUS	109	070-601	Public Audit Exp Intra-State	1,023,000	1,023,000
AUS	422	070-601	Public Audit Exp Local Government	622,097	622,097
TOTAL FOR PROGRAM				**3,695,504**	**3,695,504**

PROGRAM SERIES 04: Local Government Services

In an effort to assist local governments throughout Ohio, this program series offers a wide array of consulting services which include accounting and technical assistance, training for local elected officials, in addition to providing financial and accounting expertise to entities in a state of fiscal watch or fiscal emergency.

Program 04.01: Local Government Services

The Local Government Services (LGS) Section provides consulting services and technical assistance (GAAP conversion, financial forecasts, records reconstruction and reconciliation, etc.) to local governments throughout Ohio. In addition to providing financial and accounting expertise to local governments requesting assistance, LGS fulfills the Auditor of State's role as financial supervisor to financial planning and supervision commissions established whenever a local government is declared to be in a state of fiscal emergency. LGS also provides a variety of training to locally elected officials. On average, LGS provides consulting services to approximately 350 local governments, not including fiscal watch and emergency assignments. In fiscal year 2004, 26 school districts and local governments were declared in Fiscal Watch or Fiscal Emergency pursuant to Chapters 118 and 3316 of the Ohio Revised Code, and received assistance from the Auditor of State.

LGS provides a variety of training programs for local and state government officials which include: accounting and financial reporting to newly elected township clerks, city auditors, and village clerks and continuing education for village clerks pursuant to Section 117.44 of the Revised Code. In 2004, Auditor of State conducted training for

approximately 1,800 local government officials. LGS also conducts training for local officials on the open government issues to educate both government officials, and citizens about their rights and responsibilities pursuant to Ohio's open government laws.

What the Budget Buys:

- Supports 67 staff that conduct training on a variety of topics to elected officials and the general public;
- Provides technical assistance to school districts and local government in fiscal watch and fiscal emergency status;
- Funds required training in accounting and financial reporting to newly elected officials; and
- Supports the publication of accounting manuals and financial advisory bulletins distributed to assist local government officials in the performance of their duties and informs of changes in accounting and legal requirements.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	3,475,731	3,475,731
GRF	GRF	070-403	Fiscal Watch/Emergency Tech Assistance	250,000	250,000
GRF	GRF	070-406	UAN/Technology Improvement Fund	127,083	127,083
AUS	422	070-601	Public Audit Exp Local Government	2,488,387	2,488,387
AUS	584	070-603	Training Program	119,438	119,438
TOTAL FOR PROGRAM				**6,460,639**	**6,460,639**

Program 04.02: Uniform Accounting Network

The Uniform Accounting Network (UAN), established pursuant to Section 117.101 of the Revised Code, offers an electronic data processing accounting system for townships, villages, libraries, and other local governments. Designed to help political subdivisions properly record and maintain accurate accounting records, the system includes hardware, software, training and technical support. Approximately 1,600 political subdivisions and public offices currently participate in the Uniform Accounting Network program. In fiscal year 2004, training was provided to nearly 1,700 clients in 65 different training forums on a variety of UAN applications (payroll, accounting, inventory, etc.) throughout the state. The UAN program is completely funded through user fees.

What the Budget Buys:

- Funds support 18 staff that perform training and technical support to the clients; and
- Supports costs of the development and distribution of instructional manuals, explanation of software upgrades, and other documents on CD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-406	UAN/Technology Improvement Fund	65,885	65,885
AUS	675	070-605	Uniform Accounting Network	3,317,336	3,317,336
TOTAL FOR PROGRAM				**3,383,221**	**3,383,221**

PROGRAM SERIES 05: Warrant Issuance Reconciliation and EFT (Wire)

This program series is charged with processing payments owed by the state to employees (paychecks), taxpayers (income tax refunds), vendors (services rendered) and others pursuant to Section 117.45 of the Ohio Revised Code.

Program 05.01: Wire Unit Program

Pursuant to Section 117.45 of the Ohio Revised Code, the Auditor of State is generally charged with processing payments of the state's obligations through the issuance of paper warrants (i.e. checks) and through electronic fund transfer (EFT) that are approved by the Office of Budget and Management. In fiscal year 2004, the WIRE program processed 6.8 million paper warrants, and 3.1 million EFTs totaling $1.4 billion and $33 billion respectively for state payroll, public assistance payments, state vendors, and state tax refunds.

What the Budget Buys:

- Provides funding to support 10 staff that are responsible for database, server, and printing management and operations; and
- Supports equipment (computers, servers, printers, etc.), supplies (paper stock, ink, etc.), and fees charged by the three banks which the state has contracted to facilitate electronic fund transfer payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	289,644	289,644
GRF	GRF	070-405	Electronic Data Processing -Automation & Administration	823,193	823,193
GRF	GRF	070-406	UAN/Technology Improvement Fund	15,885	15,885
AUS	R06	070-604	Continuous Receipts	35,000	35,000
TOTAL FOR PROGRAM				**1,163,722**	**1,163,722**

PROGRAM SERIES 06: Program Management

This program series provides administrative support functions needed to support all other program areas within the Auditor of State's Office.

Program 06.01: Administration

This program includes human resources, information technology, finance, general services, records, graphics, legal, and public affairs functions not already allocated to the other programs. The primary purpose of this program area is to provide administrative support functions necessary to support all other program areas: the fiscal department provides routine financial information to management as well as prepared the annual fiscal reports; the information technology department is responsible for maintaining networks, serving nearly 900 personnel and procurement of needed hardware and software; the legal department provides legal expertise to management and local governments; the public affairs department fulfills all public information inquiries to the general public and news media; and the Auditor's Office prepared and records all land deeds for state-owned properties. Providing these types of support enables staff in the other program areas to focus on fulfilling the Auditor's core responsibilities.

What the Budget Buys:

- Funds support 99 staff that perform management and administrative functions in support of the Auditor's Office core responsibilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	070-321	Operating Expenses	1,158,577	1,158,577
GRF	GRF	070-406	UAN/Technology Improvement Fund	222,395	222,395
TOTAL FOR PROGRAM				**1,380,972**	**1,380,972**

LINE ITEM SUMMARY - Auditor

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	070-321	Operating Expenses	30,278,216	30,698,832	29,810,293	28,964,424	28,964,425	.0	28,964,425	.0
GRF	070-403	Fiscal Watch/Emergency Tech Assistn	735,179	811,669	400,000	500,000	500,000	.0	500,000	.0
GRF	070-405	Electronic Data Processng-Aud & Adm	823,194	896,111	807,513	823,193	823,193	.0	823,193	.0
GRF	070-406	UAN/Technology Improvement Fund	1,774,395	1,774,694	1,553,003	1,588,538	1,588,538	.0	1,588,538	.0
TOTAL General Revenue Fund			**33,610,984**	**34,181,306**	**32,570,809**	**31,876,155**	**31,876,156**	**.0**	**31,876,156**	**.0**
R06	070-604	Continuous Receipts	33,777	12,364	29,680	35,000	35,000	.0	35,000	.0
109	070-601	Public Audit Exp Intra-State	7,856,211	9,960,011	8,217,753	9,300,000	9,300,000	.0	9,300,000	.0
422	070-601	Public Audit Exp Local Government	31,983,724	31,869,701	30,720,895	31,802,420	31,104,840	(2.2)	31,104,840	.0
584	070-603	Training Program	146,614	105,444	188,509	188,000	131,250	(30.2)	131,250	.0
675	070-605	Uniform Accounting Network	1,324,746	3,987,381	3,537,192	2,000,000	3,317,336	65.9	3,317,336	.0
TOTAL Auditor of State Fund Group			**41,345,072**	**45,934,901**	**42,694,029**	**43,325,420**	**43,888,426**	**1.3**	**43,888,426**	**.0**
TOTAL Auditor of State			**74,956,056**	**80,116,207**	**75,264,838**	**75,201,575**	**75,764,582**	**.7**	**75,764,582**	**.0**

Ballot Board

Role and Overview

The Ballot Board (OBB) prescribes and certifies ballot language for proposed constitutional amendments, initiatives, and referenda. The board also oversees the efforts of the Secretary of State to inform registered voters of the purpose and effect of proposed ballot issues.

The Secretary of State chairs the board. There are four other members, each appointed by the Senate President and Senate Minority Leader, as well as the Speaker of the House and the House Minority Leader. The board convenes before any statewide issue is placed on the ballot.

The Secretary of State's Office provides the professional, technical, and clerical support for the Ballot Board.

Executive Priorities for the Ballot Board

- Provide resources to the state's 88 counties to support the costs of advertising ballot issues in an effort to ensure voter awareness and understanding of proposed constitutional amendments, initiatives and referenda that come before them for action.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
General Revenue Fund	0	602	485	0	(100.0)	0	.0	0	.0
TOTAL	**0**	**602**	**485**	**0**	**(100.0)**	**0**	**.0**	**0**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Subsidy	0	602	485	0	(100.0)	0	.0	0	.0
TOTAL	**0**	**602**	**485**	**0**	**(100.0)**	**0**	**.0**	**0**	**.0**

Ballot Board

PROGRAM SERIES 01: Ballot Board

The Ohio Ballot Board prescribes ballot language for proposed amendments to the Ohio Constitution and, in certain instances when the requisite arguments or explanations have not been timely prepared, must prepare the such arguments or explanations or designate a group of persons to do so. Funding for this program, however, is focused on reimbursement of expenses incurred by Ohio's 88 county boards of election.

Program 01.01: Ballot Advertising

This program provides for the reimbursement of ballot advertising expenses incurred by each of the 88 counties.

What the Budget Buys:

- Funding for the Ballot Board is included in Controlling Board line item 911-441, Ballot Advertising Costs; $300,000 is set-aside in each year of the biennium to reimburse county boards of elections for ballot advertising costs. Appropriations are established for this agency as necessary through Controlling Board action.

LINE ITEM SUMMARY - Ballot Board

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	052-501	Ballot Advertising	0	602,368	485,375	0	0	.0	0	.0
TOTAL General Revenue Fund			**0**	**602,368**	**485,375**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Ballot Board			**0**	**602,368**	**485,375**	**0**	**0**	**.0**	**0**	**.0**

Office of Budget and Management

Role and Overview

The Office of Budget and Management (OBM) ensures that the financial operations of state government are handled in a manner consistent with state laws and policies. OBM develops budgets; monitors, processes, and reports on financial transactions; and reviews and coordinates the financial policies and activities of state agencies. OBM provides financial management services and financial information to the Governor, state agencies, the legislature, municipalities, school districts, and other interested parties.

The director of the Office of Budget and Management is appointed by the Governor. As of the end of fiscal year 2005, the office will employ about 111 staff and have an annual budget of approximately $13.4 million. The sections within OBM deal with accounting, financial reporting, budgeting, coordinating the issuance of state debt, and administering the activities of the state Controlling Board.

Executive Priorities of the Office of Budget and Management

- Develop, implement, and monitor the state's operating and capital budgets.
- Review, process, and report the financial transactions of state agencies.
- Select and successfully implement the Ohio Administrative Knowledge System for state government.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	3,364	3,321	2,349	2,560	9.0	2,227	(13.0)	2,481	11.4
General Services Fund Group	8,913	8,507	7,985	9,376	17.4	9,781	4.3	9,977	2.0
State Special Revenue Fund Group	3,260	2,648	1,724	2,357	36.7	2,262	(4.0)	2,273	.4
TOTAL	**15,537**	**14,476**	**12,058**	**14,293**	**18.5**	**14,270**	**(.2)**	**14,730**	**3.2**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	8,381	8,013	7,493	8,163	8.9	8,784	7.6	9,186	4.6
Purchased Services	2,653	2,191	1,044	1,592	52.5	1,607	.9	1,631	1.5
Maintenance	3,712	3,394	3,346	4,394	31.4	3,652	(16.9)	3,766	3.1
Equipment	300	86	147	140	(4.4)	225	59.8	145	(35.6)
Subsidy	450	782	0	0	.0	0	.0	0	.0
Goods For Resale	39	6	2	3	83.8	2	(25.7)	2	2.5
Transfer & Other	3	4	28	0	(100.0)	0	.0	0	.0
TOTAL	**15,537**	**14,476**	**12,058**	**14,293**	**18.5**	**14,270**	**(.2)**	**14,730**	**3.2**

Office of Budget and Management

PROGRAM SERIES 01: Budget Development and Implementation Services

This program series oversees the state's financial resources through preparation of the operating and capital budgets, coordination of state Controlling Board activities, and management of state debt.

Program 01.01: Budget Development

This program evaluates agencies' budget requests and prepares the Governor's operating and capital budget recommendations for submission to the Ohio legislature. Once budgets are passed, this program oversees agencies' allotment planning and monitors agencies' spending to ensure it is done in accordance with state law and does not exceed appropriations. This program also prepares economic forecasts and revenue estimates and issues a monthly financial report to the Governor.

What the Budget Buys:

- Funds the evaluation, implementation, and monitoring of state agencies' operating and capital budgets;
- Supports the preparation of economic forecasts and revenue estimates and the issuance of a monthly report analyzing economic trends, year-to-date state revenues and spending and the GRF balance;
- Funds National Association of State Budget Officers' (NASBO) annual membership dues;
- Supports a portion of the agency's internal administration costs; and
- Funds the preparation of the Governor's operating and capital budget recommendations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-321	Budget Dev./Implementation	1,537,294	1,519,933
GRF	GRF	042-410	National Association Dues	27,089	28,173
GSF	105	042-603	State Accounting & Budgeting	874,341	923,317
TOTAL FOR PROGRAM				**2,438,724**	**2,471,423**

Program 01.02: Controlling Board

This program coordinates legislative oversight over certain capital and operating expenditures by state agencies and has approval authority over various other state fiscal activities. OBM staff act as President and Executive Secretary to the Controlling Board, and provide administrative support and oversight.

What the Budget Buys:

- Funds the administrative functions of the Controlling Board.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-321	Budget Dev./Implementation	198,669	202,119
TOTAL FOR PROGRAM				**198,669**	**202,119**

Program 01.03: Debt Management

This program coordinates the bond sales of all state bond issuers, reviews certain bond documents to ensure they are complete and accurate, keeps track of all debt service payments, projects future state debt service needs, and informs bond rating agencies of the state's debt and overall financial situation. This program also provides administrative support to the Ohio Public Facilities Commission, one of the state agencies authorized to issue debt.

Office of Budget and Management

What the Budget Buys:

- Supports the management of functions related to the state's indebtedness including: coordinating all state bond issuances, reviewing certain bond documents, tracking current debt service payments and projecting future payments, and interacting with bond rating agencies; and
- Funds the administrative functions of the Ohio Public Facilities Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-321	Budget Dev./Implementation	197,627	204,484
TOTAL FOR PROGRAM				**197,627**	**204,484**

PROGRAM SERIES 02: Financial Accounting Services

This program series manages the state's accounting operations and publishes the state's financial reports.

Program 02.01: Accounting Operations and Processing

This program oversees and maintains the state's Central Accounting System (CAS) and reviews and processes fiscal transactions on behalf of state agencies. This program enters agencies' appropriations in the CAS and exercises control over spending to ensure that appropriations are not exceeded, and maintains the state's vendor database. This program also supports the agency's information technology needs.

What the Budget Buys:

- Funds the state accounting section functions, including entering appropriations in the Central Accounting System (CAS), maintaining and controlling spending within legally established appropriations, maintaining the state's vendor database, calculating and distributing quarterly interest, providing assistance to state fiscal personnel through training programs and help desk activities, and completing a monthly reconciliation between CAS, the Auditor of State, and the Treasurer of State; and
- Supports the management information services (MIS) section functions, including CAS maintenance, network administration, database management, programming, and the production of monthly and ad hoc reports to state agencies, the governor's office, and the public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	105	042-603	State Accounting & Budgeting	7,238,792	7,353,766
TOTAL FOR PROGRAM				**7,238,792**	**7,353,766**

Program 02.02: Electronic Commerce

This program manages the state's payment card, electronic data interchange, and electronic revenue programs to facilitate electronic payment for certain goods and services or electronic receipt and processing of revenue. This program also prepares and files the Statewide Cost Allocation Plan annually with the federal government.

What the Budget Buys:

- Supports the management of the state payment card, electronic data interchange (EDI), and electronic revenue programs; and
- Funds preparation of the Statewide Cost Allocation Plan (SWCAP).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	105	042-603	State Accounting & Budgeting	576,193	586,199
TOTAL FOR PROGRAM				**576,193**	**586,199**

Program 02.03: Financial Reporting

This program compiles and publishes the Ohio *Comprehensive Annual Financial Report* (CAFR) which is prepared in conformity with Generally Accepted Accounting Principles (GAAP), and the annual Ohio *Budgetary Financial Report* which presents the state's financial statements on a budgetary basis of accounting. This program also compiles the state's Schedule of Federal Awards and coordinates the annual statewide GAAP audit conducted by the Auditor of State.

What the Budget Buys:

- Supports preparation and publication of the Ohio *Comprehensive Annual Financial Report* (CAFR) and the *Ohio Budgetary Financial Report*;
- Funds the reconciliation and verification of the annual year-end closing of the state accounting system (CAS);
- Coordinates the state's compliance with the Federal Cash Management Improvement Act; and
- Supports the compilation of the state's Schedule of Expenditures of Federal Awards, as required under the Federal Single Audit Act and the coordination of agency corrective action plans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-412	Audit of Auditor of State	55,900	58,700
GSF	105	042-603	State Accounting & Budgeting	867,071	884,159
TOTAL FOR PROGRAM				**922,971**	**942,859**

Program 02.04: Internal Accounting Control Program Oversight

This program coordinates the state's Internal Accounting Control Program (IACP) to ensure accounting controls exist to provide reasonable assurance of accountable government. This program offers ongoing training to agencies on internal control procedures, annually assesses each agency's approach and methodology to completing their IACP review, and offers suggestions for improvement.

What the Budget Buys:

- Funds the review and monitoring of state agencies' internal accounting control plans;
- Provides ongoing training to state agencies on internal control procedures, as well as specific technical guidance and on-site consultations;
- Supports the annual Agency Review Evaluation Subprogram (ARES) assessment; and
- Provides technical and administrative support to the Ohio Internal Audit Committee (OIAC).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	105	042-603	State Accounting & Budgeting	224,688	229,248
TOTAL FOR PROGRAM				**224,688**	**229,248**

PROGRAM SERIES 03: Governmental Services

This program series provides financial management services to other governmental entities and coordinates the state's Enterprise Resource Planning System initiative in coordination with other governmental units.

Program 03.01: Financial Planning and Supervision Commissions

This program assists municipalities and school districts in fiscal emergency to develop plans to overcome their financial difficulties. The OBM Director, or his designee, serves as a member of each financial planning and supervision commission established upon the occurrence or declaration of a fiscal emergency.

What the Budget Buys:

- Funds staffing required by Chapter 118 and Chapter 3316 of the Ohio Revised Code regarding the declaration of the existence of fiscal emergencies in any local unit of government or school district.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-321	Budget Dev./Implementation	210,296	217,350
TOTAL FOR PROGRAM				**210,296**	**217,350**

Program 03.02: Ohio Administrative Knowledge System (OAKS)

This program, in conjunction with the Department of Administrative Services, Auditor of State, and Treasurer of State, is assessing the state's current central administrative computer systems and exploring the possibility of implementing an Enterprise Resource Planning (ERP) System. OAKS potentially will integrate five major statewide business functions including capital improvements, financials, fixed assets, human resources, and procurement and replace several existing legacy systems.

What the Budget Buys:

- Supports state employees, project management consultants, supplies, and equipment needed to maintain the OAKS project management office.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5N4	042-602	OAKS Project Implementation	2,262,441	2,272,595
TOTAL FOR PROGRAM				**2,262,441**	**2,272,595**

Program 03.03: Gubernatorial Transition

This program pays the transition costs of the Governor-elect. A new Governor will be elected in November 2006. The General Assembly is required by law to make an appropriation for this purpose.

What the Budget Buys:

- Funds the payroll and other reasonable expenses of the Governor-elect during the period of transition between governors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	042-435	Gubernatorial Transition	0	250,000
TOTAL FOR PROGRAM				**0**	**250,000**

LINE ITEM SUMMARY - Budget and Management

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	042-321	Budget Dev./Implementation	2,207,656	1,985,238	2,225,924	2,476,760	2,143,886	(13.4)	2,143,886	.0
GRF	042-401	Office of Quality Services	525,281	475,676	35,003	0	0	.0	0	.0
GRF	042-402	OAKS Project Implementation	64,365	0	0	0	0	.0	0	.0
GRF	042-406	Attorney Indemnification	2,500	4,191	0	0	0	.0	0	.0
GRF	042-407	CSU Deficit Reduction	449,983	781,814	0	0	0	.0	0	.0
GRF	042-409	Commission Closures	3,671	0	0	0	0	.0	0	.0
GRF	042-410	National Association Dues	25,500	26,300	26,300	27,089	27,089	.0	28,173	4.0
GRF	042-412	Audit of Auditor of State	46,000	48,000	62,110	55,760	55,900	.3	58,700	5.0
GRF	042-434	Financial Planning Commissions	38,675	0	0	0	0	.0	0	.0
GRF	042-435	Guberbatorial Transition	0	0	0	0	0	.0	250,000	.0
TOTAL General Revenue Fund			**3,363,631**	**3,321,219**	**2,349,337**	**2,559,609**	**2,226,875**	**(13.0)**	**2,480,759**	**11.4**
105	042-603	State Accounting & Budgeting	8,875,637	8,502,645	7,984,879	9,375,862	9,781,085	4.3	9,976,689	2.0
4C1	042-601	Quality Services Academy	37,458	4,429	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**8,913,095**	**8,507,074**	**7,984,879**	**9,375,862**	**9,781,085**	**4.3**	**9,976,689**	**2.0**
5N4	042-602	OAKS Project Implementation	3,260,124	2,647,985	1,724,168	2,357,145	2,262,441	(4.0)	2,272,595	.4
TOTAL State Special Revenue Fund Group			**3,260,124**	**2,647,985**	**1,724,168**	**2,357,145**	**2,262,441**	**(4.0)**	**2,272,595**	**.4**
TOTAL Office of Budget & Management			**15,536,850**	**14,476,278**	**12,058,384**	**14,292,616**	**14,270,401**	**(.2)**	**14,730,043**	**3.2**

Capitol Square Review and Advisory Board

Role and Overview

The Capitol Square Review and Advisory Board (CSRAB) provides all educational, maintenance, support, and security services for Capitol Square and its grounds. In addition, the board operates the Statehouse Museum Shop, the Statehouse Underground Parking Garage, and administers all special events.

The Capitol Square Review and Advisory Board consists of nine members. Two are members of the Ohio House of Representatives and two are members of the Ohio Senate. The remaining five are appointed by the Governor, one each representing the Ohio Department of Administrative Services, the Ohio Building Authority, the Ohio Arts Council, the Ohio Historical Society, and the general public. In addition, the current Speaker of the House can appoint a former Speaker of the House, and the current Senate President can appoint a former Senate President. Daily operations of the board are performed by an executive director and 70 employees with a $6.6 million budget in fiscal year 2005, including $2.8 million in General Revenue Funds. More information on the Capitol Square Review and Advisory Board can be found at http://www.statehouse.state.oh.us/.

Executive Priorities for the Capitol Square Review and Advisory Board

- Maintain the Statehouse buildings and grounds as a workplace for Ohio state government and a museum and educational center for Ohio's citizens.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	3,331	2,685	2,961	2,852	(3.7)	2,852	.0	2,852	.0
General Services Fund Group	846	844	781	785	.5	785	.0	785	.0
Underground Parking Garage Fund	2,530	2,597	2,474	2,960	19.7	2,960	.0	2,960	.0
TOTAL	**6,708**	**6,125**	**6,216**	**6,597**	**6.1**	**6,597**	**.0**	**6,597**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	3,762	3,458	3,251	3,424	5.3	3,408	(.5)	3,408	.0
Purchased Services	165	176	147	143	(2.6)	76	(46.8)	76	.0
Maintenance	1,556	1,405	1,684	1,935	14.9	2,019	4.3	2,019	.0
Equipment	207	38	123	85	(31.1)	84	(.9)	84	.0
Goods For Resale	220	290	254	250	(1.4)	250	.0	250	.0
Transfer & Other	798	759	757	760	.4	760	.0	760	.0
TOTAL	**6,708**	**6,125**	**6,216**	**6,597**	**6.1**	**6,597**	**.0**	**6,597**	**.0**

Capitol Square Review and Advisory Board

PROGRAM SERIES 01: Capitol Square Buildings and Grounds Oversight

This program series supports the educational, security, and maintenance services for Capitol Square buildings and grounds.

Program 01.01: Principal Oversight Function and Maintenance

This program provides funding to maintain the Statehouse buildings and grounds as a workplace for the Ohio state government and a museum and educational center for Ohio's citizens. This includes utility costs, maintenance of the Capitol Square buildings and grounds, operation of the Statehouse Café, and providing informational, educational, and marketing materials.

What the Budget Buys:

- Supports wages and benefits for 36 employees, primarily administrative and custodial;
- Funds printed informational, educational, and marketing materials concerning Capitol Square for the hundreds of thousands of visitors each year;
- Allows for the operation of the Statehouse Café; and
- Provides maintenance for the Ohio Statehouse, Atrium, Ohio Senate Building, and ten-acre public square.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	874-100	Personal Services	1,900,000	1,900,000
GRF	GRF	874-320	Maintenance & Equipment	952,269	952,269
TOTAL FOR PROGRAM				**2,852,269**	**2,852,269**

Program 01.02: Statehouse Underground Parking Garage

This program is responsible for the care and maintenance of the Statehouse underground parking garage as funded entirely by its own revenues. Funding for this program supports the wages of cashiers, fiscal staff, and maintenance workers, as well as utility costs and garage upkeep such as sealing floor cracks and ceiling repair.

What the Budget Buys:

- Supports wages and benefits for 24.5 employees housed in the parking garage office or associated with garage operations;
- Funds the annual bond payment for the debt service of a portion of the Statehouse restoration costs; and
- Provides general maintenance and upkeep for the 1,200 car parking garage.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
UPG	208	874-601	Underground Parking Garage Operating	2,959,721	2,959,721
TOTAL FOR PROGRAM				**2,959,721**	**2,959,721**

Capitol Square Review and Advisory Board

Program 01.03: Statehouse Goods and Services

This program is responsible for the operation of the Statehouse Museum Shop and the coordination of special events such as legislative receptions held at the Statehouse. This program also provides for the purchase and restoration of art/artifacts, special room dedications, and educational projects in conjunction with the Statehouse Education Center, which is a program of the Ohio Historical Society. This program is funded entirely either by its own revenue, such as the Statehouse Museum Shop, or by donations, such as room dedications.

What the Budget Buys:

- Allows for the renovation of specified rooms and educational programs as possible through donations;
- Supports the wages and benefits of nine employees associated with the Statehouse Museum Shop; and
- Purchases various items for resale in the Statehouse Museum Shop, which is visited by hundreds of thousands of people annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4G5	874-603	Capitol Sq. Maintenance. Expenses	15,000	15,000
GSF	4S7	874-602	Statehouse Gift Shop/Events	770,484	770,484
TOTAL FOR PROGRAM				**785,484**	**785,484**

LINE ITEM SUMMARY - Capitol Square Review and Advisory

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	874-100	Personal Services	0	0	1,841,351	1,928,316	1,900,000	(1.5)	1,900,000	.0
GRF	874-320	Maintenance & Equipment	0	0	1,119,881	923,953	952,269	3.1	952,269	.0
GRF	874-321	Operating Expenses	3,331,256	2,684,679	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**3,331,256**	**2,684,679**	**2,961,232**	**2,852,269**	**2,852,269**	**.0**	**2,852,269**	**.0**
4G5	874-603	Capitol Sq. Maint. Expenses	171,168	43,882	33,538	15,000	15,000	.0	15,000	.0
4S7	874-602	Statehouse Gift Shop/Events	666,393	799,723	747,804	770,484	770,484	.0	770,484	.0
4T2	874-604	Govt TV/Telecommunication Oper	8,705	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**846,266**	**843,605**	**781,342**	**785,484**	**785,484**	**.0**	**785,484**	**.0**
208	874-601	Underground Parking Garage Oper	2,530,034	2,596,699	2,473,563	2,959,721	2,959,721	.0	2,959,721	.0
TOTAL Underground Parking Garage Fund			**2,530,034**	**2,596,699**	**2,473,563**	**2,959,721**	**2,959,721**	**.0**	**2,959,721**	**.0**
TOTAL Capital Square Rev & Adv Board			**6,707,556**	**6,124,983**	**6,216,137**	**6,597,474**	**6,597,474**	**.0**	**6,597,474**	**.0**

Board of Career Colleges and Schools

Role and Overview

The Board of Career Colleges and Schools (SCR) monitors and regulates Ohio's career colleges and schools to ensure compliance with standards set by state law. The board provides certificates of registration and program authorization for private, for-profit schools and their agents that meet these standards to operate in Ohio. Currently, 265 schools offering 1,290 programs operate in Ohio. The board also investigates and resolves student and consumer complaints regarding registered career colleges and schools. In fiscal year 2005, the board's budget was $431,525 which was fully funded by various registration fees assessed to schools and colleges.

The board consists of eight members: the Superintendent of Public Instruction, and the Chancellor of the Board of Regents, or their designees; and six members appointed by the Governor. Three employees, including an executive director, oversee daily operations and report directly to the board.

Executive Priorities for the Board of Career Colleges and Schools

- Establish and enforce standards for the registration and operation of career schools.
- Establish and enforce standards for certificate, diploma, and degree programs.
- Investigate and resolve consumer complaints concerning registered career schools.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	378	363	2	0	(100.0)	0	.0	0	.0
General Services Fund Group	0	0	369	432	16.8	487	12.8	509	4.5
TOTAL	**378**	**363**	**371**	**432**	**16.2**	**487**	**12.8**	**509**	**4.5**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	206	214	202	233	15.1	290	24.3	312	7.6
Purchased Services	91	76	73	104	41.9	105	1.0	105	.0
Maintenance	78	73	82	90	8.6	90	.5	90	.0
Equipment	3	1	13	5	(62.4)	2	(60.0)	2	.0
TOTAL	**378**	**363**	**371**	**432**	**16.2**	**487**	**12.8**	**509**	**4.5**

Board of Career Colleges and Schools

PROGRAM SERIES 01: Regulation

This program series supports the board's activities to ensure that schools registered in Ohio meet certain standards by monitoring, regulating, and conducting investigations of career colleges and schools in accordance with Ohio Revised Code Chapter 3332.

Program 01.01: Regulation

This program funds the board's regulation activities ensuring that registered schools meet certain standards. Activities include monitoring, regulating, and conducting investigations of career colleges and schools.

What the Budget Buys:

- Funds support the State Board of Career Colleges and Schools ability to regulate, monitor, and ensure that the 265 registered institutions operating in Ohio are compliant with state standards;
- Provides funding for timely investigations of consumer complaints. In fiscal year 2004 the board's staff investigated and resolved 78 inquiries and complaints;
- Supports three current full-time staff, one additional staff person to be added in fiscal year 2006, and five part-time contract school evaluators to regulate and ensure compliance among Ohio's career colleges and schools; and
- Enables the board's staff to conduct site visits to schools, to approve new and renew school licenses, programs, degrees and agent permits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4K9	233-601	Operating Expenses	486,700	508,600
TOTAL FOR PROGRAM				**486,700**	**508,600**

LINE ITEM SUMMARY - State Board of Career Colleges and Schools

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	233-100	Personal Services	296,811	289,667	1,164	0	0	.0	0	.0
GRF	233-200	Maintenance	78,155	72,767	789	0	0	.0	0	.0
GRF	233-300	Equipment	3,322	1,000	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**378,288**	**363,434**	**1,953**	**0**	**0**	**.0**	**0**	**.0**
4K9	233-601	Operating Expenses	0	0	369,400	431,525	486,700	12.8	508,600	4.5
TOTAL General Services Fund Group			**0**	**0**	**369,400**	**431,525**	**486,700**	**12.8**	**508,600**	**4.5**
TOTAL Career Colleges and Schools			**378,288**	**363,434**	**371,353**	**431,525**	**486,700**	**12.8**	**508,600**	**4.5**

Civil Rights Commission

Role and Overview

The Ohio Civil Rights Commission (OCRC) receives and investigates charges of discrimination in employment, public accommodations, housing, credit, and higher education on the basis of race, color, religion, sex, national origin, disability, age, ancestry, or familial status. The commission is governed by a five-member board, appointed by the Governor. The commission employs an executive director who heads a staff of approximately 147.

The commission's fiscal year 2005 budget was approximately $11 million. Approximately 92 percent of the commission's General Revenue Fund budget directly supports the investigation and resolution of discrimination charges. Employment and housing discrimination cases are primarily funded through contracts with the Federal Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development. The commission has statutory authority to initiate investigations of discriminatory practices; formulate policies to effectuate compliance with state and federal laws barring discrimination; make periodic surveys of the existence and effects of discrimination; receive progress reports regarding affirmative action; and prepare an educational program, in conjunction with the Ohio Department of Education, for Ohio's public schools designed to eliminate discrimination.

Executive Priorities for the Ohio Civil Rights Commission

- Enforce state laws against discrimination.
- Follow a proactive approach in education, training, and the dissemination of publications to better educate Ohioans about their civil rights.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	9,501	8,370	7,194	7,042	(2.1)	7,253	3.0	7,471	3.0
Fed Special Revenue Fund Group	3,149	4,144	3,588	3,790	5.6	3,760	(.8)	3,560	(5.3)
State Special Revenue Fund Group	0	1	15	21	39.8	51	143.2	51	.0
TOTAL	**12,650**	**12,515**	**10,796**	**10,853**	**.5**	**11,064**	**1.9**	**11,082**	**.2**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	10,401	10,539	9,204	9,108	(1.0)	9,271	1.8	9,289	.2
Purchased Services	116	315	132	245	85.8	220	(10.2)	220	.0
Maintenance	1,712	1,553	1,390	1,410	1.4	1,431	1.5	1,431	.0
Equipment	422	103	66	90	37.0	142	57.9	142	.0
Transfer & Other	0	5	5	0	(100.0)	0	.0	0	.0
TOTAL	**12,650**	**12,515**	**10,796**	**10,853**	**.5**	**11,064**	**1.9**	**11,082**	**.2**

PROGRAM SERIES 01: Protection of Civil Rights

This program series enables the Ohio Civil Rights Commission to protect the civil rights of Ohio's citizens as well as take a proactive approach through educating, training, and disseminating publications informing the public of their rights.

Program 01.01: Investigation and Enforcement

This program receives, investigates, and prosecutes charges of unlawful discriminatory practices in the areas of employment, housing, places of public accommodation, credit, and higher education (disability only). Each year, the agency processes approximately 5,000 discrimination charges, which include charge intake, field investigation, conciliation/settlement, case recommendations, public hearings, compliance reviews, and enforcement.

What the Budget Buys:

- Funds 134 employees who process and investigate approximately 5,000 charges of discrimination annually; and
- Funds the mediation of nearly 700 cases with a resolution rate of 78 percent.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	876-321	Operating Expenses	7,253,075	7,470,667
FED	334	876-601	Investigations	3,475,000	3,275,000
SSR	217	876-604	Operations Support	50,951	50,951
TOTAL FOR PROGRAM				**10,779,026**	**10,796,618**

Program 01.02: Public Affairs and Community Service

This program provides technical assistance and other community service programs to inform the public about Ohio laws against discrimination. The agency conducts, sponsors, and participates in workshops, seminars, and other types of training in order to educate the public about their rights, as well as to educate the community about their responsibilities to achieve voluntary compliance with anti-discrimination laws. The program also prepares educational materials for use by K-12 schools to eliminate prejudice and foster good will among Ohio's diverse citizenry.

What the Budget Buys:

- Funds four employees who give presentations statewide on Ohio's anti-discrimination laws and strategies to prevent harassment and discriminatory practices in the workplace; and
- Supports the development and distribution of *Valuing Diversity: Living and Learning Together*, a comprehensive education program for Ohio's public school system, designed to reduce discrimination and encourage diversity in an academic setting.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	334	876-601	Investigations	285,000	285,000
TOTAL FOR PROGRAM				**285,000**	**285,000**

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Restructuring Analysis

The Civil Rights Commission budget has been restructured to increase management flexibility. Line items Personal Services/100, Maintenance/200, and Equipment/300 have been consolidated into Operating Expenses/321.

These line items have been combined in the chart below to illustrate the changes in funding levels due to this restructuring.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	876-321	Operating Expenses	$7,041,820	$7,253,075	3.0%	$7,470,667	3.0%

LINE ITEM SUMMARY - Civil Rights Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	876-100	Personal Services	8,463,470	7,454,000	6,729,931	6,600,000	0	**	0	**
GRF	876-200	Maintenance	928,221	822,092	404,586	400,000	0	**	0	**
GRF	876-300	Equipment	109,432	93,782	59,091	41,820	0	**	0	**
GRF	876-321	Operating Expenses	0	0	0	0	7,253,075	**	7,470,667	**
TOTAL General Revenue Fund			**9,501,123**	**8,369,874**	**7,193,608**	**7,041,820**	**7,253,075**	**3.0**	**7,470,667**	**3.0**
334	876-601	Investigations	3,148,961	4,144,123	3,587,740	3,789,999	3,760,000	(.8)	3,560,000	(5.3)
TOTAL Fed Special Revenue Fund Group			**3,148,961**	**4,144,123**	**3,587,740**	**3,789,999**	**3,760,000**	**(.8)**	**3,560,000**	**(5.3)**
217	876-604	Operations Support	29	1,027	14,984	20,951	50,951	143.2	50,951	.0
TOTAL State Special Revenue Fund Group			**29**	**1,027**	**14,984**	**20,951**	**50,951**	**143.2**	**50,951**	**.0**
TOTAL Civil Rights Commission			**12,650,113**	**12,515,024**	**10,796,332**	**10,852,770**	**11,064,026**	**1.9**	**11,081,618**	**.2**

**** Please see the Appropriation Line Item analysis for further detail.**

Department of Commerce

Role and Overview

The Department of Commerce (DOC) regulates several industries in Ohio including securities, financial institutions, liquor, and real estate. The department also enforces the state's building codes, fire codes, and prevailing and minimum wage requirements, and oversees the collection and return of unclaimed funds. A director is appointed by the Governor to oversee the operations of approximately 900 employees and manage an annual budget of approximately $525 million. The department's operations and activities are financed primarily by revenue generated from fees assessed to the regulated communities. More information regarding the Department of Commerce is available at http://www.com.state.oh.us.

Executive Priorities for the Department of Commerce

- Protect the health and safety of Ohio families at home and in the workplace.
- Promote consumers' financial well-being by regulating financial services and the real estate industry.
- Facilitate the retrieval and distribution of unclaimed funds.
- Regulate the sale of alcoholic beverages in the state.
- Provide consumer protection services that help Ohioans.
- Commit to fair and efficient regulation that protects consumers without overburdening business.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	4,750	3,872	3,937	4,111	4.4	2,086	(49.2)	2,032	(2.6)
General Services Fund Group	47,206	54,569	68,841	70,056	1.8	66,597	(4.9)	69,754	4.7
Liquor Control Fund Group	343,055	368,688	387,603	410,619	5.9	441,367	7.5	466,536	5.7
Fed Special Revenue Fund Group	2,893	2,913	3,030	3,649	20.4	2,045	(44.0)	2,045	.0
State Special Revenue Fund Group	58,642	57,612	59,038	67,525	14.4	68,224	1.0	68,427	.3
TOTAL	**456,545**	**487,656**	**522,449**	**555,960**	**6.4**	**580,320**	**4.4**	**608,796**	**4.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	85,415	89,584	91,438	96,579	5.6	98,507	2.0	100,852	2.4
Purchased Services	5,730	3,883	11,451	9,654	(15.7)	7,655	(20.7)	6,329	(17.3)
Maintenance	23,034	22,349	23,779	27,635	16.2	26,789	(3.1)	26,742	(.2)
Equipment	3,211	1,509	2,534	4,049	59.8	3,554	(12.2)	3,343	(5.9)
Subsidy	1,951	1,643	1,462	1,614	10.4	1,877	16.3	1,877	.0
Goods For Resale	283,854	304,974	319,773	321,110	.4	347,295	8.2	361,186	4.0
Capital Improvements	1,832	103	0	0	.0	0	.0	0	.0
Transfer & Other	51,517	63,611	72,012	95,318	32.4	94,643	(.7)	108,467	14.6
TOTAL	**456,545**	**487,656**	**522,449**	**555,960**	**6.4**	**580,320**	**4.4**	**608,796**	**4.9**

PROGRAM SERIES 01: Financial Institutions and Services

This program series provides for the supervision and regulation of banks, credit unions, savings institutions, securities, securities professionals, and various consumer finance organizations. It also educates Ohioans about home mortgage lending practices in an effort to reduce the growing number of consumers falling victim to abusive lending practices.

Program 01.01: Banks

This program is responsible for the supervision and regulation of state-chartered banks and trust companies including banks, trust-only banks, and bank-trust operations. It does not have jurisdiction over federal thrifts or national banks. In fiscal year 2004, this program regulated nearly 140 institutions.

What the Budget Buys:

- Continues on-site field examinations and off-site surveillance and monitoring of the 139 state-chartered banks to ensure financial safety and soundness. The regulated community has total aggregated assets of over $102 billion; and
- Supports the Ohio Banking Commission, which advises the Superintendent of Financial Institutions and confirms the annual schedule of assessments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	935,359	935,359
SSR	544	800-612	Banks	6,452,861	6,440,642
TOTAL FOR PROGRAM				**7,388,220**	**7,376,001**

Program 01.02: Consumer Affairs

This program educates Ohioans on how to protect themselves in the mortgage lending process, receives complaints from those who have been victimized, and acts as a referral service to organizations that can assist the borrower. If lending laws have been violated, the office initiates enforcement actions and refers criminal cases for prosecution. In fiscal year 2004, this program received nearly 5,500 inquiries and over 1,500 formal complaints.

What the Budget Buys:

- Continues the Borrow Smart campaign, which provides seminars, publications, and educational materials to help protect Ohioans from abusive lending.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	154,059	154,059
SSR	553	800-607	Consumer Finance	1,024,132	1,034,795
TOTAL FOR PROGRAM				**1,178,191**	**1,188,854**

Program 01.03: Consumer Finance

This program is responsible for regulating consumer finance organizations including check cashing services, check casher lenders, credit service organizations, insurance premium finance companies, mortgage brokers, mortgage broker loan officers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses. In fiscal year 2004, this program regulated nearly 9,900 organizations and individuals.

What the Budget Buys:

- Supports the continued regulation, licensure, and examination of mortgage brokers, check-cash lenders, pawnbrokers, consumer finance companies, and other consumer finance organizations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	440,169	440,169
SSR	553	800-607	Consumer Finance	3,276,313	3,265,650
TOTAL FOR PROGRAM				**3,716,482**	**3,705,819**

Program 01.04: Credit Unions

This program is responsible for the supervision and regulation of 234 state-chartered credit unions with total aggregated assets of $8.5 billion. It also supervises and co-regulates the private insurer American Share Insurance, formerly the National Deposit Insurance Corporation (NDIC).

What the Budget Buys:

- Allows the division to conduct on-site field examinations and off-site surveillance and monitoring to ensure financial safety and soundness;
- Supports the Credit Union Council, which advises the Superintendent of Financial Institutions as requested; and
- Increases, from 12 to 15, the number of field examiners dedicated to conducting credit union examinations, in order to provide off-site monitoring of institutions that are increasing in overall size and complexity.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	363,139	363,139
SSR	552	800-604	Credit Union	2,936,852	2,941,852
TOTAL FOR PROGRAM				**3,299,991**	**3,304,991**

Program 01.05: Money Transmitters

This program provides for the licensing, supervision, and regulation of domestic and foreign money transmitters in Ohio, including financing networks that may be potential threats to Homeland Security. In fiscal year 2004, 35 such entities operated in the state.

What the Budget Buys:

- Supports the regulation of domestic and foreign money transmitters operating in Ohio, including application procedures that include a review for compliance with federal money laundering and terrorist funding laws and regulation; and
- Provides increased regulation of an expanded number of money transmitters as well as additional supervision that is needed as part of Homeland Security initiatives.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	44,017	44,017
SSR	544	800-612	Banks	304,336	318,555
TOTAL FOR PROGRAM				**348,353**	**362,572**

Program 01.06: Savings Institutions

This program is responsible for the supervision and regulation of 63 state-chartered savings and loan associations and state-chartered savings banks. The program does not have jurisdiction over federal thrifts or federal savings banks.

What the Budget Buys:

- Supports the continuation of on-site field examinations and off-site surveillance and monitoring of the regulated institutions, which have total aggregated assets of $10.8 billion.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4X2	800-619	Financial Institutions	264,100	264,100
SSR	545	800-613	Savings Institutions	2,678,248	2,669,774
TOTAL FOR PROGRAM				**2,942,348**	**2,933,874**

Program 01.07: Securities

This program promotes investor education, regulates the sale of securities in Ohio, and licenses securities professionals in Ohio who sell securities and give advice about investing in securities. It engages in administrative sanctions against those persons and entities violating the securities laws in Ohio and makes referrals for criminal prosecution. In fiscal year 2004, 5,800 filings for sale of securities were reviewed and the Division of Securities licensed over 123,000 securities salespersons.

What the Budget Buys:

- Allows for the continued regulation of over 2,300 securities dealers, 123,000 securities salespersons, 560 investment advisers, and 9,900 investment adviser representatives, including same-day on-line applications and approval if there is no prior disciplinary record;
- Supports investor education activities to combat fraud, including educational speakers, a 1-800 hotline, written materials, and on-line information; and
- Funds enforcement activities that in fiscal year 2004 resulted in orders for $5.6 million in restitution and 44 years of prison time for violators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	550	800-617	Securities	4,300,000	4,400,000
TOTAL FOR PROGRAM				**4,300,000**	**4,400,000**

PROGRAM SERIES 02: Industrial Compliance

This program series is responsible for code development, inspection, plan review, licensing, and permit services related to the commercial building and construction industry.

Program 02.01: Plans and Specifications

This program reviews building plans for new construction, major renovations, additions or alterations for structures, except where local certified building departments have jurisdiction, and regulates industrialized units. In fiscal year 2004, over 4,700 projects were submitted for review and over 1,000 industrial unit applications were submitted.

What the Budget Buys:

- Supports the administration and enforcement of the Ohio Building Code for all state buildings, for commercial buildings, and for residential dwellings of four or more units that are not under the jurisdiction of a local certified building department; and
- Continues the appointment policy for walk-in plan review, so that applicants are contacted prior to their appointments to ensure that they bring appropriate documents for review and thus plan approvals can be granted more quickly.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	556	800-615	Industrial Compliance	4,205,153	4,252,969
TOTAL FOR PROGRAM				**4,205,153**	**4,252,969**

Program 02.02: Construction Compliance

This program provides for building, electrical, and plumbing inspections of new construction and additions and major alterations of existing structures. It also provides licensing and certification of plumbing inspectors. The Bureau of Construction Compliance maintains next-day inspection service and conducts over 50,000 inspections per year.

What the Budget Buys:

- Supports regulation of construction, electrical wiring, and plumbing and medical gas system installation in locations where there is no local certified building department; and
- Allows for over 50,000 inspections to be conducted per year, including over 22,000 structures, 17,000 electrical systems, 8,000 plumbing systems, and 4,000 medical gas systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	556	800-615	Industrial Compliance	5,685,980	5,753,227
TOTAL FOR PROGRAM				**5,685,980**	**5,753,227**

Program 02.03: Operations and Maintenance

This program provides for proper operations of critical systems including boilers, elevators, and escalators, and inspections of bedding and upholstered furniture. It provides licensing and certification for steam engineers and boiler operators. It also provides for ski lift inspections and roller rink registration. The diverse duties of this program include the inspection of over 16,200 boilers per year, more than 7,500 compliance inspections of bedding, nearly 50,000 elevator inspections, and the certification of 101 roller rinks and 47 ski lifts statewide.

What the Budget Buys:

- Supports the continued regulation and inspection of boilers, historical boilers, elevators, bedding, upholstered furniture, and stuffed toys; and
- Administers and supports certification and licensure of roller rinks, ski lift equipment, steam engineers, boiler operators, and elevator and boiler inspector commissions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	556	800-615	Industrial Compliance	10,620,943	10,754,941
TOTAL FOR PROGRAM				**10,620,943**	**10,754,941**

Program 02.04: Building Code

This program supports the Board of Building Standards, which formulates and adopts rules governing building construction and maintenance to ensure building safety. The board also certifies local building code enforcement departments. More than 9,100 building department personnel, state agency personnel, design professionals, and contractors in fiscal year 2004 attended 153 continuing education courses developed and taught by the board's staff. The program also supports the Board of Building Appeals, which reviews appeals of orders issued by the department's Bureau of Construction Compliance or of a certified city or county building department. The Board of Building Appeals reviewed nearly 780 cases in fiscal year 2004.

What the Budget Buys:

- Supports the administrative, adjudication, and training responsibilities of the Board of Building Standards and the Board of Building Appeals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	556	800-615	Industrial Compliance	3,022,946	2,773,883
TOTAL FOR PROGRAM				**3,022,946**	**2,773,883**

Program 02.05: Ohio Construction Industry Examining Board

This program provides for the testing, licensing, and continuing education for electrical, plumbing, hydraulic, HVAC, and refrigeration contractors. Annually, the board issues over 19,000 licenses and approves over 200 training agencies.

What the Budget Buys:

- Supports licensure and oversight functions of the board.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	556	800-615	Industrial Compliance	1,502,235	1,502,237
TOTAL FOR PROGRAM				**1,502,235**	**1,502,237**

PROGRAM SERIES 03: Liquor Control

This program series is responsible for controlling the manufacture, distribution, and sale of all alcoholic beverages in Ohio. The Division of Liquor Control is the state's sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21 percent alcohol by volume).

Program 03.01: Liquor Agency Operations

This program is responsible for the sale of spirituous liquor by more than 400 private businesses, known as liquor agencies, which are contracted by the division to serve as its sales agents. This program contributed $118 million to the General Revenue Fund in fiscal year 2004.

What the Budget Buys:

- Supports expected sales of $602 million in fiscal year 2006 and $626 million in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
LCF	043	800-601	Merchandising	382,595,409	397,839,347
LCF	043	800-627	Liquor Control Operating	11,048,464	10,156,627
TOTAL FOR PROGRAM				**393,643,873**	**407,995,974**

Program 03.02: Liquor Permit Licensing

This program administers the state's liquor permitting system for the sale, manufacture, and distribution of all alcoholic beverages in Ohio. This includes issuing new permits, renewing and transferring permits, and the investigative and hearing requirements associated with permit issuance. In 2004, this program governed the issuance of permits to approximately 24,000 privately-owned and operated manufacturers, distributors, and retailers. As a result, permit fees of $37 million were collected, with 35 percent being returned to local taxing districts for liquor law enforcement.

What the Budget Buys:

- Supports the licensure of privately-owned businesses involved in the manufacturing, distribution, and sales of alcoholic beverages, including processing licenses in one day;
- Completes the conversion of the LITS system to allow seamless distribution of liquor permit fees; and
- Provides for the distribution of over $37 million in liquor permit fees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
LCF	043	800-627	Liquor Control Operating	5,283,599	5,283,599
TOTAL FOR PROGRAM				**5,283,599**	**5,283,599**

Program 03.03: Beer and Wine Compliance

This program oversees compliance in the manufacture, importing, and distribution of beer, wine, and low-proof mixed beverages. Additionally, this program provides for the registration of sales agents for alcohol beverage suppliers, manufacturers, distributors, vendors, and brokers.

What the Budget Buys:

- Supports industry compliance with laws relating to beer, wine, and mixed beverages containing 21 percent or less alcohol by volume.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
LCF	043	800-627	Liquor Control Operating	541,120	541,120
TOTAL FOR PROGRAM				**541,120**	**541,120**

Program 03.04: Debt Service Payments

This program provides debt service payments on bonds issued under the authority of Ohio Revised Code Chapters 151 and 166 to support various economic development initiatives and environmental clean-up initiatives that are appropriated in the Department of Development.

What the Budget Buys:

- Provides required payments on bonds issued to support economic development and environmental revitalization initiatives.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
LCF	043	800-633	Development Assistance Debt Service	32,158,300	39,230,000
LCF	043	800-636	Revitalization Debt Service	9,740,500	13,485,800
TOTAL FOR PROGRAM				**41,898,800**	**52,715,800**

PROGRAM SERIES 04: Real Estate

This program series licenses Ohio real estate brokers, salespeople, appraisers, and foreign real estate dealers and salespeople, and registers property located outside of Ohio but marketed in the state. It also registers active cemeteries in Ohio.

Program 04.01: Real Estate

This program licenses and regulates real estate brokers and salespersons. In addition, the section regulates foreign real estate brokers and salespersons, and registers foreign real estate property. In fiscal year 2004, this program recorded over 47,000 active licensees, both real estate salespersons and real estate brokers.

What the Budget Buys:

- Supports consumer/industry outreach and education, including participating in events and conducting regional training sessions;
- Continues licensure, renewal, and continuing education functions; and
- Supports the Ohio Real Estate Commission, which held 110 hearings in 2004 and ordered payment of over $80,000 in fines.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	547	800-603	Real Estate Education/Research	250,000	250,000
SSR	548	800-611	Real Estate Recovery	50,000	50,000
SSR	549	800-614	Real Estate	3,605,892	3,605,892
TOTAL FOR PROGRAM				**3,905,892**	**3,905,892**

Program 04.02: Real Estate Appraisers

This program licenses and certifies all general and residential appraisers in the state. In fiscal year 2004, more than 3,400 real estate appraisers were regulated under this program.

What the Budget Buys:

- Continues licensure, oversight, and continuing education monitoring functions for licensees, and outreach and education for industry officials and consumers; and
- Supports the Ohio Real Estate Appraiser Board, which in fiscal year 2004 held 34 formal hearings and issued 34 disciplinary orders, 31 suspensions and/or reprimands, and three revocations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4B2	800-631	Real Estate Appraisal Recovery	35,000	35,000
SSR	6A4	800-630	Real Estate Appraiser Operating	664,006	664,006
TOTAL FOR PROGRAM				**699,006**	**699,006**

Program 04.03: Cemetery Registration

This program registers all active cemeteries in Ohio, and investigates complaints or disputes involving registered cemeteries. There are currently over 3,300 cemeteries registered. This program also collects fees for burial permits issued in Ohio. During fiscal year 2004, revenue from burial permits was nearly $250,000.

What the Budget Buys:

- Continues licensing and regulatory activities, and supports the Ohio Cemetery Dispute Resolution Commission, which heard 46 cases in fiscal year 2004.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4H9	800-608	Cemeteries	273,465	273,465
TOTAL FOR PROGRAM				**273,465**	**273,465**

PROGRAM SERIES 05: State Fire Marshal

This program series is responsible for education, research, regulation, and enforcement in the area of fire safety and fire prevention.

Program 05.01: Ohio Fire Academy

This program conducts fire-related training courses for more than 15,000 emergency responders annually. Training, which is conducted at the Academy facilities and on-site throughout the state, includes firefighting, anti-terrorism response, and urban search and rescue.

What the Budget Buys:

- Supports the instruction of over 780 classes per year on the Academy's campus and through the Direct Delivery Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	3,111,239	3,216,239
TOTAL FOR PROGRAM				**3,111,239**	**3,216,239**

Program 05.02: Code Enforcement

This program performs fire safety inspections at hotels, motels, hospitals, nursing homes, and other buildings and events. It also enforces the fire code at fireworks facilities, manufacturers, and exhibitions. In fiscal year 2004, this program conducted nearly 10,000 fire safety inspections and almost 4,000 reinspections.

What the Budget Buys:

- Supports the promulgation and enforcement of the Ohio Fire Code, including responses to almost 400 complaints of violations per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	2,711,239	2,711,239
TOTAL FOR PROGRAM				**2,711,239**	**2,711,239**

Program 05.03: Investigations

This program is responsible for investigating the cause, origin, and circumstances of fires, explosions, and fireworks incidents in Ohio. It is also responsible for the prosecution of persons believed to be guilty of arson or a similar crime. In fiscal year 2004, this program investigated 75 fire deaths, and determined that 16 were criminally related. Program staff determined that 382 of the incidents they investigated were a result of arson.

What the Budget Buys:

- Supports investigations of violations of the Revised Code and Fire Code, and referral to local prosecutors, if necessary; and
- Supports licensure, inspection, and training in regards to explosives, fireworks, and fire safety.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	2,475,479	2,475,479
TOTAL FOR PROGRAM				**2,475,479**	**2,475,479**

Program 05.04: Fire Prevention

This program creates fire safety publications and conducts fire safety education outreach at schools, senior centers, health care facilities, and other locations as requested. This program also promotes the use of fire detectors and distributes free detectors in southeast Ohio. In fiscal year 2004, nearly 3,400 fire safety-related programs reached almost 80,000 Ohioans. The program also presented five Smoke DOG (Smoke Detector on Guard) Awards to families who were saved as a result of proper actions taken when smoke detectors activated in their homes.

What the Budget Buys:

- Provides funding for fire safety activities, including the presentation of nearly 3,400 safety programs and the development and distribution of approximately 780,000 pieces of educational literature annually; and,
- Supports the compilation and analysis of statistical data collected through the Ohio Fire Incident Reporting System.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	1,532,439	1,532,439
SSR	546	800-639	Fire Department Grants	200,000	200,000
TOTAL FOR PROGRAM				**1,732,439**	**1,732,439**

Program 05.05: Forensic Lab

This program analyzes evidence from fires and explosions as well as hazardous material leaks and spills on behalf of fire investigators and state and local law enforcement agencies. During fiscal year 2004, the laboratory examined nearly 780 cases consisting of over 2,400 pieces of evidence.

What the Budget Buys:

- Supports staffing and laboratory facilities for scientific examinations and written reports on physical evidence involved in a suspected arson fire or hazardous situation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	1,178,799	1,178,799
TOTAL FOR PROGRAM				**1,178,799**	**1,178,799**

Program 05.06: Bureau of Underground Storage Tanks

This program regulates and enforces statutes related to the registration, installation, removal, upgrade, or repair of petroleum underground storage tanks. In addition, in fiscal year 2004, the program issued over 1,500 permits to install, remove, repair, or modify systems and inspected these activities.

What the Budget Buys:

- Provides for regulation of almost 25,000 underground storage tanks, including the performance of over 1,300 compliance inspections annually; and
- Supports investigations and appropriate cleanup of releases of regulated substances from underground storage tanks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	348	800-622	Underground Storage Tanks	195,008	195,008
FED	348	800-624	Leaking Underground Storage Tank	1,850,000	1,850,000
SSR	653	800-629	UST Registration/Permit Fee	1,249,632	1,249,632
TOTAL FOR PROGRAM				**3,294,640**	**3,294,640**

Program 05.07: Fireworks and Explosives

This program oversees more than 50 fireworks wholesalers and manufacturing facilities, over 520 licensed fireworks exhibitors, nearly 1,100 registered assistants, and multiple flame effect technicians regulated by the State Fire Marshal. In fiscal year 2004, in-service training courses and presentations reached over 1,300 attendees.

What the Budget Buys:

- Supports continuing regulation and oversight of the sale and display of fireworks, and the investigation of illegal fireworks sales in conjunction with local law enforcement.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	546	800-610	Fire Marshal	1,178,799	1,178,799
TOTAL FOR PROGRAM				**1,178,799**	**1,178,799**

Program 05.08: Fire Department Assistance

This program provides grants and no-interest loans to local fire departments to offset the cost of training and equipment. In fiscal year 2004, grants totaling $1,353,000 were issued.

What the Budget Buys:

- Continues the availability of no-interest loans to small government fire departments to expedite purchases of major equipment or projects for the construction or renovation of fire department buildings;
- Increases, from $609,000 in fiscal year 2005 to $760,000 annually, funding available for grants to volunteer fire departments;
- Supports full or partial reimbursement to local units of government and fire departments for the cost of firefighter training and equipment or gear (as previously provided from the Mandate Assistance line item in the Controlling Board budget); and
- Provides up to $200,000 per fiscal year for grants to fire departments to assist in the conversion of existing data systems to the National Fire Information Reporting System 5 (NFIRS 5) electronic fire reporting system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5F1	800-635	Small Government Fire Departments	250,000	250,000
SSR	546	800-639	Fire Department Grants	1,447,140	1,447,140
TOTAL FOR PROGRAM				**1,697,140**	**1,697,140**

PROGRAM SERIES 06: Unclaimed Funds

This program series is responsible for the safekeeping and return of moneys designated as "unclaimed."

Program 06.01: Unclaimed Funds

Each year, due to death, inadvertence, or forgetfulness, more than 200,000 people and organizations lose track of moneys, rights to moneys, and intangible property in Ohio. The funds are remitted to this program by various entities, such as employers, corporations, financial institutions, and insurance companies. The program then acts as the custodian of the funds and returns them to their rightful owners. In fiscal year 2004, more than 39,000 claims were paid and a total of over $49 million was returned to current or former Ohio residents.

What the Budget Buys:

- Continues the enforcement of compliance and reporting by holders of dormant accounts of 200,000 people and organizations, including expected collections of $158 million per fiscal year;
- Provides sufficient appropriations for payment of over $50 million per fiscal year in claims;
- Supports modifications to the unclaimed funds electronic system and the Ohio Business Gateway to allow reports and funds to be submitted electronically; and
- Supports advertising in all 88 counties, including local and minority papers, to notify owners that they are due unclaimed funds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	543	800-602	Unclaimed Funds - Operating	7,351,051	7,351,051
GSF	543	800-625	Unclaimed Funds - Claims	52,000,000	55,000,000
TOTAL FOR PROGRAM				**59,351,051**	**62,351,051**

PROGRAM SERIES 07: Labor & Worker Safety

This program series promotes safety in the work place and compliance with wage laws. Two programs formerly associated with this program series, the Public Employment Risk Reduction Program and the Occupational Safety and Health Administration Consultation Program, are transferred to the Bureau of Workers' Compensation.

Program 07.01: Wage and Hour Law Enforcement

This program enforces minimum wage and minor labor laws. Since September 2002, over 1,300 schools have registered to file age and schooling certificates (minor work permits) electronically, thus resulting in savings for school districts, the state, and employers. It also enforces Ohio's prevailing wage, which is the wage rate that must be paid to employees who are working on any type of public works or public improvement construction project. In fiscal year 2004, this program collected more than $825,000 in prevailing wage back wages, more than $111,000 in minimum and overtime back wages, and more than $43,000 in prevailing wage penalties.

What the Budget Buys:

- Supports public education and enforcement of wage and hour laws, including prevailing wage, minimum wage, and minor labor laws; and
- Provides funding for complaint investigations and the collection of back wages owed to workers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	800-410	Labor and Worker Safety	2,086,477	2,032,397
SSR	5K7	800-621	Penalty Enforcement	50,000	50,000
TOTAL FOR PROGRAM				**2,136,477**	**2,082,397**

PROGRAM SERIES 08: Program Management

This program provides policy and administrative direction as well as centralized functions for the department.

Program 08.01: Program Management

This program provides communications, fiscal administration, human resources, information technology, legal, legislative affairs, quality, training, and employee development, and support services.

What the Budget Buys:

- Supports centralized services to ensure the efficient operation of the department.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	163	800-620	Division of Administration	4,262,314	4,368,037
GSF	163	800-637	Information Technology	2,733,853	2,785,045
TOTAL FOR PROGRAM				**6,996,167**	**7,153,082**

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Notes

Grants-Volunteer Fire Departments/402: Funding for this grant program is now available from the State Fire Marshal Fund. Please refer to Program 05.08, Fire Department Assistance, for further information.

Labor and Worker Safety/410: Two programs formerly funded by this line item, the Public Employment Risk Reduction Program and the Occupational Safety and Health Administration Consultation Program, are transferred to the Bureau of Workers' Compensation.

LINE ITEM SUMMARY - Commerce

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	800-402	Grants-Volunteer Fire Depts.	844,768	647,953	622,035	609,076	0	**	0	.0
GRF	800-410	Labor and Worker Safety	3,550,430	3,224,492	3,315,130	3,501,537	2,086,477	**	2,032,397	(2.6)
GRF	800-412	Prevailing/Minimum Wage & Minors	254,001	0	0	0	0	.0	0	.0
GRF	800-413	OSHA Match	9,347	0	0	0	0	.0	0	.0
GRF	800-417	Public Employee Risk Reduction	91,110	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**4,749,656**	**3,872,445**	**3,937,165**	**4,110,613**	**2,086,477**	**(49.2)**	**2,032,397**	**(2.6)**
163	800-620	Division of Administration	5,825,518	5,419,460	4,013,146	4,468,821	4,262,314	(4.6)	4,368,037	2.5
163	800-637	Information Technology	0	0	1,953,654	2,772,924	2,733,853	(1.4)	2,785,045	1.9
5F1	800-635	Small Government Fire Departments	0	180,491	0	250,000	250,000	.0	250,000	.0
543	800-602	Unclaimed Funds - Operating	6,496,019	5,534,537	13,698,709	7,051,051	7,351,051	4.3	7,351,051	.0
543	800-625	Unclaimed Funds - Claims	34,884,793	43,434,905	49,175,417	55,512,919	52,000,000	(6.3)	55,000,000	5.8
TOTAL General Services Fund Group			**47,206,330**	**54,569,393**	**68,840,926**	**70,055,715**	**66,597,218**	**(4.9)**	**69,754,133**	**4.7**
043	800-321	Liquor Control Operating	701,491	0	0	0	0	.0	0	.0
043	800-601	Merchandising	313,164,920	335,330,014	351,560,667	353,892,432	382,595,409	8.1	397,839,347	4.0
043	800-627	Liquor Control Operating	13,195,027	13,865,808	13,630,760	17,960,686	16,873,183	(6.1)	15,981,346	(5.3)
043	800-633	Development Assistance Debt Service	15,993,211	16,069,417	21,229,598	29,029,500	32,158,300	10.8	39,230,000	22.0
043	800-636	Revitalization Debt Service	0	3,423,009	1,182,282	9,736,300	9,740,500	.0	13,485,800	38.5
TOTAL Liquor Control Fund Group			**343,054,649**	**368,688,248**	**387,603,307**	**410,618,918**	**441,367,392**	**7.5**	**466,536,493**	**5.7**
348	800-622	Underground Storage Tanks	194,554	193,937	193,900	195,008	195,008	.0	195,008	.0
348	800-624	Leaking Undergrnd Storage Tank	1,285,423	1,317,395	1,325,340	1,850,000	1,850,000	.0	1,850,000	.0
349	800-626	OSHA Enforcement	1,412,598	1,401,951	1,510,685	1,604,142	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**2,892,575**	**2,913,283**	**3,029,925**	**3,649,150**	**2,045,008**	**(44.0)**	**2,045,008**	**.0**
4B2	800-631	Real Estate Appraisal Recovery	0	10,000	0	60,000	35,000	(41.7)	35,000	.0
4H9	800-608	Cemeteries	254,987	251,266	239,891	273,465	273,465	.0	273,465	.0
4L5	800-609	Fireworks Training & Education	10,489	230	3,815	5,000	0	(100.0)	0	.0
4X2	800-619	Financial Institutions	1,820,089	1,556,663	1,391,419	2,200,843	2,200,843	.0	2,200,843	.0
5B8	800-628	Auctioneers	50,028	0	0	0	0	.0	0	.0
5B9	800-632	PI & Security Guard Provider	1,027,675	1,002,241	990,889	0	0	.0	0	.0
5K7	800-621	Penalty Enforcement	0	5,131	29,459	50,000	50,000	.0	50,000	.0
544	800-612	Banks	5,479,109	5,448,545	5,780,933	6,657,997	6,757,197	1.5	6,759,197	.0
545	800-613	Savings Institutions	2,575,318	2,711,672	2,328,273	2,894,330	2,678,248	(7.5)	2,669,774	(.3)
546	800-610	Fire Marshal	13,650,948	12,043,907	12,665,345	13,259,480	12,187,994	(8.1)	12,292,994	.9
546	800-639	Fire Department Grants	0	0	0	0	1,647,140	.0	1,647,140	.0
547	800-603	Real Estate Education/Research	166,689	183,515	85,991	250,000	250,000	.0	250,000	.0
548	800-611	Real Estate Recovery	0	10,000	20,000	100,000	50,000	(50.0)	50,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Commerce

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
549	800-614	Real Estate	2,798,338	3,015,799	3,077,353	3,535,892	3,605,892	2.0	3,605,892	.0
550	800-617	Securities	3,715,159	3,864,918	3,728,148	4,800,000	4,300,000	(10.4)	4,400,000	2.3
552	800-604	Credit Union	2,255,633	2,261,608	2,414,107	2,751,852	2,936,852	6.7	2,941,852	.2
553	800-607	Consumer Finance	2,070,556	2,442,459	3,171,714	3,735,445	4,300,445	15.1	4,300,445	.0
556	800-615	Industrial Compliance	21,360,131	21,215,004	21,430,177	25,037,361	25,037,257	.0	25,037,257	.0
6A4	800-630	Real Estate Appraiser Operating	506,067	521,369	529,262	664,006	664,006	.0	664,006	.0
653	800-629	UST Registration/Permit Fee	900,403	1,068,093	1,150,825	1,249,632	1,249,632	.0	1,249,632	.0
TOTAL State Special Revenue Fund Group			**58,641,619**	**57,612,420**	**59,037,601**	**67,525,303**	**68,223,971**	**1.0**	**68,427,497**	**.3**
TOTAL Department of Commerce			**456,544,829**	**487,655,789**	**522,448,924**	**555,959,699**	**580,320,066**	**4.4**	**608,795,528**	**4.9**

**** Please see the Appropriation Line Item analysis for further detail.**

Ohio Consumers' Counsel

Role and Overview

The Office of the Ohio Consumers' Counsel (OCC) intervenes in or otherwise participates in legal proceedings in both state and federal courts as well as in administrative proceedings before the Public Utilities Commission of Ohio (PUCO) and federal regulatory agencies on behalf of the residential utility consumers of Ohio. The agency may also conduct long-range studies concerning various topics relevant to the rates charged residential consumers and monitor utility companies compliance with legislative and regulatory standards and orders. Each year the OCC, through the Customer Response Center, provides assistance to thousands of consumers who have questions or concerns regarding their utility service. The agency also sends a biennial report to the General Assembly on the state of electric restructuring, the last being completed in December 2004.

The OCC has approximately 80 employees that consist of attorneys, economists, analysts, investigators, communication personnel, and support personnel, and has an annual budget of $9.0 million, funded through assessments on Ohio's utility companies. The OCC participated in over 150 state proceedings and 40 federal matters during 2004. In helping to educate consumers about utility issues, the OCC maintains a Website, distributes newsletters and thousands of fact sheets, makes presentations to groups and organizations throughout Ohio, and resolves utility complaints for individual consumers.

The nine member governing board of the OCC, appointed by the Ohio Attorney General, is a bi-partisan group serving three year terms and representing three organized groups: residential consumers, family farmers, and labor. The board is responsible for hiring the Consumers' Counsel and the Deputy Consumers' Counsel to run the day-to-day operations of the agency.

Executive Priorities for the Ohio Consumers' Counsel

- Serve as the statutory advocate on behalf of Ohio's residential utility consumers.
- Participate in utility cases at the PUCO and Ohio Supreme Court.
- Represent Ohio's residential consumers in federal court and other administrative agencies like the Federal Communications Commission and the Federal Energy Regulatory Commission.
- Monitor utility companies compliance with rules and regulations and take legal action when necessary.
- Participate in proceedings that set policy and regulations that affect the affordability, reliability, and quality of service for residential consumers.
- Resolve complaints from residential consumers about utility services.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Services Fund Group	8,015	7,382	7,026	9,278	32.0	8,595	(7.4)	8,772	2.1
TOTAL	**8,015**	**7,382**	**7,026**	**9,278**	**32.0**	**8,595**	**(7.4)**	**8,772**	**2.1**

Ohio Consumers' Counsel

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	5,167	5,243	5,419	6,808	25.6	6,534	(4.0)	6,861	5.0
Purchased Services	505	342	319	525	64.6	585	11.4	585	.0
Maintenance	2,074	1,629	1,197	1,775	48.3	1,332	(25.0)	1,239	(6.9)
Equipment	269	163	91	169	86.6	144	(14.8)	87	(39.5)
Transfer & Other	0	5	0	0	.0	0	.0	0	.0
TOTAL	**8,015**	**7,382**	**7,026**	**9,278**	**32.0**	**8,595**	**(7.4)**	**8,772**	**2.1**

PROGRAM SERIES 01: Ohio Consumers' Counsel Operations

This program series maintains the general operations of the Consumers' Counsel and provides support for advocacy, representation, complaint resolution, and outreach and education activities on behalf of the residential utility consumers.

Program 01.01: Ohio Consumers' Counsel Operations

This program supports the operations of the OCC in its role as the residential utility consumer advocate representing the interests of the public through education, legal proceedings, and consumer mediation.

What the Budget Buys:

- Provides funding for the education of the public in issues concerning utilities management and telecommunications through presentations, brochures, handbooks, press releases, and other media sources;
- Allows OCC to continue to represent the interests of residential utility consumers in proceedings before state and federal regulators and in the courts;
- Supports agency initiatives that seek to provide the benefits of utility competition, emerging communications technology and energy efficiency while maintaining fair rates, service quality, and consumer protections;
- Funds the operation of a call center that provides education and assistance to thousands of consumers to address and resolve their utility questions and complaints; and
- Maintains a staff of approximately 80 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GSF	5F5	053-601	Operating Expenses	8,594,735	8,771,940
TOTAL FOR PROGRAM				**8,594,735**	**8,771,940**

LINE ITEM SUMMARY - Consumers' Counsel

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5F5	053-601	Operating Expenses	8,015,215	7,381,914	7,025,929	9,277,519	8,594,735	(7.4)	8,771,940	2.1
TOTAL General Services Fund Group			**8,015,215**	**7,381,914**	**7,025,929**	**9,277,519**	**8,594,735**	**(7.4)**	**8,771,940**	**2.1**
TOTAL Consumers' Counsel			**8,015,215**	**7,381,914**	**7,025,929**	**9,277,519**	**8,594,735**	**(7.4)**	**8,771,940**	**2.1**

Controlling Board

Role and Overview

The Controlling Board (CEB) provides legislative oversight of various activities of the executive branch and carries out responsibilities delegated to it by the legislature. For administrative purposes, the Controlling Board is housed within the Office of Budget and Management. It has a staff of two, including the president of the board. The board consists of seven members: the director of Budget and Management, or the director's designee who serves as president of the board; the chairman of the Finance and Appropriations Committee of the House of Representatives; the chairman of the Finance and Financial Institutions Committee of the Senate; two members of the House appointed by the Speaker of the House, one from the majority party and one from the minority party; and two members of the Senate appointed by the President of the Senate, one from the majority party and one from the minority party. The board usually meets every two weeks to consider and vote on requests for action that are submitted to it by state agencies. The board has a number of powers that are delegated by the legislature, including making adjustments to the appropriations of state agencies, waiving competitive selection purchasing requirements, releasing capital appropriations, and approving certain loans and grants made by the Department of Development.

The board does not disburse moneys appropriated to it, but transfers appropriations from the board to other agencies for expenditure. This is the reason the budget tables for the Controlling Board show zero in the "Actual" columns. The record of actual disbursements of appropriations that were made to the board appears in the spending totals of the agencies to which the funds were transferred. The amount in the "FY 2005 Estimate" column in the budget tables represents the appropriation authority that remained in the line items after the Controlling Board meeting of December 6, 2004.

Agency Merger and Task Force

A task force will be convened to develop recommendations for a new agency whose core responsibility is to promote educational achievement through technology. The task force will consider which programs should be retained by the new agency created out of a merger between the Ohio SchoolNet Commission (NET) and the Ohio Educational Telecommunications Network Commission (OEB), which programs should be transferred to existing agencies, and which programs should be discontinued. The recommendations are due to the Governor by the end of March 2005, at which point the Governor will develop a plan for the merger of these agencies. The funds available for this agency, as well as for any programs that may be transferred to another agency, are to be appropriated and held within the Controlling Board's budget. These funds are equal to the total amount of the combined budget requests of NET and OEB.

This task force will be appointed by the Governor and will include the chairs and vice chairs of each commission, two additional members representing each organization's constituents, one legislator each appointed by the House and the Senate, a representative of OBM, and representatives of the Governor's staff.

Executive Priorities for the Controlling Board

- Provides appropriation and spending oversight for state agencies.
- Transfers appropriation authority and provides funding to state agencies for unplanned contingencies.
- Provides financial assistance to local governments and school districts for the cost of unfunded state mandates.
- Provides Emergency Purposes dollars to assist with natural disasters or emergencies.

Controlling Board

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	0	0	0	2,340	.0	41,043	1,654.3	35,893	(12.5)
General Services Fund Group	0	0	0	0	.0	3,500	.0	3,500	.0
Fed Special Revenue Fund Group	0	0	0	0	.0	589	.0	589	.0
State Special Revenue Fund Group	0	0	0	0	.0	900	.0	325	(63.9)
TOTAL	**0**	**0**	**0**	**2,340**	**.0**	**46,032**	**1,867.6**	**40,307**	**(12.4)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Transfer & Other	0	0	0	2,340	.0	46,032	1,867.6	40,307	(12.4)
TOTAL	**0**	**0**	**0**	**2,340**	**.0**	**46,032**	**1,867.6**	**40,307**	**(12.4)**

Controlling Board

PROGRAM SERIES 01: Appropriation and Spending

This program series provides appropriation authority and/or funding to state agencies, local units of government, and school districts for various purposes such as unplanned contingencies, unfunded state mandates, and ballot advertising costs.

Program 01.01: Appropriation and Spending Oversight

This program provides appropriation authority and funding to state agencies for the costs of emergencies and unplanned contingencies. It also provides funding to local units of government and school districts for unfunded state mandates and to reimburse county boards of elections with advertising costs associated with statewide ballot initiatives.

What the Budget Buys:

- Provides $12.2 million in fiscal year 2006 and $7.0 million in fiscal year 2007 to state agencies for the remediation of emergencies and other unforeseen circumstances;
- Provides a total of $950,000 in each fiscal year to local governments and school districts for the costs of unfunded state mandates as well as the costs of public notices associated with statewide ballot initiatives; and
- Provides funding for a new agency whose core responsibility is to promote educational achievement through technology. The new agency will be created as a result of a merger between the Ohio Educational Telecommunications Network Commission (OET) and the Ohio SchoolNet Commission (NET). Funding for this new agency will be appropriated and held within CEB's budget and released based on a plan submitted by the Governor.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	911-401	Emergency Purposes/Contingencies	12,150,000	7,000,000
GRF	GRF	911-404	Mandate Assistance	650,000	650,000
GRF	GRF	911-417	Educational Technology Fund	27,942,693	27,942,693
GRF	GRF	911-441	Ballot Advertising Costs	300,000	300,000
GSF	4F3	911-603	Affiliate Services	2,000,000	2,000,000
GSF	4T2	911-604	Government Television/Telecom Operating	150,000	150,000
GSF	5D4	911-605	Conference/Special Purpose Expenses	1,350,000	1,350,000
FED	3S3	911-610	Technology Literacy Challenge	589,363	589,363
SSR	4W9	911-607	Ohio Telecommunity Fund	50,000	25,000
SSR	4X1	911-608	Distance Learning	250,000	100,000
SSR	5T3	911-609	Gates Foundation Grants	600,000	200,000
TOTAL FOR PROGRAM				**46,032,056**	**40,307,056**

LINE ITEM SUMMARY - Controlling Board

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	911-401	Emergency Purposes/Contingencies	0	0	0	1,217,247	12,150,000	898.2	7,000,000	(42.4)
GRF	911-404	Mandate Assistance	0	0	0	664,019	650,000	(2.1)	650,000	.0
GRF	911-417	Educational Technology Fund	0	0	0	0	27,942,693	.0	27,942,693	.0
GRF	911-441	Ballot Advertising Costs	0	0	0	458,250	300,000	(34.5)	300,000	.0
TOTAL General Revenue Fund			**0**	**0**	**0**	**2,339,516**	**41,042,693**	**1654.3**	**35,892,693**	**(12.5)**
4F3	911-603	Affiliate Services	0	0	0	0	2,000,000	.0	2,000,000	.0
4T2	911-604	Govt Television/Telecomm Operating	0	0	0	0	150,000	.0	150,000	.0
5D4	911-605	Conference/Special Purpose Expenses	0	0	0	0	1,350,000	.0	1,350,000	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**0**	**3,500,000**	**.0**	**3,500,000**	**.0**
3S3	911-610	Technology Literacy Challenge	0	0	0	0	589,363	.0	589,363	.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**0**	**0**	**589,363**	**.0**	**589,363**	**.0**
4W9	911-607	Ohio Telecommuniyt Fund	0	0	0	0	50,000	.0	25,000	(50.0)
4X1	911-608	Distance Learning	0	0	0	0	250,000	.0	100,000	(60.0)
5T3	911-609	Gates Foundation Grants	0	0	0	0	600,000	.0	200,000	(66.7)
TOTAL State Special Revenue Fund Group			**0**	**0**	**0**	**0**	**900,000**	**.0**	**325,000**	**(63.9)**
TOTAL Controlling Board			**0**	**0**	**0**	**2,339,516**	**46,032,056**	**1867.6**	**40,307,056**	**(12.4)**

Court of Claims

Role and Overview

The Court of Claims (CLA) is a statutory court of original jurisdiction that was created to hear and determine all civil actions against the State of Ohio. Under the crime victims' reparations law, the Court of Claims hears and determines appeals from decisions concerning claims for awards of reparations, which are initially determined by the Attorney General. The Court of Claims has 28 full-time employees, seven part-time employees, and a total annual budget of approximately $4.2 million, which includes a GRF operating budget of $2.6 million. More information regarding the Court of Claims is available at http://www.cco.state.oh.us.

Executive Priorities for the Court of Claims

- Hear and determine all civil actions filed against the State of Ohio and state agencies.

As required by Section 107.03(B) of the Ohio Revised Code, the Governor has made no alterations to the funding requests of agencies of the judicial branch of government. Recommended amounts are as requested by the agency.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	2,528	2,630	4,674	2,477	(47.0)	2,598	4.9	2,678	3.1
State Special Revenue Fund Group	1,841	1,120	1,426	1,583	11.0	1,583	.0	1,583	.0
TOTAL	**4,368**	**3,750**	**6,100**	**4,060**	**(33.4)**	**4,181**	**3.0**	**4,261**	**1.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	3,163	2,746	2,917	3,161	8.4	3,398	7.5	3,490	2.7
Purchased Services	184	114	51	0	(100.0)	91	.0	93	1.5
Maintenance	737	737	496	588	18.5	562	(4.4)	571	1.5
Equipment	231	153	599	285	(52.4)	129	(54.8)	107	(16.9)
Transfer & Other	53	0	2,037	25	(98.8)	0	(100.0)	0	.0
TOTAL	**4,368**	**3,750**	**6,100**	**4,060**	**(33.4)**	**4,181**	**3.0**	**4,261**	**1.9**

Court of Claims

PROGRAM SERIES 01: Court of Claims

The Court of Claims is the court of original jurisdiction that was created to hear and determine all civil actions against the State of Ohio. In addition, under the crime victims' reparations law, the Court of Claims hears and determines appeals from decisions concerning claims for awards of reparations, which are initially determined by the Attorney General.

Program 01.01: Court of Claims

The Court of Claims decides claims that typically involve contract disputes, property damage, personal injury, immunity of state officers and employees, discrimination, and wrongful imprisonment.

What the Budget Buys:

- Continues the current level of 28 full-time positions and seven part-time positions; and
- Funds the addition of one part-time position.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	015-321	Operating Expenses	2,598,040	2,678,331
SSR	5K2	015-603	CLA Victims of Crime	1,582,684	1,582,684
TOTAL FOR PROGRAM				**4,180,724**	**4,261,015**

LINE ITEM SUMMARY - Court of Claims

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	015-321	Operating Expenses	2,527,521	2,630,088	2,636,591	2,477,000	2,598,040	4.9	2,678,331	3.1
GRF	015-402	Wrongful Imprisonment Comp	0	0	2,036,990	0	0	.0	0	.0
TOTAL General Revenue Fund			**2,527,521**	**2,630,088**	**4,673,581**	**2,477,000**	**2,598,040**	**4.9**	**2,678,331**	**3.1**
5K2	015-603	CLA Victims of Crime	1,840,598	1,119,669	1,426,233	1,582,684	1,582,684	.0	1,582,684	.0
TOTAL State Special Revenue Fund Group			**1,840,598**	**1,119,669**	**1,426,233**	**1,582,684**	**1,582,684**	**.0**	**1,582,684**	**.0**
TOTAL Court of Claims			**4,368,119**	**3,749,757**	**6,099,814**	**4,059,684**	**4,180,724**	**3.0**	**4,261,015**	**1.9**

Role and Overview

The Office of Criminal Justice Services (CJS) core functions are to administer state and federal grants to local grantees, research, and evaluate the effectiveness of criminal justice projects including law enforcement, corrections, courts, and prevention and victim services, manage information systems including Ohio's Criminal Justice Information System (CJIS), Ohio Incident-Based Reporting System Repository (OIBRS), Law Enforcement Officer Toolkit, and Ohio Juvenile Justice Information System (JJIS), implement baseline funding for domestic violence shelters and increase information and initiatives through its Center for Prevention of Family Violence, and develop resources including the design of publications, programs and training based on criminal justice trends and needs. These services are essential to the safety of Ohio citizens and an important asset to the state's criminal justice network. The functions of CJS can be maintained with significant cost savings under the umbrella of the Department of Public Safety. The two agencies together will benefit from the expertise of each agency and increase statewide capacity for criminal justice research and development.

The mission of the Ohio Department of Public Safety is to save lives, reduce injuries and economic loss, to administer Ohio's motor vehicle laws and to preserve the safety and well being of all citizens with the most cost-effective and service-oriented methods available. The services of CJS fit neatly into this mission by compiling essential criminal justice data to quickly provide and share information with law enforcement, court systems, and other criminal justice agencies and foster networking with these agencies regardless of jurisdictional boundaries. Grants administered by CJS provide communities with necessary funds to update local criminal justice resources and information. Domestic and family violence grants protect the most vulnerable citizens of Ohio, and provide education for prevention. Finally, constant research and education programs help inform the public on how to keep themselves safe as well as assisting law enforcement and other criminal justice agencies on how to better serve the needs of Ohio.

By merging CJS into a division within the Department of Public Safety, state government is further streamlined for efficiency, while allowing CJS to focus solely on functions and services to further the mission of preserving the safety and well being of all Ohio citizens.

LINE ITEM SUMMARY - Criminal Justice Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	196-401	Criminal Justice Info System	1,406,237	472,457	471,446	489,273	0	(100.0)	0	.0
GRF	196-403	Center for Violence Prevention	199,346	148,080	20,179	18,800	0	(100.0)	0	.0
GRF	196-405	Violence Prevention Subsidy	763,375	677,278	762,229	647,161	0	(100.0)	0	.0
GRF	196-424	Operating Expenses	1,590,069	1,666,290	1,352,863	1,342,293	0	(100.0)	0	.0
GRF	196-499	State Match	28,373	0	0	0	0	.0	0	.0
GRF	196-502	Mandate Assistance	56,070	41,114	124,977	23,591	0	(100.0)	0	.0
GRF	196-505	SOCF Judicial & Defense Costs	0	19,679	36,428	12,919	0	(100.0)	0	.0
TOTAL General Revenue Fund			**4,043,470**	**3,024,898**	**2,768,122**	**2,534,037**	**0**	**(100.0)**	**0**	**.0**
4P6	196-601	General Services	24,081	44,532	93,707	86,500	0	(100.0)	0	.0
TOTAL General Services Fund Group			**24,081**	**44,532**	**93,707**	**86,500**	**0**	**(100.0)**	**0**	**.0**
3L5	196-604	Justice Programs	32,494,087	31,572,348	33,922,433	30,311,870	0	(100.0)	0	.0
3U1	196-602	Criminal Justice Federal Programs	2,222,251	31,886	905,891	0	0	.0	0	.0
3V8	196-605	Federal Program Purposes FFY01	4,756,542	2,673,981	254,439	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**39,472,880**	**34,278,215**	**35,082,763**	**30,311,870**	**0**	**(100.0)**	**0**	**.0**
TOTAL Off of Criminal Justice Svcs			**43,540,431**	**37,347,645**	**37,944,592**	**32,932,407**	**0**	**(100.0)**	**0**	**.0**

Ohio Cultural Facilities Commission

Formerly known as the Arts and Sports Facilities Commission

Role and Overview

The Ohio Cultural Facilities Commission (OCFC) oversees capital improvement funds appropriated by the General Assembly and Governor for planning, construction, renovation, and expansion projects at Ohio's non-profit theatres, museums, historical sites, and publicly owned-professional sports venues.

In the past 15 years, more than $390 million has been appropriated for nearly 150 projects of various sizes and complexities. The commission partners with non-profit groups and local governments to administer these community projects.

The commission operates with an executive director and nine specialists that provide the oversight for the assigned projects. The staff includes professionals trained in landscape architecture, engineering, and project management. The commission has an annual budget of approximately $39 million, which includes $37.6 million for debt service payments on capital projects.

Executive Priorities for the Ohio Cultural Facilities Commission

- Manage capital cultural facilities projects through planning and coordination with local project sponsors and appropriate state agencies.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	32,500	32,715	34,450	38,113	10.6	38,325	.6	38,442	.3
State Special Revenue Fund Group	793	903	869	1,098	26.3	1,001	(8.8)	1,064	6.3
TOTAL	**33,293**	**33,618**	**35,319**	**39,211**	**11.0**	**39,326**	**.3**	**39,507**	**.5**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	627	672	701	969	38.3	835	(13.8)	891	6.7
Purchased Services	105	157	75	134	79.7	162	21.2	173	6.3
Maintenance	149	148	184	480	161.2	193	(59.7)	192	(.5)
Equipment	37	8	16	10	(38.1)	9	(10.4)	4	(58.1)
Transfer & Other	32,374	32,634	34,344	37,618	9.5	38,127	1.4	38,247	.3
TOTAL	**33,293**	**33,618**	**35,319**	**39,211**	**11.0**	**39,326**	**.3**	**39,507**	**.5**

PROGRAM SERIES 01: OCFC Operations

This program encompasses all of the Ohio Cultural Facilities Commission's activities, which include oversight of over 150 cultural facilities projects across the state that represent more than $390 million in state capital appropriations. The OCFC is responsible for making over $38 million in debt service payments for all current and previous projects which have been placed within their oversight. OCFC also works with the Riffe Theaters located in Columbus to ensure equipment are properly maintained and replaced as necessary.

Program 01.01: OCFC Operations

OCFC provides oversight to all projects, which are appropriated, to the OCFC in the capital budget and is responsible for the state's debt service payments on those projects. As previously noted, their responsibilities include maintenance of the equipment in the Riffe Theater.

What the Budget Buys:

- Provides for the oversight of community projects in fifty four counties throughout the state; and
- Supports salaries and benefits for ten employees involved in the office administration and management of community projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	371-321	Operating Expenses	198,406	195,707
GRF	GRF	371-401	Lease Rental Payments	38,126,600	38,246,500
SSR	4T8	371-601	Riffe Theatre Equipment Maintenance.	81,000	81,000
SSR	4T8	371-603	Project Administration	920,448	983,295
TOTAL FOR PROGRAM				**39,326,454**	**39,506,502**

LINE ITEM SUMMARY - Ohio Cultural Facilities Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	371-321	Operating Expenses	126,193	80,851	106,546	495,706	198,406	(60.0)	195,707	(1.4)
GRF	371-401	Lease Rental Payments	32,373,918	32,633,749	34,343,559	37,617,700	38,126,600	1.4	38,246,500	.3
TOTAL General Revenue Fund			**32,500,111**	**32,714,600**	**34,450,105**	**38,113,406**	**38,325,006**	**.6**	**38,442,207**	**.3**
4T8	371-601	Riffe Theatre Equipment Maint.	1,723	1,478	40,281	23,194	81,000	249.2	81,000	.0
4T8	371-603	Project Administration	791,145	901,856	828,746	1,074,339	920,448	(14.3)	983,295	6.8
TOTAL State Special Revenue Fund Group			**792,868**	**903,334**	**869,027**	**1,097,533**	**1,001,448**	**(8.8)**	**1,064,295**	**6.3**
TOTAL Arts & Sports Facilities Comm			**33,292,979**	**33,617,934**	**35,319,132**	**39,210,939**	**39,326,454**	**.3**	**39,506,502**	**.5**

Board of Deposit

Role and Overview

The State Board of Deposit (BDP) designates the depositories of the public moneys of the state and implements the Uniform Depository Act as it applies to the state.

The Board of Deposit is made up of three elected officials: the State Treasurer, the State Auditor, and the Attorney General, or their designees. The Treasurer serves as the board's chairperson. The Cashier of the State Treasury serves as the board's secretary. The board's fiscal year 2005 budget is approximately $1.7 million. The board's funding is used to pay for banking charges and fees required for the operation of the State Treasurer's Regular Bank Account and two auxiliary accounts, the Consolidated Check Clearing Account and the Treasurer's Custodial Contingency Account. More information on the Board of Deposit can be found at http://ohioboardofdeposit.org/.

Executive Priorities for the Board of Deposit

- Designate the depositories of the public moneys of the state.
- Implement the Uniform Depository Act.
- Provide for the payment of banking fees and charges for the State Treasurer's bank accounts.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Services Fund Group	679	1,056	1,200	1,676	39.6	1,676	.0	1,676	.0
TOTAL	**679**	**1,056**	**1,200**	**1,676**	**39.6**	**1,676**	**.0**	**1,676**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Maintenance	679	1,056	1,200	1,676	39.6	1,676	.0	1,676	.0
TOTAL	**679**	**1,056**	**1,200**	**1,676**	**39.6**	**1,676**	**.0**	**1,676**	**.0**

Board of Deposit

PROGRAM SERIES 01: State Treasury Account Management

This program series designates the depositories of public moneys and provides for the payment of associated banking fees.

Program 01.01: State Treasury Account Management

This program designates the depositories of public moneys and provides for the payment of the State Treasurer's banking fees and charges.

What the Budget Buys:

- Provides for the payment of banking and trust service fees for the State Treasurer's bank accounts, which includes all of the state's electronic tax payments, electronic receipt of all federal revenue received by the state, and trust service fees for the state's regular portfolio, as well as the Deferred Prizes Trust Fund for the Ohio Lottery Commission; and
- Allows for the award of active moneys to and among eligible state depositories.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4M2	974-601	Board of Deposit Expenses	1,676,000	1,676,000
TOTAL FOR PROGRAM				**1,676,000**	**1,676,000**

LINE ITEM SUMMARY - Board of Deposit

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4M2	974-601	Board of Deposit Expenses	679,382	1,056,298	1,200,314	1,676,000	1,676,000	.0	1,676,000	.0
TOTAL General Services Fund Group			**679,382**	**1,056,298**	**1,200,314**	**1,676,000**	**1,676,000**	**.0**	**1,676,000**	**.0**
TOTAL Board of Deposit			**679,382**	**1,056,298**	**1,200,314**	**1,676,000**	**1,676,000**	**.0**	**1,676,000**	**.0**

Department of Development

Role and Overview

The Department of Development (ODOD) promotes economic growth, creates employment opportunities, and retains employment by using a combination of state and federal funds, tax credits, tax incentives, and interaction with other state agencies. The department administers funding for community development and housing programs, electric utility service payment assistance, home weatherization and energy conservation, international trade, technology and economic development, minority business, workforce training, and travel and tourism. The department also provides funding for public infrastructure improvements and for private capital investments that create employment opportunities or retain employees. With approximately 371 employees and six international trade offices, the department has an annual budget of approximately $863 million, of which approximately 85 percent is distributed through loans and grants. More information regarding the Department of Development is available at http://www.odod.state.oh.us.

Executive Priorities for the Department of Development

- Promote the development of Ohio's economy by assisting companies, training workers, and supporting strong communities.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	125,284	126,693	86,845	97,184	11.9	97,210	.0	101,120	4.0
General Services Fund Group	8,548	7,746	7,336	34,597	371.6	16,450	(52.5)	26,540	61.3
Fed Special Revenue Fund Group	242,967	248,628	253,221	283,816	12.1	274,349	(3.3)	274,349	.0
State Special Revenue Fund Group	263,833	230,521	241,110	307,663	27.6	292,898	(4.8)	294,898	.7
Coal Research/Development Fund	14,132	8,485	0	0	.0	0	.0	0	.0
Facilities Establishment Fund	39,333	61,409	42,284	188,906	346.8	184,406	(2.4)	184,406	.0
Clean Ohio Revitalization	0	0	91	150	65.0	350	133.3	350	.0
TOTAL	**694,097**	**683,481**	**630,886**	**912,316**	**44.6**	**865,664**	**(5.1)**	**881,663**	**1.8**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	35,580	35,157	33,205	37,692	13.5	30,686	(18.6)	31,202	1.7
Purchased Services	10,570	10,271	8,220	14,273	73.6	12,916	(9.5)	12,753	(1.3)
Maintenance	18,773	14,965	15,528	21,076	35.7	16,148	(23.4)	16,042	(.7)
Equipment	1,195	647	762	1,441	89.0	1,029	(28.6)	1,006	(2.3)
Subsidy	558,018	529,473	519,412	622,707	19.9	611,992	(1.7)	613,865	.3
Transfer & Other	69,961	92,968	53,758	215,127	300.2	192,893	(10.3)	206,795	7.2
TOTAL	**694,097**	**683,481**	**630,886**	**912,316**	**44.6**	**865,664**	**(5.1)**	**881,663**	**1.8**

Department of Development

PROGRAM SERIES 01: Economic Development

This program series seeks the retention and expansion of existing businesses in Ohio, the attraction of businesses to the state, and the development of new businesses in Ohio. In 2004, Ohio received *Site Selection Magazine's* coveted Governor's Cup for having the most new and expansion projects in the nation in 2003. The ODOD completed projects with more than 193 firms committed to locating or expanding in Ohio as of December 2004. These companies have committed to creating more than 16,000 jobs within three years and retaining nearly 37,700 jobs, with an average hourly wage of $16.97 and representing investments of more than $3.4 billion.

Program 01.01: Business Development and Financial Incentives

This program assists and promotes economic growth through capital investment and employment opportunities for Ohioans by providing financial assistance programs and various support services to companies and communities throughout the state. The varied activities in this program include grants and loans for job creation and retention and capital investment, plus the more specialized Clean Ohio funding to revitalize underutilized "brownfield" sites, roadwork development funding to assist communities with highway and road projects that result in new investments, grants and loans that promote economic development in rural areas, and funding that guarantees loans to family farms.

What the Budget Buys:

- Increases, by over 30%, the funding available for Business Development grants, a flexible economic development tool used to attract and retain businesses;
- Increases, by 25%, the funding available for services related to brownfield development in Ohio, including technical assistance and project visits; and
- Supports efforts to ensure that recipients of grants and loans meet the conditions attached to funding.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-412	Business Development Grants	11,750,000	11,750,000
GRF	GRF	195-415	Economic Development Div & Regional Offices	2,031,087	2,128,773
GRF	GRF	195-426	Clean Ohio Implementation	300,000	300,000
GRF	GRF	195-515	Economic Development Contingency	10,000,000	0
GSF	5AD	195-677	Economic Development Contingency	0	10,000,000
SSR	4W0	195-629	Roadwork Development	12,699,900	12,699,900
SSR	451	195-625	Econ Development Financing Operating	2,358,311	2,358,311
SSR	617	195-654	Volume Cap Administration	200,000	200,000
037	037	195-615	Facilities Establishment	63,931,149	63,931,149
037	4Z6	195-647	Rural Industrial Park Loan	3,000,000	3,000,000
037	5D2	195-650	Urban Redevelopment Loans	10,475,000	10,475,000
037	5H1	195-652	Family Farm Loan Guarantee	1,000,000	1,000,000
037	5S8	195-627	Rural Development Initiative	3,000,000	3,000,000
CLR	003	195-663	Clean Ohio - Operating	350,000	350,000
TOTAL FOR PROGRAM				**121,095,447**	**121,193,133**

Program 01.02: Investment in Training

This program provides financial, educational, and instructional resources for customized training directly to Ohio businesses. The primary functions of the Ohio Investment in Training Program (OITP) are to create and retain jobs within Ohio, train and educate Ohio's workforce, and support new and expanding Ohio businesses. In fiscal year 2004, more than 39,500 incumbent workers were trained through this program.

What the Budget Buys:

- Continues the Worker Guarantee Program, which provides state funding to assess, train, and screen employees for companies creating 100 or more jobs, at the level established in Governor Taft's 2004 Jobs Bill;
- Maintains an elevated level of funding for the Ohio Investment in Training Program; and
- Supports the Governor's Ohio Workforce Policy Board, which is working to improve Ohio's employment and training services through systemic workforce development change.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-415	Economic Development Div & Regional Offices	315,088	317,402
GRF	GRF	195-434	Investment in Training Grants	12,227,500	12,227,500
GSF	5AD	195-667	Investment In Training Expansion	5,000,000	5,000,000
GSF	5AD	195-668	Worker Guarantee Program	3,000,000	3,000,000
FED	3AE	195-643	Workforce Development Initiatives	5,800,000	5,800,000
TOTAL FOR PROGRAM				**26,342,588**	**26,344,902**

Program 01.03: Small and Developing Business

This program works with small- and women-owned businesses interested in expanding or locating their businesses in Ohio. This program also acts as a liaison between the small business community and governmental agencies and provides technical assistance through its network of Small Business Development Centers (SBDC) and Manufacturing SBDCs. It also expands business opportunities through the 1st Stop Business Connection. The Ohio Small Business Ombudsman offers assistance to business owners who have not been able to settle business or regulatory issues with state agencies.

What the Budget Buys:

- Supports the Small Business Development Center Program, which funds a variety of services including a network of regional direct-service offices, the eVantage in-depth counseling and training program, and international trade assistance for new exporters;
- Supports the Governor's Small Business Advisory Council in soliciting the concerns and priorities of small business owners; and
- Continues the Capital Access Loan Program, an economic development tool that encourages lending to small businesses for growth and expansion.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-404	Small Business Development	1,740,722	1,740,722
GRF	GRF	195-436	Labor/Management Cooperation	811,869	811,869
FED	308	195-609	Small Business Administration	3,796,381	3,796,381
037	5S9	195-628	Capital Access Loan Program	3,000,000	3,000,000
TOTAL FOR PROGRAM				**9,348,972**	**9,348,972**

Program 01.04: Minority Business Development

This program aids in the creation of a business environment that is sensitive to the needs of small, disadvantaged, and minority businesses. Information is provided to minority business owners through the Minority Contractors and Business Assistance Program, the Office of Management and Technical Services, and the Office of Procurement Services.

Department of Development

What the Budget Buys:

- Supports activities to assist targeted businesses, including the Encouraging Diversity, Growth, and Equity (EDGE) Mentor-Protégé Program, which brings publicly recognized business leaders into a working relationship with certified EDGE program participants; and
- Continues programs that provide loans, bond guaranties, and loan guarantees to assist minority and small businesses with growth and development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-405	Minority Business Development Division	1,580,291	1,580,291
FED	308	195-609	Small Business Administration	500,000	500,000
SSR	4W1	195-646	Minority Business Enterprise Loan	2,580,597	2,580,597
SSR	450	195-624	Minority Business Bonding Program Admin	53,967	53,967
TOTAL FOR PROGRAM				**4,714,855**	**4,714,855**

Program 01.05: Tax Incentives

This program includes activities to offset real and personal property taxes and the Job Creation and Job Retention Tax Credit Programs. The Enterprize Zone, Community Reinvestment Area, and Tax Increment Financing programs provide direct tax incentives to businesses making new investments in real and personal property within certified areas of the state. The Job Creation Tax Credit Program provides a refundable tax credit against a company's corporate franchise or personal income tax based on the amount of state income tax withheld from eligible new full-time employees. The Job Retention Tax Credit Program provides a nonrefundable tax credit to foster retention of full-time jobs in Ohio.

What the Budget Buys:

- Supports the administration of the Job Creation Tax Credit (JCTC) and the Job Retention Tax Credit (JRTC) programs, which are available to companies with proposed projects meeting statutory and administrative guidelines for job creation or retention;
- Supports the Ohio Tax Credit Authority, an independent board that approves JCTC and JRTC projects and oversees the execution of existing tax credit agreements; and
- Administers property tax incentive programs including the Enterprise Zone, Community Reinvestment Area, and Tax Increment Financing programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4S0	195-630	Enterprise Zone Operating	275,000	275,000
SSR	4S1	195-634	Job Creation Tax Credit Operating	375,800	375,800
TOTAL FOR PROGRAM				**650,800**	**650,800**

Program 01.06: Regionalization of Economic Development

This program consists of 12 regional offices that assist industry and the community by facilitating state government responses to business and community concerns. The offices assist in retaining, expanding, and creating new employment opportunities in the state, act as liaisons between their region and state government, and represent the Governor locally.

What the Budget Buys:

- Operates 12 regional offices that support the agency's efforts to enhance the state's overall business climate. These offices provide assistance to local governments, businesses, and professional economic development agencies, and are located in Youngstown, Marietta, Cambridge, Akron, Cleveland, Chillicothe, Mansfield, Cincinnati, Dayton, Lima, Toledo, and Columbus.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-415	Economic Development Div & Regional Offices	3,448,800	3,448,800
TOTAL FOR PROGRAM				**3,448,800**	**3,448,800**

Program 01.07: Marketing, Promotion, and Advertisement

This program promotes the programs and services of the department, plans economic development-related events, responds to media inquiries, and coordinates marketing programs that promote the state as a favorable site for business expansion and relocation.

What the Budget Buys:

- Provides state funding to assist with the operations of the Ohio Business Development Coalition (OBDC) as it works to develop a statewide brand, regional marketing program, and to generate business leads;
- Supports the Office of Marketing Communications, which promotes the programs and services of the department, provides event planning, produces news releases, and coordinates marketing aimed at promoting the state as a favorable site for business expansion and relocation; and
- Provides state funds to match local funds for economic development promotional campaigns for rural and Appalachian counties.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-321	Operating Expenses	1,479,482	1,440,003
GRF	GRF	195-414	First Frontier Match	250,000	250,000
SSR	4F2	195-639	State Special Projects	8,000	8,000
SSR	4F2	195-676	Promote Ohio	5,000,000	5,000,000
SSR	4H4	195-641	First Frontier	500,000	500,000
TOTAL FOR PROGRAM				**7,237,482**	**7,198,003**

PROGRAM SERIES 02: Appalachian Development

This program series provides economic and community development in Ohio's Appalachian region.

Program 02.01: Appalachian Development

This program aims to improve the standard of living for residents of the 29 Ohio counties designated as part of Appalachia. The economic and community development-related activities of the program include grants and loans supported by state and federal funding. These are administered with the help of three local development districts offices located in Marietta, Cambridge, and Waverly. In fiscal year 2003, funding of $3.6 million was allocated to 23 projects, which leveraged an additional $6.9 million. The activities of the program served 16,000 households and 430 industries, created 465 jobs, and trained approximately 6,500 clients.

What the Budget Buys:

- Continues state support of Appalachian development activities, including participation in federal Appalachian Regional Commission (ARC) efforts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-416	Governor's Office of Appalachia	4,122,372	4,122,372
GRF	GRF	195-501	Appalachian Local Development Dist.	380,080	380,080
GRF	GRF	195-502	Appalachian Regional Commission Dues	246,803	246,803
FED	308	195-602	Appalachian. Regional Commission	600,660	600,660
TOTAL FOR PROGRAM				**5,349,915**	**5,349,915**

PROGRAM SERIES 03: Technology Development

This program series supports economic development through the research, development, and commercialization of advanced systems, processes, and products.

Program 03.01: Thomas Edison Program

This program supports economic development in Ohio by providing technical and business assistance to meet the needs of key existing and emerging industry sectors. It helps to expand the capacity of Ohio's manufacturing sector, increase its market share, and realize measurable productivity improvements. It supports the formation and growth of new technology-oriented businesses. Services are delivered through the Edison Technology Centers, Edison Technology Incubators, and other technology development intermediaries. Additional activities to support technology development funded in full or in part through this program are Governor Taft's Third Frontier Project (Fuel Cell Initiative, Wright Centers, Wright Capital Projects), the support of the Ohio Venture Capital Authority, and support for the Ohio Aerospace and Defense Council.

What the Budget Buys:

- Provides continuing support for seven Edison Centers, eight Edison Incubators, and a technology commercialization center to assist new and existing businesses in product-based technology;
- Provides operational support for Governor Taft's Fuel Cell Initiative, the Ohio Venture Capital Association, and the Ohio Aerospace and Defense Council; and
- Sponsors activities that promote science and technology outreach, recognition, and education, such as State Science Day and Entrepreneur of the Year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-401	Thomas Edison Program	15,454,838	15,454,838
TOTAL FOR PROGRAM				**15,454,838**	**15,454,838**

Program 03.02: Third Frontier Program

This program includes significant portions of Governor Taft's Third Frontier Initiative. Program investments are focused in the areas of bioscience, advanced materials, information technology, power and propulsion, and instruments, controls, and electronics. The Third Frontier Action Fund awards competitive grants to projects that contribute to technology-based economic development in Ohio. The Innovation Ohio Loan Fund assists Ohio companies in developing next generation products and services. The Research and Development Loan Fund targets large, private-sector research and development investments that create high-wage jobs.

Department of Development

What the Budget Buys:

- Continues funding for Third Frontier Action Fund awards at the fiscal year 2005 level;
- Provides required payments on bonds to be issued for Third Frontier projects; and
- Maintains funding for the Innovation Ohio and Research and Development Loan Funds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-422	Third Frontier Action Fund	16,790,000	16,790,000
GRF	GRF	195-905	Third Frontier Research & Commercial Debt Service	0	13,910,000
037	009	195-664	Innovation Ohio	50,000,000	50,000,000
037	010	195-665	Research and Development	50,000,000	50,000,000
TOTAL FOR PROGRAM				**116,790,000**	**130,700,000**

PROGRAM SERIES 04: Community Development

This program series consists of various state and federal programs benefitting low- and moderate-income individuals and families. Among other functions, the programs support local economic development activities to create and retain jobs, rehabilitate communities and neighborhoods through infrastructure improvements, and provide weatherization services, energy conservation incentives, and homeless assistance.

Program 04.01: Downtown Revitalization

This program administers the Comprehensive Downtown Revitalization Program, which is supported by the Small Cities Community Development Block Grant Program. It provides grants through a competitive process to aid in the revitalization of central business districts. Such revitalization aids in the elimination of slums and blight, and creates and retains permanent private-sector job opportunities, principally for persons from low- and moderate-income households.

What the Budget Buys:

- Supports the Comprehensive Downtown Revitalization Program to stabilize central business districts with deteriorating infrastructure systems by annually improving 16,400 linear feet of streets, 2,000 linear feet of water or sewer lines, 6,000 linear feet of flood and drainage facilities, and 64,000 square feet of curbs and sidewalks; renovating 360 central business district facades and building interiors, and completing 20 major streetscape projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-497	CDBG Operating Match	42,680	42,680
FED	3K8	195-613	Community Dev Block Grant	2,700,000	2,700,000
TOTAL FOR PROGRAM				**2,742,680**	**2,742,680**

Program 04.02: Services to Alleviate Poverty

This program administers federal funds provided through the Community Services Block Grant and the Community Food and Nutrition Initiatives Program. The Community Services Block Grant supports activities that address unemployment and underemployment, inadequate education, inefficient and/or ineffective use of income, inadequate housing, inability to meet emergency needs, incomplete use of available programs and services, and starvation and malnutrition. Funds are provided to 52 community action agencies serving all 88 Ohio counties. The Community Food and Nutrition Initiatives Program works to alleviate hunger in the general population and specifically among children through expansion of participation in child nutrition programs. Grants are awarded to the Children's Hunger Alliance and the Ohio Association of Second Harvest Food Banks for activities related to the objectives of the federal funding.

What the Budget Buys:

- Supports awards and administration of grants for the Community Services Block Grant and Community Food and Nutrition Initiatives programs at levels consistent with fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3L0	195-612	Community Services Block Grant	25,235,000	25,235,000
TOTAL FOR PROGRAM				**25,235,000**	**25,235,000**

Program 04.03: Energy Efficiency

This program consists of several activities that promote energy efficiency and assist low-income Ohioans with energy conservation, weatherization services, and meeting high costs of home heating. The State Energy Plan is federally funded and provides for public outreach and education, and various commercial and industrial programs. The Home Weatherization Assistance Program is federally funded and supports the installation of weatherization materials and the education of low-income clients in eligible households. The Universal Service Fund supports low-income assistance programs for electric utility customers. The Electric Partnership Program provides targeted energy efficiency and customer education services to high arrearage/high consumption customers. The Energy Efficiency Revolving Loan Fund provides financial assistance for energy efficiency and renewable energy projects for a variety of customers including residences, commercial and industrial businesses, local governments, educational institutions, nonprofits, agricultural customers, and low income housing. The Low Income Home Energy Assistance Program provides elderly clients, those with certain medical conditions, and eligible low-income Ohioans with assistance in meeting their energy needs. Finally, this program provides intake and eligibility determinations for low-income households enrolled in the Percentage of Income Payment Plan for regulated gas companies.

What the Budget Buys:

- Supports the Governor's Smart Energy and fuel cell initiatives, the development of methods for the performance of energy audits of buildings, the preparation or identification of curricula or source materials for training persons conducting energy audits, the continuation of education efforts for energy conservation, and financial assistance for innovative projects and technologies;
- Provides assistance to approximately 250,000 low-income households through the Low Income Home energy Assistance Program; and
- Continues efforts supporting low-income assistance programs for gas and electric utility customers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-498	State Match Energy	94,000	94,000
FED	3K9	195-611	Home Energy Assist Block Grant	90,500,000	90,500,000
FED	3K9	195-614	HEAP Weatherization	16,219,478	16,219,478
FED	308	195-605	Federal Projects	15,300,249	15,300,249
FED	308	195-618	Energy Federal Grants	3,397,659	3,397,659
FED	335	195-610	Oil Overcharge	3,000,000	3,000,000
SSR	4F2	195-639	State Special Projects	282,183	282,183
SSR	5M4	195-659	Universal Service	210,000,000	210,000,000
SSR	5M5	195-660	Energy Efficiency Loan and Grant	12,000,000	12,000,000
SSR	5X1	195-651	Exempt Facility Inspection	25,000	25,000
TOTAL FOR PROGRAM				**350,818,569**	**350,818,569**

Program 04.04: Public Works/Infrastructure Development

This program consists of a formula-based federal funding program to counties and cities for infrastructure and public services, as well as some limited spending for housing rehabilitation. The program also includes funding for water and sanitary sewer projects to ensure safe drinking water and proper disposal of sanitary waste.

What the Budget Buys:

- Supports improvements to infrastructure systems, including 710,000 linear feet of streets per year, 2,600,000 linear feet of water or sewer lines per year, 75,000 linear feet of flood and drainage systems per year, and 200,000 linear feet of curbs and sidewalks per year, and construction or rehabilitation of 40 water or wastewater treatment facilities annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-497	CDBG Operating Match	665,795	665,795
FED	3K8	195-613	Community Dev Block Grant	41,600,000	41,600,000
SSR	444	195-607	Water & Sewer Commission Loans	523,775	523,775
SSR	611	195-631	Water & Sewer Administration	15,713	15,713
TOTAL FOR PROGRAM				**42,805,283**	**42,805,283**

Program 04.05: Local Government Economic Development

This program aims to stabilize communities experiencing economic distress by supporting local programs that create and retain jobs, improve infrastructure, and provide training. The assistance is targeted to low- and moderate-income populations and entrepreneurs.

What the Budget Buys:

- Supports efforts to stabilize communities experiencing economic distress by improving 130,000 linear feet of streets, 22,000 linear feet of water or sewer lines, and 13,300 linear feet of flood and drainage systems, by assisting 65 small businesses, and by training 500 individuals. These investments are, among other outcomes, expected to result in the creation of 1,000 jobs and the retention of 325 jobs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-497	CDBG Operating Match	145,109	145,109
FED	3K8	195-613	Community Dev Block Grant	9,000,000	9,000,000
TOTAL FOR PROGRAM				**9,145,109**	**9,145,109**

PROGRAM SERIES 05: Housing Development

This program series administers a range of services to provide affordable housing for low- and moderate-income homebuyers and renters. Using low-interest loans, grants, and rent subsidies, the programs provide assistance directly to homebuyers and renters and financial support to housing providers such as local governments, and not-for-profit and for-profit developers.

Program 05.01: Local Government Housing Assistance

This program administers federal grants to eligible units of local government through the Community Housing Improvement Program (CHIP). Funding is used to upgrade the housing stock available for low- and moderate-income Ohioans through construction, improvement, repair, and rehabilitation.

Department of Development

What the Budget Buys:

- Maintains fiscal year 2005 activity levels through the biennium, including the expected repair of 1,600 housing units, rehabilitation of 1,000 units, construction of 130 housing units, down payment assistance to 28 households, and counseling/information to 400 households.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-497	CDBG Operating Match	187,372	187,372
FED	3K8	195-613	Community Dev Block Grant	11,000,000	11,000,000
FED	3V1	195-601	HOME Program	30,000,000	30,000,000
TOTAL FOR PROGRAM				**41,187,372**	**41,187,372**

Program 05.02: For-Profit and Not-for-Profit Housing Development

This program provides financing to developers of affordable housing for low- and moderate-income populations. The Housing Development Assistance Program (HDAP) and Community Housing Development Organization (CHDO) Competitive Operating Grant Program award competitive grants to develop and finance eligible housing projects.

What the Budget Buys:

- Increases, from 720 to 800, the number of rental units that will be constructed;
- Increases, from 270 to 300, the number of rental units that will be rehabilitated;
- Increases, from 2,700 to 3,000, the number of households that will receive down-payment assistance;
- Increases, from 19,800 to 22,000, the number of rental units that will receive subsidies; and
- Increases, from 2,700 to 3,000, the number of new housing units that will be developed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V1	195-601	HOME Program	10,000,000	10,000,000
SSR	646	195-638	Low & Moderate Income Housing Trust	23,000,000	24,000,000
TOTAL FOR PROGRAM				**33,000,000**	**34,000,000**

Department of Development

Program 05.03: Housing Trust Fund

This program provides grants and loans for qualifying housing projects serving low- and moderate-income persons. Specific activities include the Housing Assistance Request for Proposals Program, the Special Project Program, the Emergency Shelter Grant Program, the transitional and permanent housing programs, the community development corporation programs, and the Resident Services Coordination program. These varied activities fund housing construction, improvement, repair, and rehabilitation, supportive services, homelessness prevention, business assistance, downpayment assistance, and training activities.

What the Budget Buys:

- Increases, from 5,760 to 6,400, the number of households that will receive supportive services;
- Increases, from 1,800 to over 2,000, the number of housing units that will be repaired or rehabilitated, and from five to six, the number of buildings that will be repaired or rehabilitated;
- Increases, from 22,500 to 25,000, the number of households that will receive homelessness prevention assistance;
- Increases, from 108 to 120, the number of businesses that will receive business assistance;
- Increases, from 2,700 to 3,000 the number of persons who will receive training and technical assistance; and
- Increases, from 1,000 to over 1,100, the number of households that will receive tenant/landlord mediation services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	646	195-638	Low & Moderate Income Housing Trust	23,000,000	24,000,000
TOTAL FOR PROGRAM				**23,000,000**	**24,000,000**

Program 05.04: Homelessness Assistance

This program supports the Emergency Shelter Grant Program and the Housing Opportunities for Persons with AIDS Program. These activities fund housing, supportive services, and homelessness prevention activities by local governments and non-profit organizations.

What the Budget Buys:

- Supports crucial housing projects across the state in partnership with local governments and nonprofit organizations, resulting in rental assistance to 900 households, mortgage payment assistance to 100 households, supportive services to 900 households, and utility payment assistance to 800 households.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3K8	195-613	Community Dev Block Grant	700,000	700,000
FED	308	195-603	Housing & Urban Development	5,000,000	5,000,000
TOTAL FOR PROGRAM				**5,700,000**	**5,700,000**

PROGRAM SERIES 06: International Trade

This program series promotes Ohio to the world market.

Program 06.01: International Trade

This program promotes Ohio by assisting Ohio manufacturers and service providers in locating and capitalizing on export opportunities, by marketing Ohio as a premier business location and attracting direct investment by foreign companies, and by organizing Ohio business missions to international markets. This program staffs offices in Brussels, Hong Kong, Tokyo, Toronto, Mexico City, and Tel Aviv and, with the Council of Great Lakes Governors, jointly administers offices in Sao Paulo, Santiago, Johannesburg, and Buenos Aires. From 2000 to 2004, Governor Taft led five international business missions to Japan (in 2002 and 2004), South America, Europe, Mexico, and Taiwan. These missions resulted in more than $627 million in projected new business for Ohio companies and new investment within the state, and more than 1,400 jobs.

What the Budget Buys:

- Continues efforts to strengthen Ohio's economy through international business through export promotion, foreign direct investment attraction, and international business missions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-432	International Trade	4,223,787	4,223,787
TOTAL FOR PROGRAM				**4,223,787**	**4,223,787**

PROGRAM SERIES 07: Travel and Tourism Promotion

This program series promotes Ohio as a tourism destination and filming location.

Program 07.01: Travel and Tourism Promotion

This program consists of an integrated marketing campaign including print, television, online, and radio advertising, regional and national public relations, the DiscoverOhio.com website, and the 1-800-BUCKEYE call center. In 2003, the travel and tourism industry contributed $28.5 billion in direct visitor spending, and more than $1.9 billion in direct taxes, and employed more than 505,000 Ohioans. The program also consists of targeted grants for the marketing of specific tourism destinations.

What the Budget Buys:

- Supports efforts to market Ohio as a tourism product through effective, measurable marketing programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-407	Travel and Tourism	6,812,845	6,712,845
GRF	GRF	195-507	Travel & Tourism Grants	900,000	900,000
TOTAL FOR PROGRAM				**7,712,845**	**7,612,845**

PROGRAM SERIES 08: Program Management

This program series provides centralized services to the Department of Development.

Program 08.01: Program Management

This program provides centralized services within the Department of Development including executive leadership, legal support, human resources, fiscal management, auditing, information technology maintenance and development, facilities management, legislative affairs, communications, and research.

What the Budget Buys:

- Supports centralized services to ensure the efficient operation of the department.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	195-321	Operating Expenses	1,209,426	1,248,905
GSF	135	195-605	Supportive Services	7,450,000	7,539,686
GSF	685	195-636	General Reimbursements	1,000,000	1,000,000
TOTAL FOR PROGRAM				**9,659,426**	**9,788,591**

Department of Development

Appropriation Line Item Analysis for FYs 2006 and 2007

Summary of Agency Restructuring

Housing Development Operating/622 and Housing Finance Operating/617: The functions previously supported by these line items are performed by the Ohio Housing Finance Agency, which becomes an independent agency on July 1, 2005. These funds will no longer be appropriated through the budget process due to the structure of the Ohio Housing Finance Agency.

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	195-100	Personal Services	2,426,520	2,350,207	9,964	0	0	.0	0	.0
GRF	195-200	Maintenance	555,676	462,998	58,973	0	0	.0	0	.0
GRF	195-300	Equipment	66,447	73,633	0	0	0	.0	0	.0
GRF	195-321	Operating Expenses	0	0	2,182,544	2,838,908	2,688,908	(5.3)	2,688,908	.0
GRF	195-401	Thomas Edison Program	18,514,946	16,308,887	13,786,526	15,454,838	15,454,838	.0	15,454,838	.0
GRF	195-404	Small Business Development	2,294,713	2,049,714	1,561,957	1,740,722	1,740,722	.0	1,740,722	.0
GRF	195-405	Minority Business Dev Division	2,218,357	1,859,143	1,553,124	1,580,291	1,580,291	.0	1,580,291	.0
GRF	195-406	Transitional/Permanent Housing	2,922,214	3,929,511	681,381	0	0	.0	0	.0
GRF	195-407	Travel and Tourism	4,405,656	4,490,755	4,431,422	7,049,345	6,812,845	(3.4)	6,712,845	(1.5)
GRF	195-408	Coal Research Development	573,802	488,776	195	0	0	.0	0	.0
GRF	195-409	Utility Payment Administration	4,094	0	0	0	0	.0	0	.0
GRF	195-410	Defense Conversion Assist Prog	128,957	0	478,882	0	0	.0	0	.0
GRF	195-412	Business Development Grants	6,622,400	8,375,716	6,983,133	8,905,530	11,750,000	31.9	11,750,000	.0
GRF	195-414	First Frontier Match	493,639	334,229	192,417	250,000	250,000	.0	250,000	.0
GRF	195-415	Economic Dev Div & Regional Offices	6,563,314	5,527,392	5,425,617	5,594,975	5,794,975	3.6	5,894,975	1.7
GRF	195-416	Governor's Office of Appalachia	2,491,596	4,617,536	5,053,684	4,122,372	4,122,372	.0	4,122,372	.0
GRF	195-417	Urban/Rural Initiative Grant Prog	1,315,244	1,838,911	1,061,875	150,000	0	(100.0)	0	.0
GRF	195-421	Environmental Clean Up	72,515	0	0	0	0	.0	0	.0
GRF	195-422	Third Frontier Action Fund	12,590,897	16,902,454	16,696,859	16,790,000	16,790,000	.0	16,790,000	.0
GRF	195-426	CLEAN OHIO Implementation	285,669	387,827	315,143	368,730	300,000	(18.6)	300,000	.0
GRF	195-431	Comm Dev Corporation Grants	1,908,236	2,160,187	254,375	0	0	.0	0	.0
GRF	195-432	International Trade	5,357,015	4,109,397	3,691,349	4,223,787	4,223,787	.0	4,223,787	.0
GRF	195-434	Investment in Training Grants	14,473,692	13,288,007	10,612,580	12,227,500	12,227,500	.0	12,227,500	.0
GRF	195-436	Labor/Management Cooperation	1,043,607	1,098,542	861,240	811,869	811,869	.0	811,869	.0
GRF	195-440	Emergency Shelter Housing Grnt	2,384,772	2,373,235	327,056	0	0	.0	0	.0
GRF	195-441	Low & Moderate Income Housing	17,535,257	15,317,900	0	0	0	.0	0	.0
GRF	195-497	CDBG Operating Match	1,147,020	1,136,422	1,107,400	1,040,956	1,040,956	.0	1,040,956	.0
GRF	195-498	State Match Energy	112,996	131,595	100,000	94,000	94,000	.0	94,000	.0
GRF	195-501	Appalach. Local Develop. Dist.	450,369	446,792	393,856	380,080	380,080	.0	380,080	.0
GRF	195-502	Appalachian Regional Comm Dues	216,613	216,613	238,274	246,803	246,803	.0	246,803	.0
GRF	195-505	Utility Bill Credits	6,805,365	5,024,670	0	0	0	.0	0	.0
GRF	195-507	Travel & Tourism Grants	1,205,525	1,030,516	1,015,000	963,500	900,000	(6.6)	900,000	.0
GRF	195-513	Empowerment Zones/Ent. Commun	374,313	415,385	170,268	0	0	.0	0	.0
GRF	195-515	Economic Development Contingency	0	0	7,600,000	10,000,000	10,000,000	.0	0	(100.0)
GRF	195-516	Shovel Ready Sites	0	0	0	2,350,000	0	(100.0)	0	.0
GRF	195-905	Third Frontier Res & Com Debt Srv	0	0	0	0	0	.0	13,910,000	.0
GRF	195-906	Coal Research/Dev. G.O. Debt Svc	7,722,912	9,946,131	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**125,284,348**	**126,693,081**	**86,845,094**	**97,184,206**	**97,209,946**	**.0**	**101,119,946**	**4.0**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
135	195-605	Supportive Services	7,720,446	7,030,962	7,032,597	7,539,686	7,450,000	(1.2)	7,539,686	1.2
136	195-621	International Trade	0	17,213	7,702	24,915	0	(100.0)	0	.0
5AD	195-667	Investment In Training Expansion	0	0	0	12,800,000	5,000,000	(60.9)	5,000,000	.0
5AD	195-668	Worker Guarantee Program	0	0	0	3,000,000	3,000,000	.0	3,000,000	.0
5AD	195-669	Wright Operating Grants	0	0	0	10,000,000	0	(100.0)	0	.0
5AD	195-677	Economic Development Contingency	0	0	0	0	0	.0	10,000,000	.0
685	195-636	General Reimbursements	827,615	697,671	295,475	1,232,530	1,000,000	(18.9)	1,000,000	.0
TOTAL General Services Fund Group			**8,548,061**	**7,745,846**	**7,335,774**	**34,597,131**	**16,450,000**	**(52.5)**	**26,539,686**	**61.3**
3AE	195-643	Workforce Development Initiatives	0	0	357,664	5,800,000	5,800,000	.0	5,800,000	.0
3K8	195-613	Community Dev Block Grant	60,918,095	55,114,171	57,845,224	65,000,000	65,000,000	.0	65,000,000	.0
3K9	195-611	Home Energy Assist Block Grant	81,242,928	87,110,010	84,125,862	85,036,000	90,500,000	6.4	90,500,000	.0
3K9	195-614	HEAP Weatherization	18,703,104	15,517,099	14,684,322	16,219,479	16,219,478	.0	16,219,478	.0
3L0	195-612	Community Services Block Grant	25,451,595	25,185,963	25,990,324	25,235,000	25,235,000	.0	25,235,000	.0
3V1	195-601	HOME Program	28,000,622	26,096,926	29,778,715	40,000,000	40,000,000	.0	40,000,000	.0
3X3	195-619	TANF Housing	1,547,587	5,015,081	3,797,971	0	0	.0	0	.0
308	195-602	Appalach. Regional Commission	298,820	242,362	298,272	600,660	600,660	.0	600,660	.0
308	195-603	Housing & Urban Development	3,588,279	4,261,421	4,669,493	5,000,000	5,000,000	.0	5,000,000	.0
308	195-605	Federal Projects	10,052,223	16,877,244	19,000,209	19,062,706	15,300,249	(19.7)	15,300,249	.0
308	195-609	Small Business Administration	3,511,221	3,684,493	3,763,821	4,296,381	4,296,381	.0	4,296,381	.0
308	195-618	Energy Federal Grants	3,389,199	2,762,738	2,956,923	3,397,659	3,397,659	.0	3,397,659	.0
335	195-610	Oil Overcharge	1,664,615	2,583,640	1,718,021	8,500,000	3,000,000	(64.7)	3,000,000	.0
380	195-622	Housing Development Operating	4,598,724	4,176,658	4,233,775	5,667,627	0	**	0	.0
TOTAL Fed Special Revenue Fund Group			**242,967,012**	**248,627,806**	**253,220,596**	**283,815,512**	**274,349,427**	**(3.3)**	**274,349,427**	**.0**
4F2	195-639	State Special Projects	889,111	663,754	151,573	10,109,453	290,183	(97.1)	290,183	.0
4F2	195-676	Marketing Initiatives	0	0	0	0	5,000,000	.0	5,000,000	.0
4H4	195-641	First Frontier	493,621	334,229	201,950	500,000	500,000	.0	500,000	.0
4S0	195-630	Enterprise Zone Operating	202,383	111,979	207,103	211,900	275,000	29.8	275,000	.0
4S1	195-634	Job Creation Tax Credit Operating	371,628	335,623	290,664	375,800	375,800	.0	375,800	.0
4W0	195-629	Roadwork Development	9,729,598	10,240,363	10,780,699	12,699,900	12,699,900	.0	12,699,900	.0
4W1	195-646	Minority Bus. Enterprise Loan	701,759	448,942	720,794	2,580,597	2,580,597	.0	2,580,597	.0
444	195-607	Water & Sewer Commission Loans	174,029	212,440	343,176	523,775	523,775	.0	523,775	.0
445	195-617	Housing Finance Operating	3,891,521	3,580,520	3,717,284	4,983,738	0	**	0	.0
450	195-624	Minority Bus. Bond'g Prog Admin	0	0	0	53,967	53,967	.0	53,967	.0
451	195-625	Econ Dev Financing Operating	2,173,180	1,949,853	1,602,122	2,358,311	2,358,311	.0	2,358,311	.0
5AR	195-674	Industrial Site Improvements	0	0	0	5,000,000	0	(100.0)	0	.0
5M4	195-659	Universal Service	221,704,133	192,738,056	195,141,707	210,000,000	210,000,000	.0	210,000,000	.0
5M5	195-660	Energy Efficiency Loan and Grant	482,120	871,260	1,112,059	12,000,000	12,000,000	.0	12,000,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Development

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5X1	195-651	Exempt Facility Inspection	0	0	0	50,000	25,000	(50.0)	25,000	.0
5Y6	195-648	Economic Development Contingency	0	0	0	1,000,000	0	(100.0)	0	.0
586	195-653	Scrap Tire Loans and Grants	418,004	550,438	0	0	0	.0	0	.0
611	195-631	Water & Sewer Administration	12,116	15,641	13,065	15,713	15,713	.0	15,713	.0
617	195-654	Volume Cap Administration	168,892	118,937	78,072	200,000	200,000	.0	200,000	.0
646	195-638	Low & Moderate Income Housing Trust	22,420,621	18,348,622	26,750,033	45,000,000	46,000,000	2.2	48,000,000	4.3
TOTAL State Special Revenue Fund Group			**263,832,716**	**230,520,657**	**241,110,301**	**307,663,154**	**292,898,246**	**(4.8)**	**294,898,246**	**.7**
046	195-632	Coal Research & Development Fd	14,131,765	8,484,681	0	0	0	.0	0	.0
TOTAL Coal Research/Development Fund			**14,131,765**	**8,484,681**	**0**	**0**	**0**	**.0**	**0**	**.0**
009	195-664	Innovation Ohio	0	0	53,029	50,000,000	50,000,000	.0	50,000,000	.0
010	195-665	Research and Development	0	0	0	50,000,000	50,000,000	.0	50,000,000	.0
037	195-615	Facilities Establishment	31,371,779	53,433,611	37,453,944	63,931,149	63,931,149	.0	63,931,149	.0
4Z6	195-647	Rural Industrial Park Loan	3,370,000	1,200,000	1,364,924	5,000,000	3,000,000	(40.0)	3,000,000	.0
5D1	195-649	Port Authority Bond Reserves	1,000,000	2,000,000	0	0	0	.0	0	.0
5D2	195-650	Urban Redevelopment Loans	2,020,000	3,210,540	1,309,668	10,475,000	10,475,000	.0	10,475,000	.0
5H1	195-652	Family Farm Loan Guarantee	1,473,619	639,554	152,000	1,500,000	1,000,000	(33.3)	1,000,000	.0
5S8	195-627	Rural Development Initiative	0	500,000	1,359,412	5,000,000	3,000,000	(40.0)	3,000,000	.0
5S9	195-628	Capital Access Loan Program	97,353	425,542	590,614	3,000,000	3,000,000	.0	3,000,000	.0
TOTAL Facilities Establishment Fund			**39,332,751**	**61,409,247**	**42,283,591**	**188,906,149**	**184,406,149**	**(2.4)**	**184,406,149**	**.0**
003	195-663	Clean Ohio - Operating	0	0	90,885	150,000	350,000	133.3	350,000	.0
TOTAL Clean Ohio Revitalization			**0**	**0**	**90,885**	**150,000**	**350,000**	**133.3**	**350,000**	**.0**
TOTAL Department of Development			**694,096,653**	**683,481,318**	**630,886,241**	**912,316,152**	**865,663,768**	**(5.1)**	**881,663,454**	**1.8**

**** Please see the Appropriation Line Item analysis for further detail.**

Commission on Dispute Resolution

Role and Overview

The Commission on Dispute Resolution (CDR) provides dispute resolution and conflict management resources, training, and direct services to schools, communities, courts, and state and local governments. The overall goal of the commission is to assist Ohioans in resolving disputes in the most efficient way while reducing the chance of violence, building positive relationships, and helping disputants reach win-win solutions. The commission is governed by 12 volunteer commissioners appointed by all three branches of state government. Its nationally and internationally recognized programs are unique to state government.

More information regarding the Commission on Dispute Resolution is available at http://disputeresolution.ohio.gov.

Executive Priorities for the Commission on Dispute Resolution

- Promote conflict management in primary and secondary schools.
- Increase the use of appropriate dispute resolution processes and effective conflict management skills in communities, courts, and all aspects of public policy.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	535	439	499	470	(5.8)	470	.0	470	.0
General Services Fund Group	36	54	34	140	308.8	140	.0	140	.0
Fed Special Revenue Fund Group	108	149	193	140	(27.5)	140	.0	140	.0
TOTAL	**678**	**642**	**726**	**750**	**3.3**	**750**	**.0**	**750**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	389	352	370	382	3.1	375	(1.7)	380	1.3
Purchased Services	119	171	172	258	49.8	276	6.8	273	(.9)
Maintenance	83	104	95	99	3.3	98	(.5)	95	(3.1)
Equipment	0	0	14	2	(85.9)	1	(50.0)	2	50.0
Subsidy	74	5	44	10	(77.3)	1	(95.0)	1	.0
Transfer & Other	13	10	31	0	(100.0)	0	.0	0	.0
TOTAL	**678**	**642**	**726**	**750**	**3.3**	**750**	**.0**	**750**	**.0**

Commission on Dispute Resolution

PROGRAM SERIES 01: Commission on Dispute Resolution

The commission's work is organized into three program areas: schools, communities and courts, and state and local governments.

Program 01.01: School Programs

This program provides public schools, grades K-12, and Ohio colleges and universities with conflict resolution training, professional development, resource materials, and technical assistance to create safe school environments conducive to teaching and learning. Conflict resolution is a spectrum of processes such as negotiation and mediation, and a set of creative and analytic skills that assist individuals and groups to better understand and deal with conflict as it arises in their lives.

What the Budget Buys:

- Public elementary, middle, and high schools receive training, resource materials, and technical assistance to implement building and district-wide conflict management programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	145-401	Commission on Dispute Resolution/Mgt	162,534	163,700
GSF	4B6	145-601	Gifts and Grants	60,000	60,000
TOTAL FOR PROGRAM				**222,534**	**223,700**

Program 01.02: Community and Court Programs

These programs include the Truancy Prevention through Mediation Program, community-based dispute resolution programs, and collaborative efforts to establish court-connected dispute resolution programs. The commission provides technical assistance to communities to initiate and expand dispute resolution programs and services. It builds partnerships among schools, local government, police, and other civic and neighborhood organizations to raise awareness and to leverage resources. It works with schools and juvenile courts to provide truancy mediation services to improve attendance in elementary, middle, and high schools.

What the Budget Buys:

- Through county juvenile courts and school districts, over 350 elementary, middle, and high schools in 20 Ohio counties will receive funding, technical assistance, resource materials, and training to establish court-connected dispute resolution programs including the Truancy Prevention through Mediation program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	145-401	Commission on Dispute Resolution/Mgt	142,933	141,600
GSF	4B6	145-601	Gifts and Grants	20,000	20,000
FED	3S6	145-602	Dispute Resolution: Federal	140,000	140,000
TOTAL FOR PROGRAM				**302,933**	**301,600**

Commission on Dispute Resolution

Program 01.03: State and Local Government Programs

These programs provide training, mediation, and facilitation as well as consultation and technical assistance with design, implementation, and evaluation of state-sponsored dispute resolution programs. The commission responds to requests from state and local governments for third-party neutrals- mediators, facilitators. Under this program area the commission administers the Workplace Mediation Program, the Public Disputes Program, and Conflict Resolution Services for Government Officials.

What the Budget Buys:

- Annual workshops will train new mediation advocates in order for state employees to be able to access mediation services and informally resolve workplace conflict.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	145-401	Commission on Dispute Resolution/Mgt	164,533	164,700
GSF	4B6	145-601	Gifts and Grants	60,000	60,000
TOTAL FOR PROGRAM				**224,533**	**224,700**

LINE ITEM SUMMARY - Dispute Resolution and Conflict Mgt.

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	145-401	Comm on Dispute Resolution/Mgt	534,538	439,075	498,934	470,000	470,000	.0	470,000	.0
TOTAL General Revenue Fund			**534,538**	**439,075**	**498,934**	**470,000**	**470,000**	**.0**	**470,000**	**.0**
4B6	145-601	Gifts and Grants	35,625	53,797	34,244	140,000	140,000	.0	140,000	.0
TOTAL General Services Fund Group			**35,625**	**53,797**	**34,244**	**140,000**	**140,000**	**.0**	**140,000**	**.0**
3S6	145-602	Dispute Resolution: Federal	107,957	148,962	193,072	140,000	140,000	.0	140,000	.0
TOTAL Fed Special Revenue Fund Group			**107,957**	**148,962**	**193,072**	**140,000**	**140,000**	**.0**	**140,000**	**.0**
TOTAL Commission on Dispute Resolutn			**678,120**	**641,834**	**726,250**	**750,000**	**750,000**	**.0**	**750,000**	**.0**

Role and Overview

The Department of Education's vision is higher achievement for all students, regardless of race, ethnicity, income level, language background, disability status, or gender. The department seeks to ensure all students have the knowledge and skills to graduate and be prepared for college and the workforce through the following:

- Raise Expectations: Set clear and high expectations for what all students should know and be able to do.
- Build Capacity: Make sure that educators have the skills, knowledge, and resources to help students reach higher levels of achievement. Foster the ability of families and communities to help students succeed.
- Improve Results: Measure, publicize, and reward results and hold all educators and students responsible for them.

The department oversees an education system comprised of 613 public school districts and 248 community schools. Each public school district is governed by a locally elected school board that exercises taxing authority subject to voter approval. The department has a staff of approximately 650 and a fiscal year 2005 budget of approximately $10 billion, in state and federal funds, of which 99 percent is distributed to local schools and educational organizations. The department also oversees the chartering of nonpublic schools.

The department is governed by a 19-member State Board of Education. Eleven of the board members are elected by the citizens, one from each of 11 districts composed of three contiguous Ohio Senate districts. Eight board members are appointed by the Governor. Day-to-day administration of the department is the responsibility of the Superintendent of Public Instruction, who is hired by the State Board of Education.

Executive Priorities for the Department of Education

- Provide the basic education funding necessary to support student success and achievement;
- Implement academic standards, which are the cornerstone of a strong educational system and set the expectation for what all students should know and be able to do;
- Align student assessments through development of achievement and diagnostic tests with the academic content standards to determine whether a student is meeting the expectations embodied in the standards;
- Offer early learning programs to promote school readiness;
- Initiate school improvement programs, which include high school improvement measures and targeted assistance to schools and districts, that improve the school learning environment and engage parents in the learning process; and
- Support student intervention programs that offer those students who are performing below expectations a chance to succeed.

Department of Education

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	5,954,599	6,147,050	6,364,596	6,556,180	3.0	6,668,982	1.7	6,822,677	2.3
General Services Fund Group	12,262	20,564	35,225	33,110	(6.0)	32,859	(.8)	32,990	.4
Fed Special Revenue Fund Group	995,677	1,125,063	1,333,275	1,593,461	19.5	1,679,864	5.4	1,804,353	7.4
Revenue Distribution Fund Group	99,000	106,853	108,711	116,648	7.3	145,448	24.7	322,448	121.7
State Special Revenue Fund Group	15,757	19,416	71,167	141,345	98.6	130,592	(7.6)	160,235	22.7
Lottery Profits/Educ Fund Group	634,930	673,523	640,900	639,900	(.2)	637,900	(.3)	637,900	.0
TOTAL	**7,712,225**	**8,092,469**	**8,553,874**	**9,080,643**	**6.2**	**9,295,644**	**2.4**	**9,780,603**	**5.2**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	44,221	48,021	49,202	70,207	42.7	56,255	(19.9)	56,701	.8
Purchased Services	35,267	52,173	56,657	195,039	244.2	204,774	5.0	232,526	13.6
Maintenance	35,769	33,695	40,554	52,860	30.3	51,658	(2.3)	51,575	(.2)
Equipment	3,991	3,486	2,592	4,441	71.3	3,492	(21.4)	3,494	.1
Subsidy	7,509,802	7,875,163	8,330,767	8,682,764	4.2	8,931,850	2.9	9,387,988	5.1
Transfer & Other	83,176	79,931	74,102	75,333	1.7	47,615	(36.8)	48,319	1.5
TOTAL	**7,712,225**	**8,092,469**	**8,553,874**	**9,080,643**	**6.2**	**9,295,644**	**2.4**	**9,780,603**	**5.2**

PROGRAM SERIES 01: Academic Standards and Student Assessment

This program series includes clear and rigorous academic content standards for what students should know and be able to do and includes exemplary model curricula, which are model lesson plans for school districts to use in the development of local courses of study. Student assessments are aligned with academic content standards to determine whether students meet the expectations embodied in the standards. The many purposes of the assessments include: accounting for individual student progress (achievement and proficiency tests) and identification of areas of strength and weakness (diagnostic tests); certification of individual student readiness for high school graduation (Ohio Graduation Tests); determination of the status and progress of districts and schools (Local Report Card); provision of feedback on program strengths and weaknesses (school improvement); certification of high school equivalency (GED); and measurement of the effectiveness of school, district, and statewide efforts to improve student achievement in Ohio (accountability).

Program 01.01: Academic Content Standards

Academic content standards describe what Ohio expects all of its students to know and be able to do as they progress from preschool through elementary, middle, and high school. The State Board of Education has adopted academic content standards in English language arts, mathematics, science, social studies, technology, fine arts, and foreign languages. This program also includes Ohio's Partnership for Continued Learning (P-16 Council) in a collaborative effort with the Ohio Board of Regents. This promotes collaboration among relevant state entities in an effort to help local communities develop coherent and successful P-16 learning systems.

What the Budget Buys:

- Supports the further development of academic content standards;
- Funds training for personnel and professional associations in the effective use of standards-based tools; and
- Supports Ohio's Partnership for Continued Learning (P-16 Council), in cooperation with the Ohio Board of Regents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-427	Academic Standards	2,681,546	2,706,861
FED	3D2	200-667	Honors Scholarship Program	24,844	25,331
FED	3Z3	200-645	Consolidated USDE Administration	31,538	31,538
TOTAL FOR PROGRAM				**2,737,928**	**2,763,730**

Program 01.02: Model Curricula

Model curricula are model lessons plans created at the state level for use by school districts to develop local courses of study. The models – developed by committees of educators, parents, business, and community leaders – reflect Ohio's academic content standards. Model curricula for English language arts, mathematics, science, and social studies have been developed and will be expanded upon, while initial model curricula for foreign language, fine arts, and technology will be completed in the upcoming biennium.

What the Budget Buys:

- Funds the completion of model curricula for foreign language, fine arts, and technology;
- Expands the number of lesson plans available for teachers for English language arts, mathematics, science, and social studies;
- Supports the Instructional Management System that allows parents, administrators, and teachers to access model curricula; and
- Increases, from 12 in fiscal year 2005 to 24 in fiscal years 2006 and 2007, the number of teachers available through the Teachers on Loan program, which "loans" master teachers who excel in standards-based education to low-performing districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-427	Academic Standards	8,159,207	8,205,320
FED	3D2	200-667	Honors Scholarship Program	74,531	75,992
FED	3Z3	200-645	Consolidated USDE Administration	94,538	94,538
TOTAL FOR PROGRAM				**8,328,276**	**8,375,850**

Program 01.03: Student Assessment

This program provides for the development and administration (printing, distributing, collecting, scoring, and reporting) of proficiency, achievement, diagnostic, and graduation tests. The achievement and diagnostic tests, as mandated by state and federal law in grades K-8, determine whether students are making progress as expected at each grade level and identify students who need intervention. The new Ohio Graduation Tests (OGTs) will ensure that students who graduate have demonstrated achievement at the high school level.

What the Budget Buys:

- Provides resources necessary to offer 20 different forms of the proficiency test needed to accommodate 15,000 students who will need to pass one or more sections to graduate;
- Creates five new achievement tests in fiscal year 2006, for mathematics in grade 4, 5, and 6 and for reading in grades 6 and 7;
- Creates five additional achievement tests in fiscal year 2007, for science and social studies in grades 5 and 8 and for writing in grade 7;
- Funds the development and field testing of 11 new diagnostic assessment tests that are administered in reading, writing, and mathematics for grades K-2 and in writing, science, and social studies for grades 3-8;
- Supports the administration of the Ohio Graduation Tests, which will be distributed, collected, scored, and reported for an estimated 250,000 and 290,000 students in fiscal years 2006 and 2007, respectively;
- Provides for the Kindergarten Readiness Assessment to determine the entry-level literacy skills of children; and
- Provides the teacher training and parental communication necessary to connect the expectations of the academic standards with the assessments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-437	Student Assessment	63,445,234	69,011,935
FED	3Z2	200-690	State Assessments	12,681,031	12,883,799
SSR	5U2	200-685	National Education Statistics	100,000	100,000
TOTAL FOR PROGRAM				**76,226,265**	**81,995,734**

Program 01.04: Adult Assessment

This program provides adults without a high school diploma the opportunity to achieve an equivalent General Education Development (GED) certificate through a national standardized test.

What the Budget Buys:

- Supports the 79 GED testing centers, where nearly 26,000 tests are taken annually; and
- Reimburses school districts that provide summer proficiency intervention programs for students who did not graduate because of their performance on a state test.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-447	GED Testing	1,544,360	1,544,360
SSR	454	200-610	Guidance & Testing	400,000	400,000
TOTAL FOR PROGRAM				**1,944,360**	**1,944,360**

PROGRAM SERIES 02: Educator Standards and Preparation

This program series prepares caring, competent, and qualified educators for Ohio's schools. The Department is responsible to: 1) establish standards and courses of study for teacher preparation; 2) provide onsite evaluation of colleges and universities educator programs; 3) approve institutions that maintain acceptable programs; and 4) license the graduates of approved programs.

Program 02.01: Educator Standards and Preparation

This program supports colleges and universities to ensure that teachers understand Ohio's academic content standards and are able to increase student achievement. Prospective teachers are tested in professional knowledge and teaching content area prior to licensure. This program also supports the Educator Standards Board, established under Senate Bill 2 (125th General Assembly), and gives front line practitioners a strong voice in the development and implementation of statewide standards for professional practice by Ohio's teachers and principals.

What the Budget Buys:

- Supports the Educator Standards Board's efforts to develop and recommend standards for educator training and standards for entrance and continuation in teacher and school leadership positions; and
- Funds, in conjunction with the Board of Regents, the Teacher Quality Partnership, which is a comprehensive, longitudinal study of the preparation, in-school support, and effectiveness of Ohio's teachers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-448	Educator Preparation	1,651,000	1,651,000
GSF	4L2	200-681	Teacher Certification	380,458	387,918
FED	3U2	200-662	Teacher Quality Enhancement Grants	795,280	795,280
TOTAL FOR PROGRAM				**2,826,738**	**2,834,198**

PROGRAM SERIES 03: Recruitment and Retention

The purpose of this program series is to attract and retain highly qualified teachers. Maintenance of a diverse and sufficient number of qualified teachers and administrators for Ohio schools is a high priority. This program supports teachers, principals, and administrators through the provision of "best practice" models of teacher training.

Program 03.01: Educator Retention

The goal of this program is to create a quality workforce and reduce critical shortages and turnover. This program includes National Board Certification, which rewards teachers for the achievement of high levels of expertise, and knowledge/skill-based compensation programs to support reform that restructures schools in an effort to retain and motivate talented teachers.

What the Budget Buys:

- Supports $2,000 of the $2,300 application fee for National Board Certification for 400 teachers in each fiscal year, and continues stipends for all teachers already attaining National Board Certification and those newly receiving certification in each fiscal year; and
- Provides for the Teacher Advancement Program (TAP), which entails the development of knowledge-based, skills-based, and performance-based compensation systems for teachers to recognize and reward good work.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-410	Educator Training	8,100,000	8,500,000
TOTAL FOR PROGRAM				**8,100,000**	**8,500,000**

Program 03.02: Educator Recruitment

This program provides a statewide recruitment plan that will build a quality workforce and reduce critical shortages and turnover of highly qualified educators, especially in areas of greatest need (e.g., high-poverty rural and urban districts). Activities include the annual *"Teacher Supply and Demand in Ohio"* report, and special needs recruitment.

What the Budget Buys:

- Supports $2,500 stipends for 150 teachers as incentives for highly qualified teachers to teach in schools defined as hard-to-staff, with priority placed on highly qualified mathematics and science teachers;
- Provides for the creation of alternative route to licensure for school administrators with onsite training, mentoring; and support available to those participating in the alternative route;
- Funds the design, development, and dissemination of the annual data-based *Teacher Supply and Demand in Ohio* report, which describes the availability of quality educators and critical shortage areas in Ohio; and
- Supports the recruitment and development of people from underrepresented populations into the teaching profession.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-410	Educator Training	1,581,740	1,581,740
GSF	4L2	200-681	Teacher Certification	100,000	100,000
FED	3Y6	200-635	Improving Teacher Quality	45,000	45,000
FED	374	200-647	Troops to Teachers	400,000	400,000
TOTAL FOR PROGRAM				**2,126,740**	**2,126,740**

PROGRAM SERIES 04: Educator Training

This program series is designed to help educators increase student achievement. It targets funding for educator training for teachers in schools declared in academic emergency. This series also includes the Entry-Year Program for new teachers and intensive training in the mathematics and literacy standards. Lastly, the program provides continued support of school leadership academies.

Program 04.01: Educator Training in Schools

This program provides funding for educator training at the school district/building level, targeted to increase teacher knowledge of the academic content standards and build the capacity of educators to implement best practice instructional strategies and techniques. The federal Title IIA Teacher Quality Grants of the No Child Left Behind Act provides funding for local programs designed to help teachers acquire the knowledge and skills to help all students reach performance standards in core academic content areas. Funds also provide additional professional development days for teachers in academic emergency districts.

What the Budget Buys:

- Funds five additional training days for districts with a three-year average graduation rate of 75 percent or less; and
- Provides grants to state professional associations who focus on training school administrators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-410	Educator Training	4,871,000	4,871,000
FED	3Y6	200-635	Improving Teacher Quality	106,755,000	106,755,000
TOTAL FOR PROGRAM				**111,626,000**	**111,626,000**

Program 04.02: Entry-Year Educators

This program provides a year-long professional growth experience for newly licensed teachers and principals. Trained mentors support the Entry-Year teachers and principals throughout the first year of experience. Successful completion of the program, including a performance assessment, is required to maintain licensure.

What the Budget Buys:

- Provides mentoring for approximately 4,500 newly licensed teachers annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-410	Educator Training	9,515,817	9,515,817
TOTAL FOR PROGRAM				**9,515,817**	**9,515,817**

Program 04.03: Mathematics Educator Training

This program provides intensive training in mathematics instruction through a statewide system. The Ohio Mathematics Academy Program (OMAP) allows teachers to gain experience in the creation and implementation of lessons aligned with the new content standards, the development of classroom assessments that support the statewide assessments, and the use of technology to support student learning.

What the Budget Buys:

- Funds the Ohio Mathematics Academy Program (OMAP), which delivers intensive, five-day teacher institutes with two one-day sessions focusing on classroom implementation of the standards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-427	Academic Standards	3,600,000	3,600,000
FED	3D2	200-667	Honors Scholarship Program	4,113,028	4,132,142
TOTAL FOR PROGRAM				**7,713,028**	**7,732,142**

Program 04.04: Literacy Educator Training

This program provides teachers with training in effective instructional methods, including research-based techniques, standards-based approaches, diagnostic assessments, and interventions. The program includes the State Institutes for Reading Instruction (SIRI), which provides teachers with foundational knowledge and strategies that are research-based and that are aligned with the state's English language arts standards and assessment system.

What the Budget Buys:

- Provides intensive, year-round training opportunities for approximately 14,000 teachers statewide in effective instructional methods for English language arts through the State Institutes for Reading Instruction (SIRI);
- Funds 11 university and college faculty serving as field faculty specialists to train 90 literacy specialists in more than 150 schools, and supports intervention specialists and language arts curriculum coaches providing assistance in school settings;
- Supports Regional Literacy Teams and the Ohio Principals' Literacy Network (OPLN), to facilitate effective literacy programs in schools; and
- Develops materials to help teachers understand the complexities of adolescent literacy development and how adolescents learn, and disseminates these materials statewide.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-433	Read/Write Improve - Prof Dev.	15,075,000	15,075,000
FED	3Y4	200-632	Reading First	4,139,550	4,139,550
FED	3Z3	200-645	Consolidated USDE Administration	171,644	171,644
SSR	5BB	200-696	State Action for Education Leadership	1,200,000	1,200,000
TOTAL FOR PROGRAM				**20,586,194**	**20,586,194**

PROGRAM SERIES 05: Professional Licensure and Conduct

This program series includes the processing of licensure applications, technical assistance to applicants and the educational community regarding the licensure process and the interpretation of standards. The program also includes the administration of the teacher disciplinary process. Investigations may lead to proceedings to suspend, revoke, or limit a teacher's right to hold a license to teach in Ohio.

Program 05.01: Teacher Certification and Licensure

Through licensing standards, this program ensures that caring, competent, and qualified education professionals, who meet the highest academic and ethical standards of the profession, serve each student. A new online application process will soon be operational.

What the Budget Buys:

- Supports the oversight necessary to issue nearly 100,000 certificates/licenses annually; and
- Fund the new online application process, Connected Ohio Records for Educators (CORE), to be made operational over fiscal years 2006 and 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4L2	200-681	Teacher Certification	2,960,417	3,030,503
FED	3Y6	200-635	Improving Teacher Quality	200,000	200,000
TOTAL FOR PROGRAM				**3,160,417**	**3,230,503**

Program 05.02: Professional Conduct

This program includes activities that are designed to eliminate conduct considered unbecoming of a professional. Also included are the management of the teacher license investigation/revocation process and the provision of products and services that improve stakeholder awareness, understanding, and practice of professional conduct.

What the Budget Buys:

- Supports nine hearing officers conducting investigations; and
- Provides for the investigation of more than 1,000 cases annually, with an average of 90 cases resulting in a hearing.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4L2	200-681	Teacher Certification	1,776,139	1,824,274
TOTAL FOR PROGRAM				**1,776,139**	**1,824,274**

PROGRAM SERIES 06: School Improvement

This program series provides additional assistance in districts and buildings most in need of academic improvement. This includes targeting districts and buildings in academic emergency and academic watch, redesigning high schools, improving urban schools, improving the school environment for learning, and engaging parents in the learning process.

Program 06.01: Regional Technical Assistance

Regional technical assistance builds partnerships with districts and buildings in most need. Regional specialists help districts develop and implement Continuous Improvement Plans that result in increased student achievement. Intervention is provided to the lowest-performing districts and school buildings in the state based on the results of the Local Report Card. Performance contracts are created with regional service providers to help districts and schools analyze student performance data, generate hypotheses about attributes contributing to performance, develop aligned school and district improvement plans, monitor progress, and continuously update action plans.

What the Budget Buys:

- Funds school improvement efforts including the provision of technical assistance to school buildings not meeting performance standards. In fiscal year 2005 38 districts and 345 buildings received onsite technical assistance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-410	Educator Training	63,000	63,000
GRF	GRF	200-431	School Improvement Initiatives	14,972,949	15,122,678
FED	309	200-601	Educationally Disadvantaged	11,056,562	11,056,562
FED	378	200-660	Math/Science Technology Investments	1,200,000	1,200,000
TOTAL FOR PROGRAM				**27,292,511**	**27,442,240**

Program 06.02: High School Improvement

This program will assist districts in high school transformation projects and in implementation of the recommendations of the Task Force on Quality High Schools for a Lifetime of Opportunities. Initiatives under this program include: 1) High Schools That Work (HSTW), with the goal to raise the academic and technical achievement of students pursuing a career-technical education program; 2) Ohio High School Transformation project, in partnership with the KnowledgeWorks Foundation, enables Ohio to lead the nation in the move to convert existing large, urban high schools into small, personalized high schools; and 3) Early College High Schools, a cooperative effort with the Ohio Board of Regents that creates opportunities for students who might not otherwise be afforded them through innovative partnerships between high schools and colleges.

What the Budget Buys:

- Subsidizes the implementation of HSTW in 92 sites and will support the additional nine sites currently in the planning phases;
- Funds, in conjunction with the Knowledge Works Foundation, an estimated 70 small high school projects through the Ohio High School Transformation project to provide a high school structure that improves teaching and learning; and
- Supports, in conjunction with funding through the Board of Regents, the Early College High School initiative providing planning and implementation grants for schools in which students can attain a high school diploma and associates degree in four years.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-422	School Management Assistance	1,315,000	1,315,000
GRF	GRF	200-431	School Improvement Initiatives	4,574,535	7,753,985
GRF	GRF	200-545	Career-Tech Education Enhancements	3,431,000	3,431,000
FED	3L9	200-621	Career-Tech Education Basic Grant	196,697	196,697
TOTAL FOR PROGRAM				**9,517,232**	**12,696,682**

Program 06.03: Urban School Improvement

This program builds capacity by setting standards, integrating technical assistance, brokering professional development, and assessing the results for school districts and buildings. Project GRAD (Graduation Really Achieves Dreams), reduces the dropout rate by addressing the academic and social problems of inner-city students.

What the Budget Buys:

- Supports Project GRAD through five program components including a privately funded scholarship program; community and parental involvement; interactive instruction/classroom management; new methods of teaching mathematics; and a highly effective instructional model to teach verbal, writing, and reading skills.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-431	School Improvement Initiatives	315,000	315,000
TOTAL FOR PROGRAM				**315,000**	**315,000**

Program 06.04: School Safety

This program combines state and federal funding to reduce drug, alcohol and tobacco use, and violence in Ohio's schools, to improve indicators that reflect safe and supportive learning environments, and to support a state and regional network of resources to coordinate training and provide technical assistance.

What the Budget Buys:

- Supports the Safe School Center in provision of resource materials, research and development of school climate initiatives, and teacher and community member in-service; and
- Provides grants for school districts to implement Ohio school climate guidelines through such activities as school resource officers, safe and drug-free school coordinators, the Safe School Help Line, or character education and school conflict management programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-578	Safe and Supportive Schools	1,218,555	1,218,555
GSF	4D1	200-602	Ohio Prevention/Ed Resource Center	832,000	832,000
FED	3D1	200-664	Drug Free Schools	13,347,966	13,347,966
TOTAL FOR PROGRAM				**15,398,521**	**15,398,521**

PROGRAM SERIES 07: School Choice

The School Choice program works to meet the diverse educational needs of Ohio students through promotion and support of educational options and choices. This program series includes community schools and the Cleveland Scholarship and Tutoring Program. This series also includes a new school choice effort that will be initiated in fiscal year 2007, the Ohio Choice Scholarships. The Department of Education provides oversight, monitoring, and technical assistance for each of these programs.

Program 07.01: Community Schools

Community schools, also referred to as charter schools, are independent public schools operated according to a contract negotiated with a sponsor. A sponsor can be a school district, a joint vocational school board, an educational service center, a state university board of trustees, or a qualifying tax-exempt entity.

What the Budget Buys:

- Funds start-up grants of up to $50,000 per new community school;
- Provides community school oversight that includes site visits and certificate verification; and
- Allows for the development and conduct of training sessions for sponsors and prospective sponsors of community schools.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-455	Community Schools	3,942,094	3,942,094
FED	3T4	200-613	Public Charter Schools	13,500,000	13,000,000
TOTAL FOR PROGRAM				**17,442,094**	**16,942,094**

Program 07.02: Cleveland Scholarship and Tutoring

This program provides scholarships for students residing in the Cleveland Municipal School District to attend chartered private schools or public schools in adjacent school districts. The Cleveland Scholarship and Tutoring Program serves kindergarten through high school students, with priority given to students from low-income families. The 1996-1997 academic year was the first year of operation for grades K-8. Grades 9 and 10 were added in last biennium for those students who participated in the elementary program.

What the Budget Buys:

- Funds tuition scholarships, which provided on average a $2,033 scholarship to nearly 5,600 students in fiscal year 2004; and
- Expands the program to Grades 11 and 12 in fiscal years 2006 and 2007, respectively.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	19,201,887	20,501,887
TOTAL FOR PROGRAM				**19,201,887**	**20,501,887**

Program 07.03: Ohio Choice Scholarships

This program will provide scholarships beginning in fiscal year 2007 to parents of students who are attending consistently poor-performing public schools. A $3,500 scholarship is intended to offer another route for success for those students who have been attending a school building where two-thirds of the students who have taken the reading and math proficiency tests have failed the tests for three consecutive years.

What the Budget Buys:

- Funds approximately 2,600 scholarships in fiscal year 2007 for parents to enroll their child in a chartered nonpublic school as another route for student success.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-530	Ohio Choice Scholarships	0	9,000,000
TOTAL FOR PROGRAM				**0**	**9,000,000**

PROGRAM SERIES 08: Basic Aid Support

This program series is the major source of unrestricted aid for the general operation of school districts, community schools, and education service centers (ESCs). This series also provides funding for chartered nonpublic schools and local property tax supplements.

Program 08.01: Formula Aid

Formula aid is the main source of state foundation payments to all public school districts in the state. This funding helps support the general operating expenses of school districts and other educational entities. Allocations are based on the formula aid methodology, which promotes funding equity among districts and includes a required local share. Formula aid includes basic aid, charge-off supplement, parity aid, excess cost supplement, guarantees, recalculation for changes in assessed valuations, and funding for educational service centers. The Lottery Profits Education Fund supplements the formula aid funding.

What the Budget Buys:

- Provides basic aid support for school districts and community schools through a per-pupil basic aid amount of $5,328 in fiscal year 2006 and $5,489 in fiscal year 2007;
- Amends Transitional Aid that now guarantees districts to 95% of total prior year funding so that in fiscal year 2006 districts are guaranteed to 100% of total prior year funding and in fiscal year 2007 districts are guaranteed to 98% of total prior year funding. This amendment is made to protect districts dramatically impacted by the elimination of the Cost of Doing Business (CODB) factor to allow funding to be distributed on a more equitable basis statewide. Another guarantee is provided for this change so that each district receives the greater of the new basic aid calculation or the fiscal year 2005 calculation;
- Provides school districts additional base inputs for allowing them to incorporate decision-making practices based on student progress data and to train teachers to incorporate such analyses into their teaching decisions. Additional base inputs also include general professional development and intervention subsidies. State and local contributions for such efforts total $48.4 million in fiscal year 2006 and $63.6 million in fiscal year 2007;
- Provides 80% of Ohio's poorest schools a sliding scale allocation above basic aid due to a lesser capacity to support their schools through local revenue. Continued phase-in of this supplement, known as Parity Aid, is recommended from 76% in fiscal year 2005 to 80% in fiscal year 2006 and 85% in fiscal year 2007. Funding is increased by $30.2 million in fiscal year 2006 and by $59.5 million in fiscal year 2007;
- Funds school districts the difference between what the state assumes for local contributions of basic aid, special education weighted funding, and career-technical education weighted funding, and transportation and what is actually raised locally by school districts. Funding is increased by $19.0 million in fiscal year 2006 and by $6.8 million in fiscal year 2007 for this purpose (known as the Charge-off Supplement or Gap Aid);
- Funds school districts for any local contributions assumed by the state for special education weighted funding, career-technical weighted funding, and transportation in excess of 3.3 mills. This funding, known as the Excess Cost Supplement, is increased by $18.3 million in fiscal year 2006 and by $16.8 million in fiscal year 2007;
- Equalizes, to the statewide average, the half-mill maintenance requirement to assist districts with maintaining their new or renovated school buildings under the Ohio School Facilities Commission Program; and
- Eliminates the School Finance Equity program as specified in current statute.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	4,427,178,125	4,483,274,761
SSR	5BJ	200-626	Half-Mill Maintenance Equalization	0	10,700,000
LPE	017	200-612	Base Cost Funding	606,208,300	606,296,800
TOTAL FOR PROGRAM				**5,033,386,425**	**5,100,271,561**

Program 08.02: Nonpublic School Payments

This item provides financial assistance to chartered nonpublic schools for required administrative activities, secular materials and services, on the same basis as those provided to public school students, and for the replacement of mobile units.

What the Budget Buys:

- Provides financial assistance for nonpublic chartered schools to purchase secular services and materials; and
- Provides reimbursement for costs incurred by chartered nonpublic schools for mandated administrative and clerical services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-511	Auxiliary Services	130,103,294	133,095,669
GRF	GRF	200-532	Nonpublic Admin Cost Reimbursement	56,762,916	58,068,463
SSR	598	200-659	Auxiliary Services Reimbursement	1,328,910	1,328,910
TOTAL FOR PROGRAM				**188,195,120**	**192,493,042**

Program 08.03: Local Tax Supplement

This program includes hold harmless payments to school districts for the reduction of assessment rates on both business and public utility tangible property.

What the Budget Buys:

- Provides funding for direct hold harmless payments to school districts and joint vocational school districts that had reductions in utility property valuations as the result of utility deregulation legislation; and
- Provides funding for direct hold harmless payments to school districts and joint vocational school districts that will experience valuation reductions due to the phase-out of assessment rates on certain business tangible property.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
RDF	047	200-900	School District Property Tax Replace- Business	28,800,000	220,800,000
RDF	053	200-900	School District Property Tax Replace- Utility	116,647,522	101,647,522
TOTAL FOR PROGRAM				**145,447,522**	**322,447,522**

PROGRAM SERIES 09: Pupil Transportation

This program series partially reimburses districts for the operating costs of transporting public and nonpublic school students to and from school. Pupil transportation service is required for all students in kindergarten through 8th grade who live more than two miles from their school. Many districts also provide transportation service for students in grades 9-12.

Program 09.01: Transportation Operating Cost

This program reimburses the operational costs of transporting students to and from school programs and also ensures that bus drivers receive appropriate pre-service and recertification training.

What the Budget Buys:

- Increases state support for transporting approximately 1.35 million regular and special education students by $8.1 million in fiscal year 2006 and by $8.2 million in fiscal year 2007; and
- Directs the Department of Education to develop a new distribution methodology for transportation costs incurred by school districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-502	Pupil Transportation	412,330,728	420,577,343
TOTAL FOR PROGRAM				**412,330,728**	**420,577,343**

Program 09.02: Bus Purchase

This program provides funds to assist districts to purchase school buses to provide safe transportation for school-age students.

What the Budget Buys:

- Phases out the bus purchase program over two years to support the purchase of approximately 110 buses in fiscal year 2006.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-503	Bus Purchase Allowance	8,600,000	0
TOTAL FOR PROGRAM				**8,600,000**	**0**

PROGRAM SERIES 10: Finance and Management Services

This program series distributes funds to school districts and other educational providers and provides financial information and technical assistance to help school districts, community schools, and nonpublic schools manage their fiscal resources. The program assists school districts with restoration and maintenance of fiscal solvency and the implementation of sound management practices.

Program 10.01: Finance and Management Services

Finance and Management Services provides financial information and technical assistance to school districts. This includes providing information to the school districts and the general public and data collection from school districts and other funding entities to ensure appropriate distribution of funds. The program helps local constituencies establish effective fiscal management for grants, including service as a centralized liaison between Department program functions and key educational stakeholders and providing expert technical assistance and monitoring to ensure fiscal grant provisions are met.

What the Budget Buys:

- Provides assistance to districts in fiscal distress with fiscal planning and coordination; simulation, foundation, and analysis. Such assistance is provided by area coordinators who act as the primary liaisons between the Department of Education, school districts, and parents on school funding issues; and
- Funds performance audits conducted by the Auditor of State for districts in Fiscal Caution, Fiscal Watch, or Fiscal Emergency, including an additional $1.0 million in each fiscal year for approximately an additional ten financial or five comprehensive performance audits per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-100	Personal Services	1,255,009	1,255,009
GRF	GRF	200-422	School Management Assistance	1,368,208	1,395,572
GRF	GRF	200-558	Emergency Loan Interest Subsidy	1,388,164	651,404
GSF	5H3	200-687	School Dist Solvency Assistance	18,000,000	18,000,000
SSR	4R7	200-695	Indirect Operational Support	1,023,750	1,023,750
LPE	017	200-682	Lease Rental Pmts Reimbursement	31,691,700	31,603,200
TOTAL FOR PROGRAM				**54,726,831**	**53,928,935**

PROGRAM SERIES 11: Ohio Education Computer Network

The Ohio Education Computer Network (OECN) consists of 23 data acquisition sites that provide services to facilitate the use of computers and information in both administrative and instructional settings for member school districts. This program represents the Ohio Department of Education's ongoing support for OECN, school district connectivity to the statewide education network known as ONEnet, and support for the INFOhio initiative.

Program 11.01: Ohio Education Computer Network

Four distinct initiatives make up the OECN program: 1) public and nonpublic school connectivity; 2) INFOhio and Union Catalogue, which use technology to enhance curriculum and instruction by providing greater and more equitable access to library resources; 3) Data Acquisition Sites, which provide computer support, software products, and information services; and 4) state software support.

What the Budget Buys:

- Supports ONEnet Ohio, the physical connection of public and nonpublic school buildings, including community schools and data acquisition (DA) sites, to the Internet at an estimated $3,000 per building;
- Funds INFOhio and Union Catalogue, which in conjunction with other state-funded library networks of OPLIN (public libraries) and OhioLINK (colleges and universities), provides information access for the K-12 population;
- Supports 23 DA sites and the Education Management Information System (EMIS) data for school districts; and
- Provides administrative software for school district accounting, payroll, and inventory.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-426	Ohio Educational Computer Network	29,676,964	29,676,964
TOTAL FOR PROGRAM				**29,676,964**	**29,676,964**

PROGRAM SERIES 12: School Food Services

Federal entitlement, state funds, and commodity foods are resources given to participating public and nonprofit private schools to provide a nutritious lunch, breakfast, and after-school snack for school-age children. Eligible institutions with children or functionally impaired adults in nonresidential day care centers, children in family child care homes, after-school care programs, and children in residential emergency shelters also receive cash reimbursement for lunch, breakfast, snack, and supper. In addition, public and private nonprofit schools, agencies, and sponsoring sites that provide meals in the summer or during extended school vacations are eligible to receive federal entitlement and commodity foods.

Program 12.01: School Lunch

This program provides federal and state reimbursements to schools participating in the National School Lunch Program.

What the Budget Buys:

- Provides subsidized meals to more than 600,000 low-income students at 4,166 public and nonprofit private schools, camps, and institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-100	Personal Services	202,607	202,607
GRF	GRF	200-320	Maintenance and Equipment	60,000	60,000
GRF	GRF	200-505	School Lunch Match	8,998,025	8,998,025
FED	3L6	200-617	Federal School Lunch	204,256,132	211,583,653
FED	367	200-607	School Food Services	213,510	221,010
SSR	455	200-608	Commodity Foods	24,000,000	24,000,000
TOTAL FOR PROGRAM				**237,730,274**	**245,065,295**

Program 12.02: School Breakfast

This program provides federal and state reimbursements and incentives to schools participating in the National School Breakfast Program. Funds are included for outreach to districts to increase participation in the program.

What the Budget Buys:

- Provides meals to more than 220,000 low-income students at 2,340 public and nonprofit private schools, camps, and institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	3,700,000	3,700,000
FED	3L7	200-618	Federal School Breakfast	46,382,851	48,405,608
FED	367	200-607	School Food Services	35,057	35,859
TOTAL FOR PROGRAM				**50,117,908**	**52,141,467**

Program 12.03: Child and Adult Care

This program provides reimbursement for nutritious snacks as well as breakfast, lunch, and dinner meals to children or adults enrolled at participating day care centers, after-school programs, or adult day care centers.

What the Budget Buys:

- Allows for the continuation of the federal reimbursement for meals and snacks, which totaled approximately 56 million meals in fiscal year 2003.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3L8	200-619	Child/Adult Food Programs	66,590,622	67,915,843
FED	367	200-607	School Food Services	96,446	98,360
TOTAL FOR PROGRAM				**66,687,068**	**68,014,203**

Program 12.04: Summer Food Programs

The Summer Food Programs provide meals to low income children during extended school vacations and summer school.

What the Budget Buys:

- Allows for the continuation of the Summer Foods Program, which totaled approximately 2.5 million meals served in fiscal year 2003.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	367	200-607	School Food Services	5,230,154	5,339,360
TOTAL FOR PROGRAM				**5,230,154**	**5,339,360**

Program 12.05: Special Programs and Support

This program includes the administrative support and monitoring of school food programs.

What the Budget Buys:

- Supports the Special Milk program; and
- Provides administrative support for child nutrition programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	367	200-607	School Food Services	5,808,470	5,972,143
TOTAL FOR PROGRAM				**5,808,470**	**5,972,143**

PROGRAM SERIES 13: Special Education

The federal Individuals with Disabilities Education Act (IDEA) ensures a free and appropriate public education for all students with disabilities. The general principles include raising the expectations for children with disabilities, ensuring access to and progress in the general curriculum, and strengthening the role of parents by ensuring that families have meaningful opportunities to participate in their child's education. The program provides special education and related services, aides and supports in the regular classroom when appropriate, and builds the capacity of school districts to meet the needs of students with disabilities and other at-risk learners.

Program 13.01: Special Education Funding

This program provides special education weighted funding and federal Individuals with Disabilities Education Act grants that ensure a free and appropriate public education for all students with disabilities. Special education weighted funding is distributed to school districts, community schools, county boards of Mental Retardation and Developmental Disabilities, Department of Youth Services, the Department of Rehabilitation and Correction, and the Department of Mental Health based on the severity of the students handicapping condition. Catastrophic Special Education aid provides additional funding for high-cost special education students.

What the Budget Buys:

- Continues special education weighted funding for special education students served by school districts, joint vocational school districts and county boards of MR/DD and converts the Department of Youth Services, the Department of Rehabilitation and Correction, and the Department of Mental Health from a system of funding based on classroom and related service units to weighted funded. Funding is increased by $9.5 million in fiscal year 2006 and by $11.6 million in fiscal year 2007;
- Reimburses school districts and joint vocational school districts part of their costs incurred for serving special education cases that are financially catastrophic in nature. Funding totals $18.0 million in fiscal year 2006 and $19.0 million in fiscal year 2007; and
- Provides federal Individuals with Disabilities Education Act (IDEA) funding totaling $494.9 million in fiscal year 2006 and $586.8 million in fiscal year 2007 to school districts, county boards of MR/DD, the Department of Youth Services, community schools and chartered nonpublic schools. This funding is used to provide special education services to students with disabilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-540	Special Education Enhancements	46,857,775	47,326,353
GRF	GRF	200-550	Foundation Funding	427,110,683	439,235,072
FED	3M2	200-680	Individuals with Disabilities Education Act	494,933,886	586,810,324
TOTAL FOR PROGRAM				**968,902,344**	**1073,371,749**

Program 13.02: Special Education Enhancements

Special Education Enhancement includes additional state and federal funding for specific special education services, such as home instruction, parent mentors, school psychologist intern services, and regional special education technical assistance.

What the Budget Buys:

- Maintains funding of $2.9 million in each fiscal year to reimburse districts for half of their costs to provide home instruction to three types of special education students – severe behavioral handicapped, orthopedic, and health impaired;
- Maintains funding of $2.8 million in each fiscal year to fund 96 school psychology interns placed in school districts;
- Maintains funding of $1.5 million in each fiscal year to support of 60 parent mentors located in districts and educational service centers statewide; and
- Provides federal Individuals with Disabilities Education Act (IDEA) funding for regional resource centers that provide educator training and technical assistance to districts and families to improve outcomes and results for students with disabilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-540	Special Education Enhancements	7,152,771	7,152,771
FED	3M2	200-680	Individuals with Disabilities Education Act	18,124,683	18,771,223
FED	370	200-624	Education of Exceptional Children	1,861,010	1,861,010
TOTAL FOR PROGRAM				**27,138,464**	**27,785,004**

PROGRAM SERIES 14: Student Intervention

This program series provides extended learning opportunities for students at risk of not passing proficiency tests and reading intervention for students who are struggling or those who require alternative strategies to succeed in their education. This program includes initiatives that provide additional assistance to students in academic need and targets districts in academic emergency and academic watch.

Program 14.01: Student Intervention and Extended Learning

This program provides extended learning opportunities for students who perform significantly below grade level and at-risk of not passing assessments.

What the Budget Buys:

- Provides additional academic intervention funds directed to students who have failed the Ohio Graduation Tests (OGTs) in schools with a three-year average graduation rate of less than 75 percent,; and
- Eliminates funding provided through line item 200-513, Student Intervention Services, and reallocates such funding through additional base inputs for intervention in Program 8.01 – Basic Aid and Program 18.02 – Poverty-Based Assistance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3D2	200-667	Honors Scholarship Program	1,600,500	1,600,500
FED	3Y2	200-688	21st Century Community Learning Center	30,681,554	30,681,554
TOTAL FOR PROGRAM				**32,282,054**	**32,282,054**

Program 14.02: English Language Readiness

This program provides assistance to school districts to meet the special language needs of national origin minority and limited English proficient (LEP) students, including refugee students attending Ohio schools.

What the Budget Buys:

- Builds school districts' capacity to close the academic achievement gap between LEP students and their peers; and
- Provides supplementary English as a second language instruction and additional instructional and assessment materials for refugee students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3Y7	200-689	English Language Acquisition	7,500,000	8,000,000
FED	3Z3	200-645	Consolidated USDE Administration	233,498	233,498
FED	371	200-631	Immigrant Education Opportunities	400,000	400,000
TOTAL FOR PROGRAM				**8,133,498**	**8,633,498**

Program 14.03: Literacy Intervention

This program strives to ensure that every child in Ohio reads at grade level or higher. Students benefit from: research-based prevention and intervention services, a literature-rich environment that includes age-appropriate books and materials, the services of tutors and paraprofessionals, and support in the community and at home. Major activities include literacy improvement grants and Reading First grants.

What the Budget Buys:

- Funds literacy improvement classroom grants for approximately 150,000 students in grades K-12 to implement research-based prevention and intervention to improve students' skills;
- Supports OhioReads volunteer aspects including background checks on volunteers and stipends to public school coordinators for the program currently serving 1,800 schools statewide; and
- Continues the Reading First program, as created by the No Child Left Behind Act, serving more than 15,000 students in the lowest performing, highest poverty schools.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-433	Read/Write Improvement - Prof Development	325,000	325,000
GRF	GRF	200-445	OHIOREADS Volunteer Support	3,905,000	3,905,000
GRF	GRF	200-566	Read/Write Improvement - Grants	12,062,336	12,062,336
FED	3Y4	200-632	Reading First	27,076,248	27,076,248
FED	3Z3	200-645	Consolidated USDE Administration	507,949	507,949
TOTAL FOR PROGRAM				**43,876,533**	**43,876,533**

Program 14.04: Alternative Education

This program brings districts and community partners together to develop alternative education strategies for at-risk children and youth who have been suspended or expelled, have dropped out of school or are at risk of dropping out, are habitually or chronically truant, are disruptive in class, are on probation from the juvenile court, and/or are on parole from a Department of Youth Services facility. Administration for this initiative is provided in consultation with the Alternative Education Advisory Council.

What the Budget Buys:

- Provides funding to Ohio's 21 urban schools and communities to implement successful, innovative practices in alternative education;
- Funds 100 rural grants to 490 districts, serving approximately 34,000 students, to implement successful, innovative practices in alternative education; and
- Supports the monitoring, oversight, and technical support for 122 alternative education grants to urban and rural districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-421	Alternative Education Programs	13,391,162	13,391,162
TOTAL FOR PROGRAM				**13,391,162**	**13,391,162**

PROGRAM SERIES 15: Early Childhood Education

This program series includes developmental and educational services for low-income preschool children. These services are provided through local community action organizations, schools, single purpose agencies and their delegates, and involve parents through parent education, program planning, and classroom volunteers. A decade of research by national experts has identified essential components of quality early education including: early learning standards aligned to an assessment system; qualified and competent teachers; program standards connected to job-embedded educator training; parental support; and linkages to health and development services.

Program 15.01: Early Learning Programs

This program includes comprehensive developmental and educational services for low-income preschool children from ages three to five years. This includes the Early Childhood Education program, the Early Learning Initiative (funded by TANF), and Even Start programs.

What the Budget Buys:

- Provides full-day full-year services for up to 10,000 children in fiscal year 2006 and 12,000 children in fiscal year 2007 and expands eligibility to families with incomes at or below 185% of the federal poverty level through the Early Learning Initiative; and
- Expands the eligibility for the Early Childhood Education program to families with incomes at or below 200% of the federal poverty level, serving approximately 3,800 children in each fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-408	Early Childhood Education	19,002,195	19,002,195
FED	3C5	200-661	Early Childhood Education	7,389,659	7,389,659
FED	3H9	200-605	Head Start Collaboration Project	275,000	275,000
FED	3Z3	200-645	Consolidated USDE Administration	228,832	228,832
SSR	5W2	200-663	Early Learning Initiative	96,580,000	115,456,000
TOTAL FOR PROGRAM				**123,475,686**	**142,351,686**

Program 15.02: Pre-kindergarten Special Education

This program provides services to meet the needs of children with disabilities that are ages three to five. Districts are mandated under federal law to provide a free and adequate public education to these children and do so by developing individual education plans for these students. Funding for pre-kindergarten special education is distributed by units, based on the minimum number of students and the teacher's degree and experience.

What the Budget Buys:

- Supports approximately 2,040 preschool special education units.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-540	Special Education Enhancements	79,194,060	79,986,001
FED	3C5	200-661	Early Childhood Education	16,484,679	16,484,679
TOTAL FOR PROGRAM				**95,678,739**	**96,470,680**

Program 15.03: Child Care Licensing

This program is responsible to license and inspect preschool and school-age childcare programs operated by school districts, chartered nonpublic schools, Head Start agencies, and county boards of Mental Retardation and Developmental Disabilities (MR/DD).

What the Budget Buys:

- Funds the licensure and inspection of more than 1,900 childcare programs, addressing health and safety standards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-442	Child Care Licensing	1,302,495	1,302,495
TOTAL FOR PROGRAM				**1,302,495**	**1,302,495**

PROGRAM SERIES 16: Career-Technical Education

Ohio's career-technical system offers a sequence of career-technical courses (9-12) that support the academic and technical knowledge and skills needed to prepare for further education and careers in current or emerging employment sectors. Career-Technical Education also includes programs and services designed to help all of Ohio's students develop career plans, identify initial educational and career goals, and develop the skills necessary to make informed career and educational choices throughout life.

Program 16.01: Secondary Workforce Development

Secondary workforce development programs are a combination of academic and technical courses or experiences based on broad career fields, such as agriculture and environmental systems, business and administrative services, engineering and science technologies, health science, information technology, law and public safety, and manufacturing technologies. State funds are allocated to districts through a statutory formula based on weighted per-pupil funding (0.57 per student), in addition to the foundation formula amount.

What the Budget Buys:

- Funds about 46,000 full-time equivalent (FTE) career-technical students with a focus on certain career fields. Funding is increased by $2.9 million in fiscal year 2006 and by $4.2 million in fiscal year 2007 to school districts, joint vocational school districts and community schools;
- Funds career-technical education students in institutions run by the Department of Youth Services, the Department of Rehabilitation and Correction, and the Department of Mental Health at $2.4 million in fiscal year 2006 and $2.6 million in fiscal year 2007;
- Maintains funding of $270,000 in each fiscal year to enable students in agricultural programs to enroll in a fifth quarter of instruction; and
- Provides federal funding to ensure the integration of career-technical instruction with a rigorous academic program and support local programs that serve students in 587 school districts and that meet the workforce development needs of business and industry.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-100	Personal Services	1,581,181	1,581,181
GRF	GRF	200-320	Maintenance and Equipment	652,014	652,014
GRF	GRF	200-545	Career-Tech Education Enhancements	3,649,943	2,706,070
GRF	GRF	200-550	Foundation Funding	83,865,659	88,047,440
FED	3L9	200-621	Career-Tech Education Basic Grant	21,756,201	21,756,200
SSR	4V7	200-633	Interagency Support	124,038	125,860
TOTAL FOR PROGRAM				**111,629,036**	**114,868,765**

Program 16.02: College-Based Career-Technical Education

This program, also referred to as Tech Prep, extends career paths from the high school to the postsecondary level. Students enroll in a seamless career-technical program that begins in high school and continues through an associate's degree in college and beyond.

What the Budget Buys:

- Support a network of 26 consortia (44 higher education institutions and 92 career-technical planning districts);
- Maintains funding of $2.6 million in each fiscal year to provide competitive grants that support Tech Prep enrollment expansion and new Tech Prep programming in school districts; and
- Provides federal funding totaling $8.2 million in each fiscal year to ensure the integration of career-technical instruction with a rigorous academic program and support over 13,000 college Tech Prep students enrolled in programs linking secondary and postsecondary career-technical programs that transition students to college and careers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-425	Tech Prep Consortia Support	2,069,217	2,069,217
GRF	GRF	200-545	Career-Tech Education Enhancements	2,621,507	2,621,507
FED	3L9	200-621	Career-Tech Education Basic Grant	3,541,066	3,541,067
FED	369	200-616	Career-Tech Education Federal Enhancement	4,653,600	4,653,600
TOTAL FOR PROGRAM				**12,885,390**	**12,885,391**

Program 16.03: Career-Based Intervention

The Career-Based Intervention Program (CBIP) helps disadvantaged students overcome barriers to career and academic success. The program includes paid work experience or other work-based learning such as service learning and academic instruction for credit or remediation. State funds are allocated to districts through a statutory formula based on weighted per-pupil funding (0.28 per student), in addition to the foundation formula amount.

What the Budget Buys:

- Funds about 12,500 full-time equivalent (FTE) career-technical students with a focus on work-based learning experiences. Funding is increased by $396,192 in fiscal year 2006 and by $570,867 in fiscal year 2007 to school districts, joint vocational school districts and community schools; and
- Provides federal funding to support local programs in 365 school districts that prepare disadvantaged youth at risk for dropping out of high school for high skill, high wage careers and to integrate career-technical instruction with a rigorous academic program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	14,250,739	14,821,605
FED	3L9	200-621	Career-Tech Education Basic Grant	8,013,259	8,013,259
TOTAL FOR PROGRAM				**22,263,998**	**22,834,864**

Program 16.04: Work and Family Studies

The Work and Family Studies Program teaches knowledge and skills that foster adolescent transition into the adult roles of worker, family member, and community member. Students learn the core competencies of solving problems, making decisions, reflective thinking, resource management, effective communication, and leadership skills development. They also learn about nutrition and wellness, family and worker relationships, parenting and child development, life planning and career development. State funds are allocated to districts through a statutory formula based on weighted per-pupil funding (0.28 per student), in addition to the foundation formula amount.

What the Budget Buys:

- Funds about 13,300 full-time equivalent (FTE) career-technical students served in school districts, joint vocational school districts, and community schools. Funding is increased by $396,192 in fiscal year 2006 and by $570,867 in fiscal year 2007;
- Maintains $4.0 million in each fiscal year to serve about 6,500 students in the GRADS program (Graduation, Reality, and Dual-Role Skills), an in-school instructional and intervention program for pregnant and parenting students; and
- Provides federal funding to support over 11,000 local family and consumer science programs that prepare students for adult work and family roles and integrate career-technical instruction with a rigorous academic program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	18,270,026	18,914,461
FED	3L9	200-621	Career-Tech Education Basic Grant	9,207,398	9,207,398
TOTAL FOR PROGRAM				**27,477,424**	**28,121,859**

Program 16.05: K-12 Career Development

The program helps students identify initial educational and career goals, and develop the skills necessary to make informed career and educational decisions throughout life. Skills are developed through classroom integration activities as well as career exploration experiences. This program is available in all schools.

What the Budget Buys:

- Maintains funding of $466,992 in each fiscal year for the Ohio Career Information System (OCIS), a computer-based career information system that provides access to the current labor market and postsecondary educational and training information and scholarships; and
- Eliminates funding of $2.3 million for the ICP (Individual Career Plan) and Career Passport program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-545	Career-Tech Education Enhancements	466,992	466,992
GSF	596	200-656	Ohio Career Information System	529,761	529,761
FED	3L9	200-621	Career-Tech Education Basic Grant	110,772	110,772
FED	369	200-616	Career-Tech Education Federal Enhancement	346,400	346,400
TOTAL FOR PROGRAM				**1,453,925**	**1,453,925**

Program 16.06: JVS Base Cost Funding

Base-cost funding is the main source of state foundation payments to Joint Vocational Schools (JVS). This funding helps support the basic educational cost for career-technical students attending a JVS. In addition, weighted funding is provided to JVSs depending on the type of career-technical program offered, including secondary workforce development, career-based intervention, and work and family studies.

What the Budget Buys:

- Provides basic aid support for JVSs through a per-pupil basic aid amount of $5,328 in fiscal year 2006 and $5,489 in fiscal year 2007; and
- Provides for a new Transitional Aid supplement that guarantees JVSs receive 95% of prior year total funding in each fiscal year. This supplement is provided to protect JVSs dramatically impacted by the elimination of the Cost of Doing Business (CODB) factor removed to allow funding to be distributed on a more equitable basis statewide. Another guarantee is provided for this change so that each JVS receives the greater of the new basic aid calculation or the fiscal year 2005 calculation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	144,617,255	151,775,569
TOTAL FOR PROGRAM				**144,617,255**	**151,775,569**

PROGRAM SERIES 17: Gifted Education

Gifted education focuses on the identification of and services to students who perform, or show potential for performance, at remarkably high levels of accomplishment compared to others of their age, experience, or environment. Services include resource rooms, self-contained classrooms, and accelerated coursework. These services are provided by local coordinators and intervention specialists and are funded by both state and local funds.

Program 17.01: Gifted Pupil Program

Gifted unit funding supplements basic aid funding by providing coordination and gifted services above those services provided in the general education classroom. The program also includes identification of gifted students, summer programs, and research projects.

What the Budget Buys:

- Maintains funding for 1,110 gifted units served in school districts and educational service centers;
- Maintains funding of $4.7 million in each fiscal year to support districts with the purchase of test materials and equipment and in-service and staff training for the identification of gifted students; and
- Maintains funding of $940,000 in each fiscal year to serve about 1,300 students participating in the Summer Honors Institute.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-521	Gifted Pupil Program	47,474,068	47,721,293
FED	370	200-624	Education of Exceptional Children	525,600	525,600
TOTAL FOR PROGRAM				**47,999,668**	**48,246,893**

PROGRAM SERIES 18: Students At-Risk

This program series helps districts and schools improve the teaching and learning of children who are failing, or at risk of failing, to meet state academic standards. The single largest funding source is the federal Title I program for low-income students. State funding for children in poverty is provided through Poverty-Based Assistance. This at-risk group also includes students from migrant and homeless families, students in local institutions for neglected and delinquent children, and students from families with low incomes.

Program 18.01: Basic Education for the Disadvantaged

Title I funding enables schools to provide opportunities for disadvantaged children to acquire the knowledge and skills in the state's academic content standards. Nearly all districts receive basic grants based on the state's per-pupil expenditure for education and the number of school-age children from low-income families. Concentration grants, target grants, and education finance incentive grants allocate additional funds to districts with higher proportions of children from low-income families.

What the Budget Buys:

- Provides grants to nearly all districts in Ohio for increased opportunities for disadvantaged students; and
- Supports a portion of the administrative costs associated with distribution of grants to districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3M0	200-623	ESEA Title 1A	440,260,178	461,026,070
TOTAL FOR PROGRAM				**440,260,178**	**461,026,070**

Program 18.02: Poverty-Based Assistance

This program provides funds to school districts that incur higher educational costs because of high concentrations of economically disadvantaged students.

What the Budget Buys:

- Supports a new distribution formula for intervention that provides increasing funding levels as a district's poverty concentration increases. Funding is phased in at 40% in fiscal year 2006 totaling $78.3 million and at 60% in fiscal year 2007 totaling $121.2 million. For qualifying districts, funding levels support in fiscal year 2006 up to 20 hours of intervention per medium group (10:1) for all poverty students and up to an additional 70 hours of intervention per small group (5:1) for all poverty students. In fiscal year 2007, funding levels support up to 30 hours of intervention per medium group (10:1) for all poverty students and up to an additional 106 hours of intervention per small group (5:1) for all poverty students;
- Supports a new subsidy for large urban districts to provide dropout prevention programs and hire community liaisons and/or attendance officers. Funding is phased in at 40% in fiscal year 2006 totaling $14.6 million and at 60% in fiscal year 2007 totaling $22.6 million;
- Supports a new subsidy for districts with a higher concentration of poverty than the statewide average and with a high concentration of limited-English proficient students. Funding is phased in at 40% in fiscal year 2006 totaling $4.9 million and at 60% in fiscal year 2007 totaling $7.6 million. Funding will support an additional 90 teachers and/or intervention specialists in fiscal year 2006 and 135 in fiscal year 2007;
- Provides funding for class size reduction at $155.9 million in fiscal year 2006 and $161.3 million in fiscal year 2007. Districts are provided funding on a sliding scale from a poverty concentration of 1.0 to 1.5 to be used to make reductions in class sizes in concentrated efforts in buildings most academically at risk. Districts with a poverty concentration of 1.5 or greater are provided funding to reduce student-teacher ratios from 20:1 to 15:1;
- Provides funding to districts with a poverty concentration greater than the statewide average for providing all-day kindergarten. Funding totals $147.9 million in fiscal year 2006 and $151.8 million in fiscal year 2007. Because of the use of a new poverty indicator that better identifies students who are economically disadvantaged, 52 additional districts qualify for all-day kindergarten in fiscal year 2006; and
- Provides for a new transitional aid provision for Poverty-Based Assistance to guarantee that school districts receive the same level of funding for economically disadvantaged challenges (formerly Disadvantaged Pupil Impact Aid) as they did in fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-550	Foundation Funding	422,226,289	469,100,571
TOTAL FOR PROGRAM				**422,226,289**	**469,100,571**

Program 18.03: Targeted Education for the Disadvantaged

This program provides targeted support to enable schools to provide opportunities for disadvantaged children to acquire the knowledge and skills contained in the state's challenging content and student performance standards that all children are expected to meet.

What the Budget Buys:

- Supports educational programs for migratory children to reduce educational disruptions that result from repeated moves;
- Ensures access to a free, appropriate education for homeless school-age children and youth;
- Provides financial assistance to state or local institutions that serve neglected and delinquent children to help meet their needs; and
- Provides grants to rural and low-income districts to help attract qualified teachers and provide professional development appropriate for those serving low-income students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3Y8	200-639	Rural and Low Income	1,700,000	1,700,000
FED	309	200-601	Educationally Disadvantaged	8,602,284	8,602,284
TOTAL FOR PROGRAM				**10,302,284**	**10,302,284**

Program 18.04: Innovative Education Program Strategies

This federal grant provides funding to enable state and local educational agencies to implement promising educational reform programs to meet the special educational needs of at-risk and high-cost students. The grant also supports professional development to assist teachers and other school officials in the use of technology related to the implementation of school-based reform programs.

What the Budget Buys:

- Provides grants, based on poverty and enrollment, to approximately 800 local education agencies (LEA), including public school districts, community schools, joint vocational school districts, and nonpublic schools.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3M1	200-678	Innovative Education	11,800,000	11,800,000
TOTAL FOR PROGRAM				**11,800,000**	**11,800,000**

Program 18.05: Educational Technology State Grants

This federal grant helps districts and schools integrate technology into the English language arts and mathematics academic content standards in grades K-8. Funding can be used for hardware, software, professional development, web-based curriculum management tools, and other resources to help buildings achieve these objectives.

What the Budget Buys:

- Distributes formula grants to 716 educational entities based on the percentage of Title I students served; and
- Awards competitive grants to 57 eligible buildings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3S2	200-641	Education Technology	20,800,000	20,800,000
TOTAL FOR PROGRAM				**20,800,000**	**20,800,000**

Program 18.06: Medicaid Administrative Claims

This program provides school districts with reimbursement for administrative services associated with providing services to Medicaid-eligible students.

What the Budget Buys:

- Provides reimbursement for administrative services associated with providing services to Medicaid-eligible students statewide.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3AF	200-603	Schools Medicaid Admin Claims	10,000,000	10,000,000
TOTAL FOR PROGRAM				**10,000,000**	**10,000,000**

Program 18.07: Consolidated USDE Administration

This program consolidates administrative funds under No Child Left Behind (NCLB).

What the Budget Buys:

- Supports technical assistance under NCLB;
- Funds coordination of NCLB with other federal and non-federal programs, and state-level activities; and
- Allows for the dissemination of information regarding model programs and practices.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3Z3	200-645	Consolidated USDE Administration	7,932,001	7,932,001
TOTAL FOR PROGRAM				**7,932,001**	**7,932,001**

PROGRAM SERIES 19: Adult Education

Adult education programs teach basic skills and improve the knowledge and skills of the adult workforce.

Program 19.01: Adult Workforce Education

This program provides education and training through full-time and part-time adult career-technical training programs. Districts, joint vocational school districts, and other public educational institutions, including corrections, are eligible for funding.

What the Budget Buys:

- Allocates funds to districts to support local career-technical education programs, by which forty adult centers provide approximately 75 percent of the education and training programs within the state and serve more than 130,000 adults.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-514	Postsecondary Adult Career-Tech Ed	19,481,875	19,481,875
FED	3L9	200-621	Career-Tech Education Basic Grant	5,115,691	5,115,691
FED	369	200-616	Career-Tech Education Federal Enhancement	1,500,000	1,500,000
TOTAL FOR PROGRAM				**26,097,566**	**26,097,566**

Program 19.02: Adult Basic and Literacy Education

This program series provides free instruction in basic literacy, workplace literacy, family literacy, English for speakers of other languages (ESOL) instruction, and preparation for the GED test. Eligible persons include those who have less than a 12th-grade education or its functional equivalent and who are not subject to state compulsory school attendance law.

What the Budget Buys:

- Provides competitive grants to 134 instructional programs serving approximately 60,000 adults annually;
- Through a combination of state and federal funding, supports the estimated annual cost per enrollee of $458;
- Funds the State Literacy Resource Center which serves as a resource for state agencies, professional organizations, literacy coalitions, public libraries, and a variety of adult literacy providers; and
- Reimburses, up to $10 per instructional hour for a 120-hour course, the cost of conducting high school credit classes for adults for 13 public districts serving approximately 1,400 participants and issuing more than 200 high school diplomas each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-509	Adult Literacy Education	8,539,738	8,539,738
FED	3L9	200-621	Career-Tech Education Basic Grant	55,386	55,386
FED	366	200-604	Adult Basic Education	18,500,000	18,500,000
TOTAL FOR PROGRAM				**27,095,124**	**27,095,124**

Program 19.03: Veteran's State Approving Services

This activity reviews, approves, and supervises school apprenticeships and on-the-job training programs for veterans and their eligible dependents.

What the Budget Buys:

- Supports the review, approval, and supervision of more than 500 schools and training agencies for veterans' adult education programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3L9	200-621	Career-Tech Education Basic Grant	33,231	33,231
FED	368	200-614	Veterans' Training	672,961	691,130
TOTAL FOR PROGRAM				**706,192**	**724,361**

PROGRAM SERIES 20: School Accountability

This program series supports an effective accountability system that assigns responsibility, reports results, and rewards successes. This system includes the collection, analysis, and reporting of results to a variety of audiences, including policymakers who rely on information to help inform decisions and administrators that require data to learn how their programs can operate more effectively. Educators and the general public are also served by information to gauge the performance of their students. Ohio's accountability system is built around both a data collection infrastructure and a set of programs that analyze and report information.

Program 20.01: Education Accountability

The Department of Education's efforts to create and operate an effective education accountability system include two interrelated activities: 1) standard Local Report Cards and a State Report Card, and 2) an indicator system that both holds the agency accountable for its work and provides indicators of the effects of state policy on the education system.

What the Budget Buys:

- Funds local report cards for all public schools and districts compiling student performance indicators;
- Compiles information for the State Report Card and the *Condition of Education in Ohio* report which synthesizes information about Ohio's educational system; and
- Implements value-added methodology that tracks and measures student growth over time, funding the development of 76 regional value-added specialists in fiscal year 2006, and the training of 1,600 district value-added specialists through 38 regional training sites in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-424	Policy Analysis	556,687	556,687
GRF	GRF	200-439	Accountability/Report Cards	3,878,850	6,457,290
SSR	5U2	200-685	National Education Statistics	100,000	100,000
TOTAL FOR PROGRAM				**4,535,537**	**7,113,977**

Program 20.02: Education Management Information System

The Education Management Information System (EMIS) is the Department's primary system for collecting student, staff, course, program, and financial data from Ohio's public schools. The data collected via EMIS are used to determine both state and federal performance accountability designations, to produce the Local Report Cards, to calculate and administer state funding to school districts, to determine federal funding allocations, and to meet federal reporting requirements.

What the Budget Buys:

- Provides subsidy support to data acquisition sites for the administration and collection of EMIS data, distributed using a per-pupil formula based on the enrollment of member districts;
- Provides subsidy support to districts, joint vocational school districts, educational service centers (ESCs), and county boards of Mental Retardation and Developmental Disabilities (MR/DDs) for the administration and collection of EMIS data based on their student enrollment;
- Funds the development and implementation of data standards and the design, development, and implementation of a data exchange system to replace the current EMIS; and
- Supports payroll and training for data administration managers, programmers, information technology consultants, and database administrators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-446	Education Mgt Information System	15,674,805	15,674,805
TOTAL FOR PROGRAM				**15,674,805**	**15,674,805**

PROGRAM SERIES 21: Program Management

This program series includes functions that support agency operations and administration. This includes administrative functions not directly related to a single program and the support for the five administrative centers: Curriculum and Assessment; School Reform; Teaching Profession; Students, Families and Communities; and School Finance. This program also includes fiscal administration, human resources, facilities and fleet management, document processing, organizational development, and technology infrastructure.

Program 21.01: Program Management

This program includes the administrative functions of the department. This program also includes the development and implementation of new information technologies to meet the strategic needs of the agency's business centers, to make the Department's information accessible and to enhance the agency's Internet and intranet services. This program also includes development and maintenance of the network infrastructure and software, purchase of all computer hardware and software, project management, and programming services.

What the Budget Buys:

- Provides the resources necessary to support the general operating costs for program implementation; and
- Supports wages and benefits for approximately 170 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-100	Personal Services	8,272,517	8,272,517
GRF	GRF	200-320	Maintenance and Equipment	4,284,235	4,284,235
GRF	GRF	200-420	Computer/Application/Network Development	5,361,525	5,361,525
GSF	138	200-606	Computer Services Operational Supp	7,600,091	7,600,091
GSF	4L2	200-681	Teacher Certification	280,144	285,637
GSF	452	200-638	Miscellaneous Educational Services	400,000	400,000
SSR	4R7	200-695	Indirect Operational Support	4,359,114	4,425,998
SSR	4V7	200-633	Interagency Support	375,962	374,140
SSR	620	200-615	Educational Improvement Grants	1,000,000	1,000,000
TOTAL FOR PROGRAM				**31,933,588**	**32,004,143**

Department of Education

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Regional Professional Development Centers are moved from Educator Training/410, to School Improvement Initiatives/431 due to the direct relation to the assistance for schools in academic watch or academic emergency in that line item.

The Ohio Math Academy (OMAP) initiative is moved from Reading/Writing Improvement/433, to Academic Standards/427, because it is a program to enable greater achievement of the academic standards and it more closely follows the purpose of line item 200-427.

The Adult High School program is moved from GED Testing/447, to Adult Literacy Education/509, to allow the former to fully reflect its title and to combine funding for closely related programs.

The Educator Standards Board is moved to Educator Preparation/448 from Teaching Success Commission/452, which is eliminated. This change is made to better align the supported program with an appropriation item directly related to the preparation of teachers for the field.

Line item Family and Children First/411 is eliminated as the Family and Children First council is moved to the Department of Mental Health to directly support Access to Better Care initiatives.

Base Cost Funding/501, Disadvantaged Pupil Impact Aid/520, Parity Aid/525, and Charge-Off Supplement/546 are merged to create the new Foundation Funding/550 line item. As individual pieces, all were part of the Foundation program. Together they represent the building blocks for quality education. Each piece will maintain its individual purpose within Foundation Funding/550, but their combination into one line item will better reflect base and supplemental funding for schools. Note: Fiscal year 2005 estimate spending for Base Cost Funding/501 assumes an appropriation increase of $150.0 million to support foundation formula obligations that are expected to exceed the current appropriation. The administration shall seek approval of these additional appropriations from the General Assembly early in calendar year 2005.

To illustrate changes in funding levels for altered line items, estimated FY 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	200-410	Educator Training	23,081,494	24,131,557	4.5%	24,531,557	1.7%
GRF	200-427	Academic Standards	11,015,554	14,440,753	31.1%	14,512,181	0.6%
GRF	200-431	School Improvement Initiatives	15,258,457	19,862,484	30.2%	23,191,663	21.8%
GRF	200-433	Reading/Writing Improvements	17,404,968	15,400,000	-11.5%	15,400,000	0.0%
GRF	200-447	GED Testing	1,544,360	1,544,360	0.0%	1,544,360	0.0%
GRF	200-448	Educator Preparation	1,573,912	1,651,000	4.9%	1,651,000	0.0%
GRF	200-509	Adult Literacy Education	8,671,363	8,539,738	-1.5%	8,539,738	0.0%
GRF	200-550	Foundation Funding	$5,412,407,584	$5,560,420,663	2.7%	$5,689,371,366	2.4%

Line Item Notes

Student Intervention/513: By reorganization, the intended purpose of this line item is being fulfilled through Foundation Funding/550 in Program 08.01, Formula Aid, and Program 18.02, Poverty-Based Assistance.

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	200-100	Personal Services	10,531,142	10,142,648	11,213,947	11,311,314	11,311,314	.0	11,311,314	.0
GRF	200-320	Maintenance and Equipment	4,367,532	3,797,203	4,989,036	4,996,249	4,996,249	.0	4,996,249	.0
GRF	200-406	Head Start	90,945,956	88,128,462	1,945,982	0	0	.0	0	.0
GRF	200-408	Early Childhood Education	19,645,352	18,988,832	17,825,893	19,002,195	19,002,195	.0	19,002,195	.0
GRF	200-410	Educator Training	20,318,866	22,899,551	23,347,712	27,761,495	24,131,557	**	24,531,557	1.7
GRF	200-411	Family and Children First	3,610,415	3,337,000	3,324,750	3,125,265	0	**	0	.0
GRF	200-416	Career-Technical Education Match	2,514,678	2,320,440	39,269	0	0	.0	0	.0
GRF	200-420	Computer/Application/Network Dev	5,444,896	4,777,259	5,423,991	5,361,525	5,361,525	.0	5,361,525	.0
GRF	200-421	Alternative Education Programs	17,916,670	15,463,104	15,304,184	15,140,927	13,391,162	(11.6)	13,391,162	.0
GRF	200-422	School Management Assistance	1,357,009	1,488,696	1,822,044	1,671,320	2,683,208	60.5	2,710,572	1.0
GRF	200-424	Policy Analysis	626,310	534,757	565,861	556,687	556,687	.0	556,687	.0
GRF	200-425	Tech Prep Consortia Support	2,544,635	1,928,060	1,537,926	2,069,217	2,069,217	.0	2,069,217	.0
GRF	200-426	Ohio Educational Computer Network	36,570,538	33,225,168	28,051,278	31,305,052	29,676,964	(5.2)	29,676,964	.0
GRF	200-427	Academic Standards	5,585,330	6,117,709	6,358,178	8,415,554	14,440,753	**	14,512,181	.5
GRF	200-431	School Improvement Initiatives	11,633,254	9,100,175	10,014,950	10,578,457	19,862,484	**	23,191,663	16.8
GRF	200-432	School Conflict Management	650,112	556,006	20,832	0	0	.0	0	.0
GRF	200-433	Read/Write Improve - Prof Dev.	17,752,385	17,694,082	14,022,917	20,004,968	15,400,000	**	15,400,000	.0
GRF	200-437	Student Assessment	20,537,756	26,640,902	35,276,452	45,953,391	63,445,234	38.1	69,011,935	8.8
GRF	200-438	Safe Schools	2,047,833	1,292,483	0	0	0	.0	0	.0
GRF	200-439	Accountability/Report Cards	0	0	1,913,474	3,678,750	3,878,850	5.4	6,457,290	66.5
GRF	200-441	American Sign Language	305,781	112,768	136,943	195,254	0	(100.0)	0	.0
GRF	200-442	Child Care Licensing	1,455,487	1,141,777	970,074	1,302,495	1,302,495	.0	1,302,495	.0
GRF	200-444	Professional Recruitment	1,201,899	1,036,990	124,150	0	0	.0	0	.0
GRF	200-445	OHIOREADS Volunteer Support	5,070,366	4,830,977	4,350,749	4,230,000	3,905,000	(7.7)	3,905,000	.0
GRF	200-446	Educ Mgt Information System	14,106,466	14,490,683	14,673,921	15,913,232	15,674,805	(1.5)	15,674,805	.0
GRF	200-447	GED Testing	2,093,050	1,483,570	1,738,152	1,719,360	1,544,360	**	1,544,360	.0
GRF	200-448	Educator Preparation	0	0	9,038	22,912	1,651,000	**	1,651,000	.0
GRF	200-449	Head Start Plus Start Up	0	0	11,000,000	4,809,930	0	(100.0)	0	.0
GRF	200-452	Educator Standards and Preparation	0	0	266,157	1,551,000	0	**	0	.0
GRF	200-455	Community Schools	3,879,160	3,866,793	4,057,754	3,942,093	3,942,094	.0	3,942,094	.0
GRF	200-500	School Finance Equity	22,649,115	18,924,026	13,371,385	7,105,137	0	(100.0)	0	.0
GRF	200-501	Base Cost Funding	4275,243,308	4376,553,639	4506,711,651	4579,124,869	0	**	0	.0
GRF	200-502	Pupil Transportation	334,065,252	367,530,294	420,271,400	404,245,812	412,330,728	2.0	420,577,343	2.0
GRF	200-503	Bus Purchase Allowance	34,790,655	33,855,064	18,674,944	17,199,960	8,600,000	(50.0)	0	(100.0)
GRF	200-505	School Lunch Match	8,929,403	9,101,127	9,033,592	8,998,025	8,998,025	.0	8,998,025	.0
GRF	200-509	Adult Literacy Education	8,739,607	8,805,234	8,774,250	8,496,363	8,539,738	**	8,539,738	.0
GRF	200-510	County Commissioners Reimbursement	0	1,029,995	693,938	0	0	.0	0	.0
GRF	200-511	Auxiliary Services	122,606,208	123,058,286	127,903,356	127,903,356	130,103,294	1.7	133,095,669	2.3
GRF	200-513	Student Intervention Services	5,685,846	38,021,766	36,666,759	41,075,815	0	**	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	200-514	Postsecondary Adult Career-Tech Ed	23,958,167	21,200,354	20,044,319	19,517,875	19,481,875	(.2)	19,481,875	.0
GRF	200-520	DISADVANTAGED PUPIL IMPACT AID	345,638,782	320,722,966	347,031,124	350,033,005	0	**	0	.0
GRF	200-521	Gifted Pupil Program	44,553,304	45,089,424	46,709,389	47,228,317	47,474,068	.5	47,721,293	.5
GRF	200-525	Parity Aid	97,467,789	201,492,689	316,164,258	424,854,670	0	**	0	.0
GRF	200-530	Ohio Choice Scholarships	0	0	0	0	0	.0	9,000,000	.0
GRF	200-532	Nonpublic Admin Cost Reimbursement	53,520,200	55,561,342	55,765,047	55,803,103	56,762,916	1.7	58,068,463	2.3
GRF	200-533	School Age Child Care	102,087	0	0	0	0	.0	0	.0
GRF	200-534	Desegregation Costs	32,925,509	458	0	0	0	.0	0	.0
GRF	200-540	Special Education Enhancements	133,528,920	130,906,483	133,821,049	130,638,577	133,204,606	2.0	134,465,125	.9
GRF	200-545	Career-Tech Educ Enhancements	23,662,201	21,006,699	13,079,934	13,354,785	10,169,442	(23.9)	9,225,569	(9.3)
GRF	200-546	Charge-Off Supplement	39,306,115	36,494,973	49,812,720	58,395,040	0	**	0	.0
GRF	200-547	Power Equalization	52,495	0	0	0	0	.0	0	.0
GRF	200-550	Foundation Funding	0	0	0	0	5560,420,663	**	5689,371,366	2.3
GRF	200-552	County MR/DD Bds Vehicle Purchase	1,410,153	1,148,261	640,000	0	0	.0	0	.0
GRF	200-553	Cnty MR/DD Bds Transportation	8,623,588	8,849,536	0	0	0	.0	0	.0
GRF	200-558	Emerg Loan Interest Subsidy	4,156,147	3,304,902	2,728,900	2,162,000	1,388,164	(35.8)	651,404	(53.1)
GRF	200-566	Read/Write Improve - Grants	27,140,498	26,476,783	12,874,776	12,062,336	12,062,336	.0	12,062,336	.0
GRF	200-570	School Imprvmnt Incentv Grants	837,500	836,202	0	0	0	.0	0	.0
GRF	200-572	Teacher Incentive Grants	265,500	0	0	0	0	.0	0	.0
GRF	200-574	Substance Abuse Prevention	1,962,800	1,618,147	0	0	0	.0	0	.0
GRF	200-578	Safe and Supportive Schools	0	0	3,497,353	3,362,457	1,218,555	(63.8)	1,218,555	.0
GRF	200-580	Bethel School Clean-Up	65,000	65,000	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**5954,599,027**	**6147,049,745**	**6364,595,758**	**6556,180,144**	**6668,981,563**	**1.7**	**6822,677,026**	**2.3**
138	200-606	Computer Services Operational Supp	4,975,340	6,053,815	7,218,332	7,635,949	7,600,091	(.5)	7,600,091	.0
4D1	200-602	Ohio Prevention/Ed Resource Ctr	370,082	827,500	506,100	957,900	832,000	(13.1)	832,000	.0
4L2	200-681	Teacher Certification	4,000,237	3,973,112	3,953,093	5,236,581	5,497,158	5.0	5,628,332	2.4
452	200-638	Miscellaneous Educational Services	294,507	387,027	191,540	750,000	400,000	(46.7)	400,000	.0
5B1	200-651	Child Nutrition Services	197,303	142,171	70,813	0	0	.0	0	.0
5H3	200-687	School Dist Solvency Assistance	1,989,988	8,742,000	22,825,412	18,000,000	18,000,000	.0	18,000,000	.0
596	200-656	Ohio Career Information System	434,660	438,323	460,208	529,761	529,761	.0	529,761	.0
TOTAL General Services Fund Group			**12,262,117**	**20,563,948**	**35,225,498**	**33,110,191**	**32,859,010**	**(.8)**	**32,990,184**	**.4**
3AF	200-603	Schools Medicaid Admin Claim	0	0	0	10,000,000	10,000,000	.0	10,000,000	.0
3AK	200-692	State Homeland Security	0	0	0	100,000	0	(100.0)	0	.0
3C5	200-661	Early Childhood Education	17,954,771	20,835,677	21,217,863	21,508,746	23,874,338	11.0	23,874,338	.0
3D1	200-664	Drug Free Schools	12,490,673	13,294,978	12,594,085	13,347,966	13,347,966	.0	13,347,966	.0
3D2	200-667	Honors Scholarship Program	1,673,000	1,570,008	1,853,985	5,991,845	5,812,903	(3.0)	5,833,965	.4
3E2	200-668	AIDS Education Project	0	0	67	0	0	.0	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
3H9	200-605	Head Start Collaboration Proj	238,056	94,073	204,990	385,000	275,000	(28.6)	275,000	.0
3L6	200-617	Federal School Lunch	169,651,990	178,548,675	186,502,818	191,898,528	204,256,132	6.4	211,583,653	3.6
3L7	200-618	Federal School Breakfast	36,523,743	38,709,804	41,538,213	44,521,254	46,382,851	4.2	48,405,608	4.4
3L8	200-619	Child/Adult Food Programs	52,840,562	57,921,272	59,570,746	65,293,830	66,590,622	2.0	67,915,843	2.0
3L9	200-621	Career-Tech Education Basic Grant	43,522,750	48,268,600	47,649,091	48,029,701	48,029,701	.0	48,029,701	.0
3M0	200-623	ESEA Title 1A	285,941,102	321,638,342	391,410,430	420,701,568	440,260,178	4.6	461,026,070	4.7
3M1	200-678	Innovative Education	13,516,812	14,054,445	14,851,925	16,094,937	11,800,000	(26.7)	11,800,000	.0
3M2	200-680	Ind with Disab Education Act	176,829,541	226,640,545	288,124,038	433,479,742	513,058,569	18.4	605,581,547	18.0
3N7	200-627	School-To-Work	1,261,383	494,652	0	0	0	.0	0	.0
3R3	200-654	Goals 2000	6,006,502	896,815	216,007	1,547	0	(100.0)	0	.0
3S2	200-641	Education Technology	17,902,804	6,664,124	18,159,398	20,469,339	20,800,000	1.6	20,800,000	.0
3T4	200-613	Public Charter Schools	15,928,769	13,605,505	15,241,842	26,187,113	13,500,000	(48.4)	13,000,000	(3.7)
3T6	200-611	Class Size Reduction	60,849,889	11,178,929	3,028,708	244,132	0	(100.0)	0	.0
3U2	200-662	Teacher Quality Enhancement Grants	814,331	351,518	1,052,893	0	795,280	.0	795,280	.0
3U3	200-665	Reading Excellence Grant Program	13,347,008	2,414,940	0	163,876	0	(100.0)	0	.0
3U6	200-675	School Food Provision 2 & 3 Grant	93,160	0	0	0	0	.0	0	.0
3X5	200-684	School Renovation/IDEA	1,702,518	12,061,228	16,743,837	0	0	.0	0	.0
3Y2	200-688	21st Century Community Learning Ctr	0	7,217,553	15,880,676	33,092,303	30,681,554	(7.3)	30,681,554	.0
3Y4	200-632	Reading First	0	165,177	23,083,588	37,719,409	31,215,798	(17.2)	31,215,798	.0
3Y5	200-634	Community Service Grants 06	0	305,458	1,515,155	44,419	0	(100.0)	0	.0
3Y6	200-635	Improving Teacher Quality	0	70,742,971	97,688,454	104,100,000	107,000,000	2.8	107,000,000	.0
3Y7	200-689	English Language Acquisition	0	2,433,854	4,855,665	7,000,000	7,500,000	7.1	8,000,000	6.7
3Y8	200-639	Rural and Low Income	0	1,129,979	1,438,327	1,700,000	1,700,000	.0	1,700,000	.0
3Z2	200-690	State Assessments	0	10,698,229	3,552,270	12,489,031	12,681,031	1.5	12,883,799	1.6
3Z3	200-645	Consolidated USDE Administration	0	0	5,492,946	9,200,000	9,200,000	.0	9,200,000	.0
309	200-601	Educationally Disadvantaged	18,449,597	18,270,274	18,222,752	22,899,001	19,658,846	(14.2)	19,658,846	.0
366	200-604	Adult Basic Education	17,432,789	20,499,344	21,039,810	22,023,820	18,500,000	(16.0)	18,500,000	.0
367	200-607	School Food Services	10,581,673	8,704,579	9,422,788	11,144,631	11,383,637	2.1	11,666,732	2.5
368	200-614	Veterans' Training	576,478	558,716	517,641	655,587	672,961	2.7	691,130	2.7
369	200-616	Career-Tech Edu Federal Enhancement	4,112,165	8,390,141	6,551,994	8,165,672	6,500,000	(20.4)	6,500,000	.0
370	200-624	Education of Exceptional Children	1,171,455	2,164,775	2,198,286	2,007,850	2,386,610	18.9	2,386,610	.0
371	200-631	Immigrant Education Opportunities	981,136	495,745	198,371	400,000	400,000	.0	400,000	.0
374	200-647	Troops to Teachers	86,095	71,746	187,796	1,200,000	400,000	(66.7)	400,000	.0
378	200-660	Math/Science Technology Investments	13,196,411	3,970,420	1,467,889	1,200,000	1,200,000	.0	1,200,000	.0
TOTAL Fed Special Revenue Fund Group			**995,677,163**	**1125,063,091**	**1333,275,344**	**1593,460,847**	**1679,863,977**	**5.4**	**1804,353,440**	**7.4**
047	200-900	Sch Dist Prop Tax Replace- Business	0	0	0	0	28,800,000	.0	220,800,000	666.7
053	200-900	Sch Dist PRop Tax Replace- Utility	99,000,108	106,853,446	108,710,848	116,647,522	116,647,522	.0	101,647,522	(12.9)
TOTAL Revenue Distribution Fund Group			**99,000,108**	**106,853,446**	**108,710,848**	**116,647,522**	**145,447,522**	**24.7**	**322,447,522**	**121.7**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Education

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4R7	200-695	Indirect Operational Support	3,525,940	4,025,064	3,918,828	5,250,400	5,382,864	2.5	5,449,748	1.2
4V7	200-633	Interagency Support	472,554	258,576	128,062	800,001	500,000	(37.5)	500,000	.0
454	200-610	Guidance & Testing	481,340	192,794	161,105	956,761	400,000	(58.2)	400,000	.0
455	200-608	Commodity Foods	9,646,991	12,777,743	17,534,994	23,624,624	24,000,000	1.6	24,000,000	.0
5BB	200-696	State Action for Educ Leadership	0	0	0	0	1,200,000	.0	1,200,000	.0
5BJ	200-626	Half-Mill Maintenance Equalization	0	0	0	0	0	.0	10,700,000	.0
5U2	200-685	National Education Statistics	0	78,619	130,098	200,000	200,000	.0	200,000	.0
5W2	200-663	Early Learning Initiative	0	0	47,411,106	108,184,000	96,580,000	(10.7)	115,456,000	19.5
598	200-659	Auxiliary Services Reimbursement	1,144,208	1,227,792	1,104,135	1,328,910	1,328,910	.0	1,328,910	.0
620	200-615	Educational Improvement Grants	486,255	855,577	778,341	1,000,000	1,000,000	.0	1,000,000	.0
TOTAL State Special Revenue Fund Group			**15,757,288**	**19,416,165**	**71,166,669**	**141,344,696**	**130,591,774**	**(7.6)**	**160,234,658**	**22.7**
017	200-612	Base Cost Funding	604,000,000	637,000,000	606,123,500	606,123,500	606,208,300	.0	606,296,800	.0
017	200-682	Lease Rental Pmts Reimbursement	29,722,100	35,722,600	31,776,500	31,776,500	31,691,700	(.3)	31,603,200	(.3)
020	200-620	Career-Tech School Building Assist	1,207,564	800,000	3,000,000	2,000,000	0	(100.0)	0	.0
TOTAL Lottery Profits/Educ Fund Group			**634,929,664**	**673,522,600**	**640,900,000**	**639,900,000**	**637,900,000**	**(.3)**	**637,900,000**	**.0**
TOTAL Department of Education			**7712,225,367**	**8092,468,995**	**8553,874,117**	**9080,643,400**	**9295,643,846**	**2.4**	**9780,602,830**	**5.2**

**** Please see the Appropriation Line Item analysis for further detail.**

Ohio Educational Telecommunications Network Commission

Role and Overview

The Ohio Educational Telecommunications Network Commission (OETNC) provides independent oversight, planning, and expertise to support Ohio's educational television, educational radio stations, radio-reading services, educational technology agencies, and other agencies of state government. However, to more efficiently use scarce state resources, the OETNC and the Ohio SchoolNet Commission will be merged and some of their responsibilities will be given to existing state agencies beginning in fiscal year 2006. In addition to reducing costly overhead, this change will allow the redesigned agency to concentrate on its core responsibility of promoting educational achievement through the use of technology. Some specialized operations will be transferred to other agencies as appropriate.

A task force will be convened and present recommendations regarding which programs should be retained by the new agency, which programs should be transferred to other existing agencies, and which programs should be discontinued. These recommendations are due to the Governor by the end of March 2005, upon which the Governor will develop a plan for the merger of these agencies. The funds available for the new agency as well as for any programs which may be transferred to another agency are to be appropriated and held within the Controlling Board's (CEB) budget. These funds are equal to the total amount of the combined budget requests of OEB and NET.

Through June of 2005, the Ohio Educational Telecommunications Network Commission will remain the policy-making body for the development and operation of the statewide educational telecommunications network. The commission will operate and maintain a high-capacity fiber optic network, a network operations center, a satellite compound, and 23 towers around the state on which state and local public safety and communications antennae reside. The commission will also provide operating and capital improvement grants to educational television and educational radio stations, radio-reading services, the Statehouse News Bureau, and the Ohio Government Telecommunications Studio.

The commission employs a staff of approximately 27, headed by an executive director, and has an annual budget of approximately $10.7 million.

LINE ITEM SUMMARY - Educational Telecommunications Network

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	374-100	Personal Services	1,519,034	1,364,245	1,297,799	1,300,000	0	(100.0)	0	.0
GRF	374-200	Maintenance	890,799	646,210	784,092	800,000	0	(100.0)	0	.0
GRF	374-300	Equipment	46,654	27,793	67,756	77,500	0	(100.0)	0	.0
GRF	374-401	Statehouse News Bureau	234,414	200,279	249,600	244,400	0	(100.0)	0	.0
GRF	374-402	Ohio Government Telecomm Studio	297,997	762,146	731,660	716,417	0	(100.0)	0	.0
GRF	374-403	Ohio SONET	0	1,999,975	1,176,687	1,768,150	0	(100.0)	0	.0
GRF	374-404	Telecom. Operating Subsidy	4,786,970	4,087,528	3,761,015	3,632,413	0	(100.0)	0	.0
TOTAL General Revenue Fund			**7,775,868**	**9,088,176**	**8,068,609**	**8,538,880**	**0**	**(100.0)**	**0**	**.0**
4F3	374-603	Affiliate Services	2,387,769	2,294,087	1,327,901	3,067,447	0	(100.0)	0	.0
4T2	374-605	Govt Television/Telecomm Oper	5,510	149,865	150,000	250,000	0	(100.0)	0	.0
TOTAL General Services Fund Group			**2,393,279**	**2,443,952**	**1,477,901**	**3,317,447**	**0**	**(100.0)**	**0**	**.0**
TOTAL Ed Telecom Network Commission			**10,169,147**	**11,532,128**	**9,546,510**	**11,856,327**	**0**	**(100.0)**	**0**	**.0**

Ohio Elections Commission

Role and Overview

The Ohio Elections Commission (ELC) oversees political party spending, campaign finance laws, and corporate political activity; and investigates and hears cases involving unlawful campaign practices and false statements.

Six of the commission's seven members are appointed by the Governor upon the recommendation of the Democratic and Republican caucuses of the Ohio legislature with the seventh being appointed by the six partisan members of the ELC. The ELC acts on campaign finance-related complaints filed by individuals, local boards of election, or the Secretary of State. The commission holds regular meetings to hear these complaints and to decide whether a violation has occurred. If so, the ELC can impose fines, refer complaints to the appropriate county prosecutor, or issue a letter of reprimand. The ELC also can issue advisory opinions and make recommendations to the Ohio General Assembly on certain areas of law, which are within the commission's jurisdiction.

The commission has a staff of three and an annual budget of approximately $630,000.

Executive Priorities for the Ohio Elections Commission

- Enforce Ohio's campaign finance, false statement, political disclaimer, and corporate electoral activity laws.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
General Revenue Fund	277	296	294	295	.4	412	39.6	412	.0
General Services Fund Group	296	308	315	322	2.2	225	(30.1)	225	.0
TOTAL	**574**	**604**	**609**	**617**	**1.3**	**637**	**3.2**	**637**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Personal Services	479	499	502	534	6.4	551	3.1	551	.0
Purchased Services	4	5	5	5	(1.3)	5	.0	5	.0
Maintenance	91	100	101	76	(24.8)	80	5.0	80	.0
Equipment	0	0	0	1	.0	0	(100.0)	0	.0
Transfer & Other	0	0	0	1	455.6	1	.0	1	.0
TOTAL	**574**	**604**	**609**	**617**	**1.3**	**637**	**3.2**	**637**	**.0**

Ohio Elections Commission

PROGRAM SERIES 01: Regulation

This program series ensures and enforces compliance with Ohio's elections law (Ohio Revised Code sections 3517.08 to 3517.13, 3517.17, 3517.18, 3517.20 to 3517.22, 3599.03) by candidates for public office. The commission hears, considers, and makes determinations regarding complaints filed by individuals or organizations and employees at the state and local levels of government.

Program 01.01: Compliance, Investigation, and Enforcement

The commission issues advisory opinions on campaign finance related subjects and hears complaints of wrongdoing filed. The majority of complaints deal with candidates, campaign committees, political action committees, or corporations that are either late in filing or fail to file the required campaign finance reports. Other cases heard and considered by the commission concern the inclusion or exclusion of disclaimers on political literature, corporate activities in the political arena, or the inclusion of allegedly false statements in campaign materials.

What the Budget Buys:

- Oversight of political party spending, campaign finance laws, and corporate political activity;
- Investigation, review and determination of 800 to 1000 cases involving unlawful campaign practices and false statements;
- Supports the development of advisory opinions by the commission that offer guidance to ensure conformity and adherence to state and federal elections laws; and
- Supports three staff member salaries and statutorily established compensation to the commission's seven members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	051-321	Operating Expenses	411,623	411,623
GSF	4P2	051-601	Ohio Elections Commission	225,000	225,000
TOTAL FOR PROGRAM				**636,623**	**636,623**

LINE ITEM SUMMARY - Elections Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	051-321	Operating Expenses	277,494	296,065	293,828	294,857	411,623	39.6	411,623	.0
TOTAL General Revenue Fund			**277,494**	**296,065**	**293,828**	**294,857**	**411,623**	**39.6**	**411,623**	**.0**
4P2	051-601	Ohio Elections Commission	296,319	308,174	314,737	321,766	225,000	(30.1)	225,000	.0
TOTAL General Services Fund Group			**296,319**	**308,174**	**314,737**	**321,766**	**225,000**	**(30.1)**	**225,000**	**.0**
TOTAL Ohio Elections Commission			**573,813**	**604,239**	**608,565**	**616,623**	**636,623**	**3.2**	**636,623**	**.0**

State Employment Relations Board

Role and Overview

The State Employment Relations Board (SERB) supervises collective bargaining practices involving employees of the state, its political subdivisions, and its local boards of education. The board acts as a neutral, quasi-judicial body in administering Ohio's collective bargaining laws; conducting representation elections; certifying exclusive bargaining representatives; monitoring and enforcing statutory dispute resolution procedures; resolving unfair labor practice charges; determining unauthorized strike claims; and providing collective bargaining data to assist parties in resolving negotiation issues.

The three-member board was created by Ohio's Public Employees' Collective Bargaining Act of 1983. The members are appointed by the Governor and serve six-year terms. A staff of 28 assists the board, which has an annual budget of approximately $3.2 million. More information regarding the State Employment Relations Board is available at http://www.serb.state.oh.us.

Executive Priorities for the State Employment Relations Board

- Promote orderly and constructive relationships between all public employers and their employees.
- Administer and enforce the provisions governing collective bargaining in public employment.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	3,292	3,149	3,088	3,170	2.7	3,265	3.0	3,363	3.0
General Services Fund Group	55	152	32	76	134.0	76	.0	76	.0
TOTAL	**3,347**	**3,301**	**3,120**	**3,246**	**4.0**	**3,341**	**2.9**	**3,439**	**2.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	2,645	2,664	2,514	2,552	1.5	2,710	6.2	2,783	2.7
Purchased Services	159	177	77	128	65.8	163	27.4	183	12.4
Maintenance	520	395	478	527	10.3	439	(16.9)	443	1.0
Equipment	22	11	49	38	(22.6)	29	(22.6)	29	.3
Transfer & Other	1	54	2	0	(100.0)	0	.0	0	.0
TOTAL	**3,347**	**3,301**	**3,120**	**3,246**	**4.0**	**3,341**	**2.9**	**3,439**	**2.9**

State Employment Relations Board

PROGRAM SERIES 01: Collective Bargaining Act Administration

This program series administers the Ohio Public Employees' Collective Bargaining Act by performing interfacing functions of investigation, adjudication, education, and dispute resolution. For example, dispute resolution functions occur throughout the investigation and, to be effective, are consistently featured in SERB's education/training efforts.

Program 01.01: Labor Disputes

This program assists parties with active labor issues by mediating contract negotiations, investigating and attempting to mediate or hear and decide alleged unfair labor practices, and processing petitions parties have filed to resolve questions concerning representation.

What the Budget Buys:

- Allows the board to reach its goals to complete cases within 150 days in the Investigations Section, to maintain an average of no more than 120 days in the Hearings Section for cases directed by the Board to hearing, and to allow no new representation case to become more than 180 days old without being submitted for placement on the Board's agenda;
- Supports mediation to intervene in contract negotiations as required by statute;
- Funds dispute prevention work to avert costly, lengthy negotiations and strikes; and
- Supports implementation of a basic system for freer access by customers to documents in the board's electronic database.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	125-321	Operating Expenses	2,769,056	2,852,129
TOTAL FOR PROGRAM				**2,769,056**	**2,852,129**

Program 01.02: Research and Training

This program provides for the avoidance of costly public sector labor disputes, by gathering, analyzing, and providing information relating to conditions of employment of public employees throughout the state. SERB fulfills statutory requirements to provide public employer and employee organizations working at all levels of government in Ohio with the information and training needed to comply with the Ohio Public Employees' Collective Bargaining Act and to negotiate collective bargaining agreements successfully.

What the Budget Buys:

- Continues the current level of staffing available to analyze public employer labor contracts for information on 103 separate employment terms and to enter those terms into an electronic database; and
- Funds implementation of a basic system for electronic submission of contracts and contract information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	125-321	Operating Expenses	496,341	511,230
GSF	572	125-603	Training and Publications	75,541	75,541
TOTAL FOR PROGRAM				**571,882**	**586,771**

LINE ITEM SUMMARY - Employment Relations Board

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	125-321	Operating Expenses	3,291,722	3,149,366	3,087,838	3,170,288	3,265,397	3.0	3,363,359	3.0
TOTAL General Revenue Fund			**3,291,722**	**3,149,366**	**3,087,838**	**3,170,288**	**3,265,397**	**3.0**	**3,363,359**	**3.0**
572	125-603	Training and Publications	55,440	151,735	32,279	75,541	75,541	.0	75,541	.0
TOTAL General Services Fund Group			**55,440**	**151,735**	**32,279**	**75,541**	**75,541**	**.0**	**75,541**	**.0**
TOTAL Employment Relations Board			**3,347,162**	**3,301,101**	**3,120,117**	**3,245,829**	**3,340,938**	**2.9**	**3,438,900**	**2.9**

Environmental Protection Agency

Role and Overview

The Environmental Protection Agency (EPA) protects human health and the environment by establishing and enforcing standards for air quality, drinking water and stream water quality, wastewater treatment, and solid, infectious and hazardous waste disposal, and provides comprehensive environmental education. These functions are carried out through: issuing permits that govern installation and operation of pollution sources; providing oversight through inspections and sampling; monitoring and reporting on environmental quality; providing environmental education and technical assistance to industry and the general public; providing assistance in pollution prevention; and taking enforcement actions against violators. Loans and grants are provided for projects that improve water quality and for some environmental infrastructure, such as sewage and drinking water treatment plants. Grants are awarded for environmental education projects.

Ohio EPA is a regulatory agency whose director is appointed by the Governor. The agency has approximately 1,350 employee positions. There also is agency staff in five district offices located throughout the state. Generally, district staff are responsible for writing initial permits, conducting on-site inspections, monitoring, collecting samples, initiating enforcement, and providing information to the regulated community and citizens. Ohio EPA has an annual operating budget of approximately $180 million. Additional information about the Ohio Environmental Protection Agency is available at http://www.epa.state.oh.us.

Executive Priorities for the Environmental Protection Agency

- Protect the environment and public health by ensuring compliance with environmental laws.
- Develop rules and policies to protect Ohio's air, water, and land resources.
- Require and issue permits to protect existing natural resources and limit pollution.
- Investigate complaints and conduct inspections to verify compliance with environmental laws.
- Enforce environmental laws through civil and criminal legal actions.
- Oversee cleanup and remediation of contaminated sites and facilities.
- Make low-interest loans to build and expand drinking water and wastewater treatment plants.
- Conduct technical reviews and provide advice for pollution control plans and equipment.
- Monitor air and water quality through sampling and laboratory analysis.
- Educate Ohio's citizens on environmental issues.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	21,615	21,826	20,218	19,797	(2.1)	5,000	(74.7)	0	(100.0)
General Services Fund Group	16,653	17,901	18,273	19,960	9.2	20,253	1.5	20,799	2.7
Fed Special Revenue Fund Group	28,388	28,945	30,494	36,692	20.3	37,502	2.2	38,283	2.1
State Special Revenue Fund Group	81,356	86,313	86,182	98,536	14.3	118,885	20.7	125,921	5.9
Clean Ohio Fund Group	0	0	42	208	397.0	208	.0	208	.0
TOTAL	**148,012**	**154,985**	**155,210**	**175,193**	**12.9**	**181,848**	**3.8**	**185,212**	**1.8**

Environmental Protection Agency

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	90,098	94,859	95,055	102,593	7.9	104,720	2.1	107,453	2.6
Purchased Services	6,488	6,370	6,615	10,547	59.4	13,089	24.1	11,824	(9.7)
Maintenance	31,676	31,588	32,384	37,383	15.4	38,682	3.5	39,395	1.8
Equipment	1,196	2,410	1,874	2,666	42.3	2,753	3.2	2,921	6.1
Subsidy	16,591	17,299	17,017	19,170	12.7	20,624	7.6	21,577	4.6
Transfer & Other	1,965	2,459	2,265	2,835	25.2	1,979	(30.2)	2,041	3.1
TOTAL	**148,012**	**154,985**	**155,210**	**175,193**	**12.9**	**181,848**	**3.8**	**185,212**	**1.8**

PROGRAM SERIES 01: Air Pollution Control

This program series supports the Division of Air Pollution Control's activities designed to attain and maintain the air quality at a level that will protect the environment. The Division of Air Pollution Control and the nine affiliated local air agencies strive to implement programs to reduce air emissions. Recommended appropriation levels for programs within this series include funding for implementation of several new federal clean air mandates.

Program 01.01: National Ambient Air Quality Standards

This program ensures that Ohio meets the National Ambient Air Quality Standards, which are established by U.S. EPA to protect public health and the environment. To meet this goal, Ohio EPA creates plans to implement the requirements of the Clean Air Act and other programs adopted by the U.S. EPA, which limit emissions of air pollution. Ohio EPA also operates an air quality monitoring network that provides the data to determine whether the standards are being achieved and whether public health and the environment is being protected.

What the Budget Buys:

- Continues improvement in ambient air quality levels and designs plans to meet more stringent eight-hour ozone and particulate matter standards;
- Implements new federal requirements for regional haze, the interstate transport rule, and transportation conformity;
- Administer grants to local air agencies; and
- Operates the NOx emission-trading program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	715-501	Local Air Pollution Control	61,583	0
GRF	GRF	719-321	Air Pollution Control	150,829	0
FED	357	715-619	Air Pollution Control-Federal	2,647,209	2,752,701
SSR	4K2	715-648	Clean Air - Non Title V	168,344	132,534
SSR	4T3	715-659	Clean Air - Title V Permit Program	3,632,544	3,830,374
SSR	5BC	715-622	Local Air Pollution Control	187,748	246,329
SSR	5BC	715-672	Air Pollution Control	1,756,185	2,314,101
SSR	592	715-627	Anti Tampering Settlement	17,203	9,707
SSR	696	715-643	Air Pollution Control Admin.	187,500	187,500
TOTAL FOR PROGRAM				**8,809,145**	**9,473,246**

Program 01.02: Air Emission Authorization and Evaluation

This program issues the following permits: permit to install, permit to operate, federally enforceable state operating permit, and Title V permit. Ohio EPA also monitors faculties to determine if they are operating in compliance with their permits.

What the Budget Buys:

- Regulates 73,000 sources of air pollution at 13,000 facilities statewide;
- Upgrades STARS computer program to assist industrial facilities;
- Implements New Source Review Reform program; and
- Issues approximately 1,000 permits to install for new industrial projects annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	715-501	Local Air Pollution Control	174,483	0
GRF	GRF	719-321	Air Pollution Control	370,554	0
FED	357	715-619	Air Pollution Control-Federal	3,831,485	3,984,172
SSR	4K2	715-648	Clean Air - Non Title V	2,703,827	2,688,762
SSR	4T3	715-659	Clean Air - Title V Permit Program	11,841,374	11,855,567
SSR	5BC	715-622	Local Air Pollution Control	520,444	697,930
SSR	5BC	715-672	Air Pollution Control	1,657,416	2,208,533
SSR	696	715-643	Air Pollution Control Admin.	502,501	502,500
TOTAL FOR PROGRAM				**21,602,084**	**21,937,464**

Program 01.03: Right To Know

This program encompasses the activities of the Right to Know Program, a Chemical Inventory Reporting program under which over 7,000 facilities file reports summarizing the locations and quantities of hazardous chemicals stored on-site. These reports are used for emergency planning activities, which Ohio EPA coordinates with the Ohio Emergency Management Agency (OEMA), the State Emergency Response Commission, and 87 Local Emergency Planning Committees (LEPCs). The fees from facilities filing reports support the emergency planning activities of the LEPCs and the administrative activities of Ohio EPA and OEMA.

What the Budget Buys:

- Supports the State Emergency Response Commission;
- Provides training and outreach to local emergency planning agencies; and
- Distributes $2.5 million in grants to local emergency planning agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	719-321	Air Pollution Control	65,744	0
SSR	5BC	715-672	Air Pollution Control	197,231	262,972
SSR	679	715-636	Emergency Planning	2,828,647	2,828,647
TOTAL FOR PROGRAM				**3,091,622**	**3,091,619**

Program 01.04: Air Toxics

This program addresses air toxic compounds, which are emissions that create a public health concern because they have the potential to cause cancer or other detrimental health problems. In the 1990 Clean Air Act Amendments, an increased emphasis was placed on air toxics, the evaluation of risk, and additional control requirements to reduce risk. Ohio EPA continues to monitor air toxics in Ohio cities, as well as respond to special requests for localized air toxic studies. Other Ohio EPA programs that assist with air toxic control include the Toxic Release Inventory Program and the Risk Management Planning Program.

What the Budget Buys:

- Identifies and characterizes air toxics through monitoring and inventory;
- Reduces air toxics through regulatory and voluntary efforts;
- Designs and manages risk management plans for unexpected releases of air pollution; and
- Implements new mercury emissions rules.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	715-501	Local Air Pollution Control	20,528	0
GRF	GRF	719-321	Air Pollution Control	35,861	0
FED	357	715-619	Air Pollution Control-Federal	487,643	507,077
SSR	4K2	715-648	Clean Air - Non Title V	362,107	356,766
SSR	4T3	715-659	Clean Air - Title V Permit Program	1,166,426	1,165,765
SSR	5BC	715-622	Local Air Pollution Control	61,583	82,110
SSR	5BC	715-672	Air Pollution Control	312,355	413,684
SSR	542	715-671	Risk Management Reporting	146,188	146,188
SSR	678	715-635	Air Toxic Release	210,621	210,622
SSR	696	715-643	Air Pollution Control Admin.	59,999	60,000
TOTAL FOR PROGRAM				**2,863,311**	**2,942,212**

Program 01.05: Mobile Sources Control

This program consists of Ohio EPA's oversight of the contractor-operated emissions inspection program, known as E-Check, for vehicles in Cleveland, Akron, Dayton, and Cincinnati. This program encourages motorists to routinely maintain the emission control equipment on their vehicles, thereby reducing the release of pollutants that lead to the formation of ground level ozone. The contract for the E-Check program expires December 31, 2005.

What the Budget Buys:

- Monitors contractors to make sure tests are properly conducted; and
- Oversees closure-related activities at program's expiration.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	602	715-626	Motor Vehicle Inspection & Maintenance	1,190,944	250,000
TOTAL FOR PROGRAM				**1,190,944**	**250,000**

PROGRAM SERIES 02: Emergency Response and Remedial Response

This program series is involved in the cleanup of Ohio's contaminated sites. The Division of Emergency and Remedial Response achieves cleanups through responding to spills, participating in the federal Superfund cleanup program, requiring responsible parties to conduct cleanups, providing a voluntary cleanup program, and providing input on Clean Ohio Fund projects.

Program 02.01: Emergency Response (ER)

This program responds 24 hours a day, seven days a week to sudden releases of hazardous materials, petroleum, radioactive materials, and other pollutants to protect human health and the environment. This program is also prepared to assist in response to biological, chemical, and radiological terrorist attacks. ER personnel staff the Emergency Operations Center when activated. Approximately 5,500 spill reports are received per year, of which approximately 1,500 result in an emergency response. ER responded to 236 reports of mercury spillage or potential exposure in fiscal year 2004 and recovered over 750 pounds of elemental mercury.

What the Budget Buys:

- Responds to sudden releases of hazardous materials;
- Operates the ER hotline which receives approximately 10,000 calls per year;
- Partners with local and state emergency management officials to minimize and prevent releases to the environment; and
- Administers radiation safety program relating to nuclear power plants including the training, drilling and equipping of the radiation assessment team.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	726-321	Corrective Actions	82,710	0
SSR	5BC	715-678	Corrective Action	244,273	330,840
SSR	500	715-608	Immediate Removal Special Acct	482,000	482,000
SSR	505	715-623	Hazardous Waste Clean-Up	2,231,353	2,231,353
TOTAL FOR PROGRAM				**3,040,336**	**3,044,193**

Program 02.02: Voluntary Action

This program provides regulatory processes and cleanup standards for volunteers to remediate contaminated sites. Typically, Ohio's brownfield sites are cleaned using this program. The program certifies the 110 certified professionals and 20 laboratories implementing the cleanups. In recent years the program has approved approximately 20-25 cleanups a year.

What the Budget Buys:

- Provides volunteers with processes and technical assistance to clean up polluted sites and return them to productive use. Since 1994, 149 cleanups have been certified;
- Certifies 20 laboratories and 110 professionals annually who provide cleanup and analysis services to program applicants; and
- Reviews voluntary clean up plans and audits 25 percent of completed projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	726-321	Corrective Actions	212,235	0
FED	3F3	715-632	Fed Supported Cleanup & Response	1,258,156	1,258,156
SSR	4R9	715-658	Voluntary Action Program	1,008,765	1,032,098
SSR	5BC	715-678	Corrective Action	640,557	848,935
TOTAL FOR PROGRAM				**3,119,713**	**3,139,189**

Program 02.03: Clean Ohio Fund

This program assists the Ohio Department of Development (ODOD) with the management of the Clean Ohio Fund. It provides technical assistance to applicants, reviews applications, and reviews completed cleanups for compliance with applicable standards. Since 2002, $79.6 million in Clean Ohio Revitalization funds has been awarded to 35 brownfield cleanup projects, totaling over 660 acres. A separate Clean Ohio Assistance Fund has provided $11.3 million for 44 public health projects including the assessment, cleanup, and redevelopment of properties around the state located in "Priority Investment Areas," as designated by ODOD.

What the Budget Buys:

- Assists Ohio Department of Development with policy development for expenditure of program funds; and
- Reviews applications and oversees implementation of projects. Since the program's inception 116 projects have been reviewed and 79 approved encompassing over 1,000 formerly unusable acres.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	715-403	Clean Ohio	185,413	0
SSR	5BC	715-617	Clean Ohio	556,233	741,646
SSR	505	715-674	Clean Ohio Environmental Review	104,500	109,725
CLF	5S1	715-607	Clean Ohio Operating	208,174	208,174
TOTAL FOR PROGRAM				**1,054,320**	**1,059,545**

Program 02.04: Remedial Response

This program requires parties responsible for pollution to clean up contaminated sites that present a threat to humans or the environment. Remedial Response oversees the clean up via orders under state law and in conjunction with U.S. EPA under federal law. Comprehensive clean up has been completed at 17 state sites and 38 federal sites. Interim actions to address immediate threats are complete at 29 additional sites. In fiscal year 2004, 77 investigation or cleanup projects were underway at another 40 sites.

What the Budget Buys:

- Evaluates approximately 10 sites contaminated with hazardous substances annually and initiates cleanup when required;
- Administers the orphan drum program, which addresses over 100 abandoned/unknown small scale incidents per year;
- Secures federal commitments to cleanup critical sites, including approximately ten removal actions that Ohio refers to U.S. EPA each year, the approximately 40 NPL (National Priorities List) sites in Ohio, and several discretionary remedial cleanups that U.S. EPA typically undertakes in Ohio each year; and
- Leverages federal funds to enhance and support Ohio's programs, including brownfield revitalization and site assessment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3F3	715-632	Fed Supported Cleanup & Response	1,334,492	1,319,492
SSR	505	715-623	Hazardous Waste Clean-Up	7,912,607	7,912,607
SSR	541	715-670	Site Specific Cleanup	33,000	34,650
SSR	644	715-631	ER Radiological Safety	286,114	286,114
TOTAL FOR PROGRAM				**9,566,213**	**9,552,863**

Program 02.05: Federal Facilities Oversight

This program provides oversight to the investigation, clean up, and reuse of Department of Energy (DOE) and Department of Defense (DOD) sites in Ohio. Components of this program include: technical oversight; working with the DOE, DOD, and U.S. EPA; active environmental monitoring; accelerating the cleanup process; public involvement; and cleanup levels based on future land use. Federal cleanup sites will receive proper oversight and monitoring to ensure that they are safe for specific future use. The program is 100 percent federally funded. The public is involved in the decision-making process, which increases the likelihood of effective implementation of the activities.

What the Budget Buys:

- Oversees investigation, cleanup, and reuse of federal Department of Energy (DOE) and Department of Defense sites.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3K4	715-634	DOD Monitoring and Oversight	1,450,333	1,450,333
FED	3N4	715-657	DOE Monitoring and Oversight	3,181,736	3,231,963
TOTAL FOR PROGRAM				**4,632,069**	**4,682,296**

Program 02.06: Special Investigations

This program investigates potential criminal violations of environmental laws and regulations. Members of the Office of Special Investigation (OSI) serve on Ohio EPA's Weapons of Mass Destruction Evidence Response Team. OSI is one of the top environmental criminal investigative programs in the nation, developing hundreds of cases resulting in over 250 convictions. Typical violations investigated include: burying solid/hazardous wastes; illegal disposal of waste; illegal bypassing of wastewater treatment systems; open burning; illegal hazardous waste abandonment; and falsification of wastewater and drinking water documents.

What the Budget Buys:

- Investigates and prosecutes criminal violators of environmental laws and regulations, resulting in approximately 20 to 25 prosecutions per year; and
- Participates in weapons of mass destruction evidence response team (ERT), which trains with federal, state and local first responders and is prepared to respond to a terrorist incident throughout Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3F3	715-632	Fed Supported Cleanup & Response	200,000	200,000
SSR	505	715-623	Hazardous Waste Clean-Up	1,339,028	1,339,028
TOTAL FOR PROGRAM				**1,539,028**	**1,539,028**

PROGRAM SERIES 03: Hazardous Waste Management

This program series implements Ohio's delegated hazardous waste management regulatory program under the authority of Subtitle C of the federal Resource Conservation and Recovery Act of 1976 (RCRA) and Chapter 3734 of the Ohio Revised Code. The program series also implements the Cessation of Regulated Operations (CRO) program, a state regulatory program.

Program 03.01: Hazardous Waste Management

This program regulates facilities that generate, transport, treat, store, or dispose of hazardous waste. Activities include compliance inspections, technical assistance, permitting, and responding to 400-800 complaints annually. There are over 450 facilities that are subject to RCRA corrective action requirements, 85 of which are high environmental priorities.

What the Budget Buys:

- Administers regulatory program for facilities that generate, transport, treat, store and dispose of hazardous wastes, consisting of 44 treatment, storage and disposal facilities, 1,300 large quantity generators, 11,000 small quantity generators, and 25,000 conditionally exempt small quantity generators;
- Provides technical assistance and outreach to the regulated community on compliance and pollution prevention; and
- Oversees post closure activities at Cozart Landfill.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	354	715-614	Hazardous Waste Management-Federal	4,203,891	4,203,891
SSR	4P5	715-654	Cozart Landfill	149,728	149,728
SSR	503	715-621	Hazardous Waste Facility Management	11,270,231	11,711,473
TOTAL FOR PROGRAM				**15,623,850**	**16,065,092**

Program 03.02: Cessation of Regulated Operations

This program prevents threats to human health and the environment that may be created when businesses close or are abandoned where hazardous substances were produced, used, stored, or otherwise handled. The program ensures that an individual associated with the facility that is closing properly removes hazardous substances from the site and manages it in a safe manner, thus avoiding spills, releases, or exposures. The program, on average, conducts 55 inspections per year, processes certifications and extension requests, and responds to requests for information and guidance. Enforcement actions are taken when necessary.

What the Budget Buys:

- Ensures that companies responsibly handle and remove hazardous substances upon closure through providing compliance assistance, oversight, and conducting inspections and enforcement activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	723-321	Hazardous Waste	25,212	0
SSR	5BC	715-675	Hazardous Waste	75,635	100,847
TOTAL FOR PROGRAM				**100,847**	**100,847**

PROGRAM SERIES 04: Solid and Infectious Waste

This program series administers the following regulatory programs: solid waste landfills, transfer facilities, incinerators and composting facilities; infectious waste transporters, generators, and treatment facilities; scrap tire transporters, landfills, storage facilities, processing facilities, and recovery facilities; and construction and demolition debris landfills.

Environmental Protection Agency

Program 04.01: Solid Waste Management

This program ensures proper management of approximately 33 million tons of solid waste generated annually in Ohio, of which nearly 14 million tons are recycled/reused each year. This program involves oversight of 54 operating landfills, 57 transfer facilities, and 593 composting facilities. All facilities are required to be permitted, licensed, and/or registered, depending on the type of facility. Ohio EPA shares compliance, monitoring, and enforcement authority with local health districts. Ohio EPA provides technical assistance to approved health districts and performs annual surveys to ensure programs are in compliance.

What the Budget Buys:

- Reviews and approves facility permits, licenses, and registrations;
- Performs inspections of different types of solid waste facilities such as landfills, incinerators, transfer stations, and compost facilities;
- Updates the State Solid Waste Plan;
- Reviews local solid waste management district plans; and
- Provides reviews and oversight of the implementation of approved local plans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4K3	715-649	Solid Waste	12,997,740	13,347,481
TOTAL FOR PROGRAM				**12,997,740**	**13,347,481**

Program 04.02: Infectious Waste Management

This program regulates the generation, treatment, packaging, storage, transportation, and disposal of infectious waste from over 2,934 generators, 70 transporters, and 80 treatment facilities. Specific activities include processing of registrations, reviewing requests for approval of infectious waste alternative treatment technologies, and providing technical assistance to regulated entities. Ohio EPA shares compliance, monitoring, and enforcement authority, and a portion of license and registration fees, with local health districts. Ohio EPA also provides technical assistance to approved health districts and performs annual surveys to ensure programs are in compliance.

What the Budget Buys:

- Minimizes potential transmission of infectious diseases by limiting exposure to and providing labeling of infectious wastes;
- Oversees 70 transporters and 80 facilities that manage and treat waste from nearly 3,000 generators;
- Performs inspections and complaint investigations;
- Reviews and issues permits, registrations, and certifications; and
- Reviews alternative treatment technologies to render waste non-infectious.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4K3	715-649	Solid Waste	312,264	394,976
SSR	660	715-629	Infectious Waste Management	160,000	100,000
TOTAL FOR PROGRAM				**472,264**	**494,976**

Program 04.03: Construction and Demolition Debris Management

This program regulates the disposal of construction and demolition debris (C&DD) and provides oversight and technical assistance to over 70 C&DD landfills. All landfills are required to be licensed. Local health districts also may be approved to administer the C&DD program within their jurisdictions. Ohio EPA provides ongoing technical assistance to approved health districts and performs annual surveys to ensure programs are in compliance.

What the Budget Buys:

- Licenses facilities that accept construction and demolition debris to deter hazards associated with roadside dumping of debris; and
- Oversees 70 C&DD landfills, which accept 14 million cubic yards of debris annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4K3	715-649	Solid Waste	143,129	198,382
SSR	4U7	715-660	Construction & Demolition Debris	586,797	582,305
TOTAL FOR PROGRAM				**729,926**	**780,687**

Program 04.04: Scrap Tire Management

This program provides oversight and technical assistance to 32 scrap tire facilities, seven mobile recovery facilities, and 71 transporters. While scrap tires are considered solid waste, additional requirements exist. All facilities are required to be permitted, licensed, and/or registered, depending on the type of facility. Transporters are also required to be registered. Ohio EPA also oversees contracts for cleanup of illegal tire dumps through its scrap tire abatement program and seeks cost recovery whenever possible from the person(s) responsible for causing or allowing the tire accumulations to occur.

What the Budget Buys:

- Regulates proper disposal of scrap tires through oversight of 32 scrap tire facilities and 71 transporters;
- Oversees cost-effective management of scrap tire abatement projects;
- Reviews facility permits, licenses, and registrations;
- Performs inspections of scrap tire collections, storage, recovery, and monofill facilities as well as scrap tire transporters;
- Enforces Ohio Revised Code regulations at illegal dumps; and
- Transfers $1 million annually to the Department of Natural Resources for the Market Development Grant Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4R5	715-656	Scrap Tire Management	6,000,000	6,000,000
TOTAL FOR PROGRAM				**6,000,000**	**6,000,000**

PROGRAM SERIES 05: Drinking and Ground Water Protection

This program series protects human health and the environment by characterizing and protecting ground water quality and ensuring Ohio's public water systems provide adequate supplies of safe drinking water.

Program 05.01: Public Drinking Water Supply Supervision

This program ensures that Ohio's public water systems comply with all federal and state drinking water laws and provide adequate supplies of safe drinking water. There are approximately 5,800 public water systems in Ohio including about 1,350 community public water systems serving cities, villages, rural communities, and mobile home parks; 1,100 non-transient non-community systems such as schools and factories; and 3,350 transient non-community systems such as restaurants, campgrounds, and churches. The federal Safe Drinking Water Act (SDWA) of 1974 as amended in 1986 and 1996 establishes requirements for states and public water systems.

What the Budget Buys:

- Oversees 5,800 public water systems to ensure they comply with state and federal safe drinking water laws and provide safe drinking water;
- Reviews and processes over 100,000 sample submission reports to ensure compliance with chemical and bacteriological standards;
- Conducts over 2,200 inspections of public water systems annually to provide technical assistance and ensure compliance with design, operation, and maintenance requirements; and
- Ensures that all Ohio community water systems have contingency plans for provision of safe drinking water under a variety of emergency conditions, provides technical assistance, and offers up to $25,000 in zero interest loans to address emergencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	721-321	Drinking Water	555,170	0
FED	353	715-612	Public Water Supply	2,625,854	2,625,854
SSR	4K5	715-651	Drinking Water Protection	4,547,109	4,758,494
SSR	5BC	715-673	Drinking Water	1,665,499	2,220,675
TOTAL FOR PROGRAM				**9,393,632**	**9,605,023**

Program 05.02: Public Drinking Water Systems Plan Review

This program supports the review and approval of engineering plans and new technologies for Ohio's public water systems to ensure systems are designed and constructed to provide adequate quantities of safe drinking water. The program staff annually reviews approximately 1,600 sets of engineering plans. This number is anticipated to increase as public water systems need to make improvements to meet new treatment and water quality requirements resulting from the 1996 amendments to the federal SDWA and subsequent state rules. All of Ohio's 5,800 public water systems are required to meet plan approval requirements.

What the Budget Buys:

- Reviews and approves engineering plans for new public water systems and upgrades to existing systems, totaling 1,600 plans annually;
- Reviews and approves new and innovative treatment technologies not previously approved in Ohio and approves higher production rates for existing technologies, saving public water systems hundreds of millions of dollars; and
- Protects public drinking water from contamination resulting from cross-connections with sewage, industrial fluids, or lower quality water.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	721-321	Drinking Water	40,002	0
SSR	4K5	715-651	Drinking Water Protection	1,408,229	1,463,683
SSR	5BC	715-673	Drinking Water	120,005	160,006
TOTAL FOR PROGRAM				**1,568,236**	**1,623,689**

Program 05.03: Drinking and Wastewater Operator Certification

This program administers Ohio's public drinking water and wastewater Operator Certification Program. The federal SDWA requires U.S. EPA to issue guidelines specifying minimum standards for the certification (and re-certification) of the operators of drinking water or wastewater systems. This program ensures that operators of public drinking water systems or wastewater facilities are familiar with federal and state drinking water requirements and know how to properly operate the plants.

What the Budget Buys:

- Ensures Ohio's public water systems and wastewater treatment facilities are operated by properly trained and certified individuals;
- Certifies 10,000 operators of public drinking water and wastewater systems (4,842 drinking water operators and 5,240 wastewater operators);
- Processes applications and administers multiple exams for 1,500 prospective operators; and
- Reviews and approves 1,600 training courses for continuing education credit.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	721-321	Drinking Water	11,268	0
FED	353	715-612	Public Water Supply	759,105	762,765
SSR	4K5	715-651	Drinking Water Protection	422,185	435,872
SSR	5BC	715-673	Drinking Water	33,802	45,066
TOTAL FOR PROGRAM				**1,226,360**	**1,243,703**

Program 05.04: Public Drinking Water Laboratory Certification

This program ensures that the laboratories testing public drinking water have trained analysts, correct equipment, and use proper analytical methods. Proper analysis of drinking water ensures that public water systems meet treatment and water quality standards. Ohio's drinking water laboratories rely on Ohio certification to meet state and federal requirements. The goal is to improve the performance and data quality of laboratories providing services to public water systems through improved compliance reviews and inspections, reviewing quality assurance plans, education, and enforcement.

What the Budget Buys:

- Cooperates with the Division of Environmental Services to certify and provide oversight of laboratories and analysts conducting analyses of public drinking water.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	721-321	Drinking Water	31,126	0
SSR	4K5	715-651	Drinking Water Protection	634,931	641,127
SSR	5BC	715-673	Drinking Water	93,378	124,503
TOTAL FOR PROGRAM				**759,435**	**765,630**

Program 05.05: Ground Water Characterization and Protection

This program supports efforts to characterize and protect the quality of Ohio's ground water resources. The federal Clean Water Act requires states to determine and report on the status of the quality of water resources and to identify the waters that are not meeting their intended environmental or public health use. The Ohio Revised Code requires Ohio EPA to collect, study, and interpret all available information, statistics, and data pertaining to the ground water and surface water in coordination with other state agencies.

What the Budget Buys:

- Collects, compiles, and analyzes data to characterize ground water quality conditions in Ohio and identify causes and effects of ground water contamination;
- Collects ground water quality samples from 206 wells statewide to define background water quality conditions in Ohio's major aquifers;
- Reviews hydrogeologic and ground water monitoring reports relative to the siting, operation, closure, and remediation of Ohio's regulated waste treatment, storage, and disposal facilities to ensure they are not impacting ground water; and
- Reviews approximately 3,000 documents annually from waste handling facilities to ensure compliance with ground water related regulatory compliance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	718-321	Groundwater	263,686	0
FED	3K2	715-628	Clean Water Act 106	642,253	642,253
SSR	5BC	715-667	Groundwater	791,052	1,054,741
SSR	5H4	715-664	Groundwater Support	2,325,922	2,408,871
TOTAL FOR PROGRAM				**4,022,913**	**4,105,865**

Program 05.06: Underground Injection Control

This program regulates Class I, IV and V underground injection control wells. Ohio EPA is required to adopt and enforce rules governing the injection of sewage, industrial waste, hazardous waste, and other waste into wells. Class I wells are strictly regulated to prevent migration of injected fluids into an underground source of drinking water. There are 12 active permitted Class I wells located at four facilities. Over 15,000 Class V wells have been inventoried. Another 20,000 to 30,000 Class V wells are estimated to exist. They are typically shallow disposal systems that place a variety of non-hazardous fluids below the ground surface into or above an underground source of drinking water. All Class IV wells are prohibited as they inject hazardous materials into or above an underground source of drinking water.

What the Budget Buys:

- Issues permits, conducts field inspections, witnesses tests, reviews operating and monitoring reports, and tracks compliance of Ohio's 12 Class I deep underground injection wells for the disposal of hazardous and non-hazardous fluids;
- Conducts inspections and maintains information on 15,000 Class V shallow underground injection wells used to dispose of a variety of non-hazardous fluids into or above underground sources of drinking water; and
- Investigates complaints concerning Class IV wells and takes appropriate actions to close these wells if they are discovered.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	718-321	Groundwater	9,751	0
FED	362	715-605	Underground Injection Control-Federal	111,874	111,874
SSR	4J0	715-638	Underground Injection Control	438,285	458,418
SSR	5BC	715-667	Groundwater	29,252	39,000
TOTAL FOR PROGRAM				**589,162**	**609,292**

Program 05.07: Drinking Water Source Protection

This program supports efforts for the implementation of Ohio's Source Water Assessment and Protection and Wellhead Protection Programs. To ensure the long-term availability of adequate supplies of safe drinking water, the Safe Drinking Water Act requires the adoption of a Source Water Assessment and Protection program. Ohio EPA must complete source water assessments of all 5,800 public water systems, which provide drinking water to homes, businesses, schools, and industry using both surface water and ground water sources. Keeping contaminants out of the source water lowers the cost of the water treatment and the cost of water to the consumer.

What the Budget Buys:

- Completes assessments of the source water for all 5,800 public water systems to determine the susceptibility of the source water to contamination;
- Assists all public water systems in taking actions to prevent contamination and protect source waters for current and future users; and
- Works with other regulatory programs to promote preferential recognition of source water protection areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	3T3	715-669	Drinking Water State Revolving Fund	1,344,655	1,384,947
SSR	4K5	715-651	Drinking Water Protection	190,447	192,859
TOTAL FOR PROGRAM				**1,535,102**	**1,577,806**

Program 05.08: Drinking Water Assistance Fund

This program supports Ohio EPA's efforts to administer the Water Supply Revolving Loan Account. The 1996 amendments to the federal SDWA established a Drinking Water State Revolving Loan program to provide below-market rate loans for the planning, design, and construction of new or improved community and nonprofit non-community public water systems to provide safe water to their customers. In fiscal year 2004, this program issued 17 loans totaling $78.7 million. Ten of these loans were issued to small systems serving a population of fewer than 10,000. Between 1998 and 2003, the program issued 99 loans for over $268.5 million.

What the Budget Buys:

- Administers the Water Supply Revolving Loan Account providing below market interest rate loans for the planning, design, and construction of new public water systems; and
- Provides below-market interest rate loans for improvements to eligible existing public water systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	3T3	715-669	Drinking Water SRF	1,066,959	1,097,963
TOTAL FOR PROGRAM				**1,066,959**	**1,097,963**

PROGRAM SERIES 06: Surface Water Programs

This program series provides monitoring and assessment of Ohio's surface waters, regulation of 3,000 wastewater treatment facilities, and incentive-based pollution control measures that focus on restoration and protection of surface waters. Activities include restoring impaired streams, protecting Lake Erie, and regulating wetlands and the discharge of storm water.

Environmental Protection Agency

Program 06.01: Water Quality

This program includes the following major elements: codifying water quality standards into Ohio rules and regulations; monitoring and assessing the condition of Ohio's surface waters; Total Maximum Daily Load development (TMDLs are a stakeholder-involved process and data analysis for watershed restoration plans); field response and investigation of pollution spills; and complaints about surface water quality. More than two-thirds of Ohio's watersheds are listed as impaired and about 15 to 20 TMDLs are being developed annually.

What the Budget Buys:

- Establishes water quality standards, monitors, and assesses the condition of Ohio's surface waters, and prepares total maximum daily load (TMDL) analyses to determine appropriate measures to eliminate impairment;
- Issues Sport Fish Consumption Advisories;
- Prepares technical development and updates of annual State Water Quality Management Plan; and
- Investigates and responds to pollution spills and other complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	722,800	0
FED	3F4	715-633	Water Quality Management	710,000	710,000
FED	3F5	715-641	Nonpoint Source Pollution Management	719,999	880,000
FED	3K2	715-628	Clean Water Act 106	1,830,000	1,830,000
SSR	4K4	715-650	Surface Water Protection	866,987	1,216,809
SSR	5BC	715-624	Surface Water	2,002,682	2,587,436
SSR	699	715-644	Water Pollution Control Administration	654,246	654,248
TOTAL FOR PROGRAM				**7,506,714**	**7,878,493**

Program 06.02: Nonpoint Source Pollution Control

This program supports clean water through the administration of a federally funded grant program to fund incentive-based pollution control efforts for land management techniques that prevent unregulated polluted runoff from reaching streams. Ohio receives over $7 million in federal Section 319 funding annually. Approximately $5.3 million is passed through to local and state agencies, universities, and watershed groups resulting in 80 to 100 multi-year projects active at any given time. This program also conducts analyses of nonpoint source loadings to watersheds and coordinates resources for watershed planning and restoration.

What the Budget Buys:

- Awards and distributes $5.3 million annually to local and state agencies, universities, and environmental groups for nonpoint source pollution control management plans;
- Conducts site visits to provide technical and fiscal assistance; and
- Conducts outreach workshops to communities and subgrantees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	155,089	0
FED	3F5	715-641	Nonpoint Source Pollution Management	7,095,001	6,930,000
SSR	4K4	715-650	Surface Water Protection	105,425	133,832
SSR	5BC	715-624	Surface Water	422,935	929,418
SSR	699	715-644	Water Pollution Control Administration	6,126	6,125
TOTAL FOR PROGRAM				**7,784,576**	**7,999,375**

Program 06.03: Storm Water Pollution Prevention

This program regulates the discharge of storm water into Ohio streams through permitting, compliance, enforcement, and technical assistance at over 16,000 sites. Discharges are controlled through the implementation of land management and treatment practices from municipalities, construction activities, and certain industrial facilities. This program is implemented under a two-phase approach. Phase I requires storm water permits for the larger municipalities and construction sites. Phase II extends regulatory requirements to smaller urban areas and construction sites.

What the Budget Buys:

- Minimizes introduction of pollutants into storm water discharges that enter surface waters; and
- Issues and enforces 3,000 permits, reviews 200 prevention plans and 43 municipal storm sewer management plans, and reviews 57 municipal storm water management annual reports.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	62,177	0
FED	3J1	715-620	Urban Stormwater	6,000	15,000
FED	3K2	715-628	Clean Water Act 106	0	135,000
SSR	4K4	715-650	Surface Water Protection	1,381,638	1,290,586
SSR	5BC	715-624	Surface Water	186,529	250,384
SSR	699	715-644	Water Pollution Control Administration	9,500	9,500
TOTAL FOR PROGRAM				**1,645,844**	**1,700,470**

Program 06.04: National Pollutant Discharge Elimination System (NPDES)

This program establishes discharge limits for over 3,000 wastewater treatment facilities. In addition to the technical review and drafting of the NPDES permits, this program includes compliance and enforcement functions to address and prevent unauthorized discharges and permit violations. Program staff members also perform inspections and computer tracking of permitees and their compliance, and provide technical assistance to small communities to improve operations and avoid enforcement. The program also regulates the disposal of sewage sludge generated from the treatment of municipal wastewater and the beneficial use of other waste materials.

What the Budget Buys:

- Seeks to meet water quality goals through permit control to point sources of pollution;
- Issues permits for 293 major facilities and 2,700 minor facilities;
- Implements sewage sludge program, including amount and location of sludge applied; and
- Conducts inspections to ensure appropriate operation of wastewater treatment facilities and initiates appropriate enforcement actions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	567,748	0
FED	3J1	715-620	Urban Stormwater	700,000	695,000
FED	3K2	715-628	Clean Water Act 106	1,840,000	2,005,001
SSR	4K4	715-650	Surface Water Protection	4,561,552	4,810,274
SSR	5BC	715-624	Surface Water	1,703,241	2,260,334
SSR	699	715-644	Water Pollution Control Admin.	43,123	43,125
TOTAL FOR PROGRAM				**9,415,664**	**9,813,734**

Program 06.05: Section 401 Certification/Wetlands Permitting

This program regulates activities in wetlands and streams at approximately 125 sites. These activities include dredging, relocating streams, and filling of wetlands. These waters include those that fall under the jurisdiction of the Clean Water Act and are regulated through Section 401 water quality certifications, as well as those wetlands that are isolated from waters of the U.S. and are regulated through the State of Ohio Isolated Wetland Permits. The 401/Wetlands program also includes the development of technical field methods to assess wetland quality and potential impacts.

What the Budget Buys:

- Minimizes impacts of development on wetlands and other waters through regulatory activities;
- Issues 200 permits annually; and
- Develops technical field methods to assess wetland quality and potential impacts to facilitate permit functions and support program goals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	129,087	0
FED	352	715-611	Wastewater Pollution	525,000	530,000
SSR	4K4	715-650	Surface Water Protection	706,831	708,469
SSR	5BC	715-624	Surface Water	387,259	562,146
SSR	5N2	715-613	Dredge and Fill	30,000	30,000
SSR	699	715-644	Water Pollution Control Admin.	7,500	7,499
TOTAL FOR PROGRAM				**1,785,677**	**1,838,114**

Program 06.06: Lake Erie Restoration and Resource Management

This program implements the requirements of the bi-national Great Lakes Water Quality Agreement and the Great Lakes Critical Programs Act, an amendment to the Clean Water Act. Technical and coordination expertise is provided to federal, state, and local partners on Lake Erie water quality protection efforts and restoration for near shore areas of significant environmental impairment. The program also works with the public and private sectors on a bi-national lakewide management plan for Lake Erie. State of Ohio priorities for Lake Erie are addressed through support to the Lake Erie Commission and the Lake Erie Protection & Restoration Plan.

What the Budget Buys:

- Protects and restores the areas of concern for the Maumee, Black, Cuyahoga, and Ashtabula rivers as well as the Lake Erie watershed;
- Coordinates remedial dredging on the Ashtabula River to begin in 2005; and
- Provides technical and coordination expertise to federal, state, and local partners on Lake Erie water quality protection efforts and restoration for near shore areas of significant environmental impairment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	34,545	0
FED	3K6	715-639	Remedial Action Plan	320,000	319,000
SSR	4K4	715-650	Surface Water Protection	41,245	51,838
SSR	5BC	715-624	Surface Water	210,376	144,345
SSR	699	715-644	Water Pollution Control Admin.	6,129	6,128
TOTAL FOR PROGRAM				**612,295**	**521,311**

Program 06.07: Wastewater Construction Plan Approvals

This program implements the Permit to Install (PTI) and Animal Feeding Operation requirements for the construction of wastewater treatment and disposal systems for municipalities, industries, and commercial operations (includes sewer extensions, treatment plants, pump stations, and storage tanks). Over 2,400 PTIs are issued annually. Animal feeding operations are required to obtain discharge permits if they are of a certain size or they have discharges to surface waters. Ohio EPA oversees the water quality issues related to all animal-feeding operations, while the Ohio Department of Agriculture regulates construction and operational issues.

What the Budget Buys:

- Reviews permits to install for proposed wastewater treatment and disposal systems and minimize impacts;
- Conducts inspections, fieldwork, permitting and enforcement related to Animal Feeding Operations; and
- Provides technical assistance to new industries and developments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	717-321	Surface Water	553,237	0
SSR	4K4	715-650	Surface Water Protection	2,516,322	2,748,192
SSR	5BC	715-624	Surface Water	1,659,708	2,063,350
SSR	699	715-644	Water Pollution Control Admin.	23,376	23,375
TOTAL FOR PROGRAM				**4,752,643**	**4,834,917**

Program 06.08: Analytical Laboratory Services

This program provides analyses of over 8,500 samples in various matrices, including surface, drinking and ground waters; wastewater effluents; sediment, soil and sludge; manure; air filters and canisters; and fish, plant, and turtle tissue. These samples, from site-specific monitoring conducted by Ohio EPA field staff, are analyzed for toxic pollutants such as metals, nutrients, and organic compounds. The laboratory also conducts microbiological testing and toxicity studies of wastewater effluents or sediments. The analytical data are used to identify and quantify specific sources of pollution.

What the Budget Buys:

- Provides laboratory services primarily to divisions within Ohio EPA, and limited services to other public entities; and
- Provides capacity to analyze 8,800 samples and conduct 144,000 inorganic tests and 2,900 organic tests annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-321	Laboratory	259,859	0
GSF	199	715-602	Laboratory Services	398,500	398,500
FED	3K2	715-628	Clean Water Act 106	411,592	411,592
SSR	4K4	715-650	Surface Water Protection	1,426,000	1,460,000
SSR	5BC	715-677	Laboratory	779,567	1,040,293
TOTAL FOR PROGRAM				**3,275,518**	**3,310,385**

Program 06.09: Laboratory Certification and Assistance

This program includes drinking water and Voluntary Action Program (VAP) laboratory certification, performance audit inspections of wastewater laboratories, and training and technical assistance provided within and outside Ohio EPA. To ensure the safety of water from public water systems, drinking water laboratories are inspected and certified as having proper equipment, adequate facilities, and trained staff that use analytical techniques. Approximately 450 inspections are performed annually. This program also coordinates U.S. EPA's proficiency testing program for wastewater laboratories and responds to 5,500 annual requests for assistance.

What the Budget Buys:

- Certifies 350 laboratories statewide to perform drinking water testing;
- Inspects and recommends laboratories for certification under the Voluntary Action Program (currently 21 labs participate);
- Responds to 1,500 drinking water technical questions, and 1,800 non-drinking water and VAP questions annually; and
- Coordinates U.S. EPA's Discharge Monitoring Report-Quality Assurance proficiency testing program for wastewater laboratories in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-321	Laboratory	44,227	0
GSF	199	715-602	Laboratory Services	679,848	685,074
SSR	5BC	715-677	Laboratory	132,680	176,040
TOTAL FOR PROGRAM				**856,755**	**861,114**

PROGRAM SERIES 07: Environmental Education

This program series administers the Ohio Environmental Education Fund (OEEF), using half of the air and water pollution penalties collected by Ohio EPA to provide approximately $1 million in grants each year for environmental education projects. This program targets pre-school to university students and teachers, the general public, and the regulated community, including small businesses.

Program 07.01: Environmental Education

This program provides 18 to 20 large grants (up to $50,000 each) and 20 to 25 smaller grants (up to $5,000 each) annually to applicants across Ohio using penalties collected in the Divisions of Air Pollution Control and Surface Water as the source of funding. OEEF provides $50,000 annually for 18 scholarships to environmental science and engineering students at Ohio universities. Other grants support programs to interest school-age students in careers in environmental science and engineering; watershed awareness and water quality monitoring efforts by students and adults; and educational seminars to help small businesses, farmers, and others to understand Ohio's environmental regulations.

What the Budget Buys:

- Provides up to $1 million in grants annually for science-based education programs to increase regulatory compliance and help Ohio students and the general public understand technical aspects of environmental issues; and
- Provides outreach to schools, the general public and regulated community about environmental subjects, including grant writing workshops, presentations, and published articles.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	6A1	715-645	Environmental Education	1,500,000	1,500,000
TOTAL FOR PROGRAM				**1,500,000**	**1,500,000**

PROGRAM SERIES 08: Pollution Prevention and Compliance Assistance

This program series provides assistance to businesses to help them comply with environmental regulations to reduce pollution through source reduction and recycling. Each year the program series helps businesses reduce costs and their impact on Ohio's environment by reducing the amount of waste they generate.

Program 08.01: Pollution Prevention

This program assists Ohio businesses and provides free and confidential technical assistance to small businesses in order to increase understanding and compliance with various environmental regulations. Activities include providing information about regulations and permit requirements, performing site visits to help Ohio companies implement pollution prevention projects, conducting on-site audits upon request, publishing educational newsletters online, and assisting with completion of permit applications. In addition, the program works to integrate pollution prevention concepts into Ohio EPA's other environmental programs.

What the Budget Buys:

- Develops and implements pollution prevention initiatives that effectively reduce pollutants in Ohio through source reduction and environmentally sound recycling;
- Provides technical assistance to businesses, government, and others regarding pollution prevention and the permitting process; and
- Assists Ohio businesses to become more competitive, reduce operating and waste disposal costs, and avoid future liability associated with site cleanup.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	724-321	Pollution Prevention	175,076	0
SSR	4K3	715-649	Solid Waste	347,244	342,006
SSR	4T3	715-659	Clean Air - Title V Permit Program	320,029	329,274
SSR	5BC	715-676	Assistance and Prevention	525,226	700,302
TOTAL FOR PROGRAM				**1,367,575**	**1,371,582**

PROGRAM SERIES 09: Environmental and Financial Assistance

This program series delivers technical and financial assistance to Ohio communities for local water supply and water quality projects through two revolving loan funds. The division assists applicants in the development of the technical content of their projects and in the preparation of their loan application materials.

Program 09.01: Water Pollution Control Loan Fund

This program has awarded over $3.0 billion of below-market interest rate loans for publicly-owned wastewater treatment improvements and for nonpoint source pollution control since 1989. The loan fund assists through direct loans with the planning, design, and construction of public wastewater treatment system improvements, remediation of brownfields sites, and capping and closure of landfills. It also provides linked deposits to participating banks so they may offer reduced interest rates for the implementation of agricultural management practices that will reduce nonpoint source water pollution or eliminate failing septic systems.

What the Budget Buys:

- Provides below market interest rate loans for publicly-owned wastewater treatment improvements.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3F2	715-630	Revolving Loan Fund-Operating	152,021	293,129
SSR	676	715-642	Water Pollution Control Loan Administration	4,552,125	4,539,625
TOTAL FOR PROGRAM				**4,704,146**	**4,832,754**

Program 09.02: Water Supply Revolving Loan Account

This program provides below-market interest rate loans to Ohio municipalities and other owners of community water supply systems to prevent public health risks and to meet the requirements of the Safe Drinking Water Act. Changes in drinking water standards will reduce the allowable levels of certain substances, such as arsenic. Public water systems will be required to add treatment capability in order to meet the new standards. The availability of incentive financing will encourage the owners of public water systems to construct the necessary improvements. During state fiscal year 2004, this program provided $78.2 million in loan assistance and in fiscal year 2005, this program will make available up to $128 million in loans.

What the Budget Buys:

- Provides below market interest rate loans to municipalities and other owners of community water supply systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	676	715-642	Water Pollution Control Loan Administration	335,000	345,000
TOTAL FOR PROGRAM				**335,000**	**345,000**

Program 09.03: Ohio Power Siting Board Reviews

This program enables the Division of Environmental and Financial Assistance to perform environmental impact assessments of applications received by the Ohio Power Siting Board (OPSB), and to coordinate comments on OPSB applications from Ohio EPA. Under the ORC, the chairman of OPSB may request assistance from Ohio EPA to conduct studies, investigate applications, and prepare reports. This ensures that all relevant environmental factors are taken into account in the board's review of the applications, and that project modifications are recommended that either will reduce or avoid environmental impacts. Approximately 45 applications per year are reviewed under this program. Costs are reimbursed by the Ohio Power Siting Board.

What the Budget Buys:

- Performs 45 environmental impact assessments of major power utility infrastructure construction annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	676	715-642	Water Pollution Control Loan Administration	77,500	80,000
TOTAL FOR PROGRAM				**77,500**	**80,000**

PROGRAM SERIES 10: Program Management

This program series includes five district and eight central support offices that provide services to external stakeholders and the agency's environmental programs. Program management establishes and coordinates the strategic direction of the agency and provides centralized and regional infrastructure for the agency's efforts to protect the environment and public health.

Program 10.01: Program Management

This program includes the Director's Office, which manages all agency programs and provides direct services including coordination of enforcement efforts and liaison activities with the legislature, industry, and government. The district offices provide facilities, equipment, and local program coordination for all of Ohio EPA's environmental programs. Central support provides information technology database and network administration; public information including coordination of approximately 100 public meetings each year; fiscal administration; personnel, labor, and equal employment opportunity services; legal assistance; and facility management.

Environmental Protection Agency

What the Budget Buys:

- Provides administration and management for the agency, including the Director's office, five district offices, and seven administrative offices;
- Provides information technology services including systems development, database, and network administration; and
- Responds to public inquiries and educates the public about environmental issues as well as the agency's goals and objectives.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	219	715-604	Central Support Indirect	15,804,913	16,345,805
GSF	4A1	715-640	Operating Expenses	3,369,731	3,369,731
FED	3V7	715-606	Agency-wide Grants	458,115	479,115
TOTAL FOR PROGRAM				**19,632,759**	**20,194,651**

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Ohio EPA proposes an environmental protection assessment on solid waste that is disposed of in Ohio landfills, which will begin in fiscal year 2006. The revenue generated from this environmental protection assessment will support the operation of many EPA programs and allow the agency to eliminate its general revenue funding by fiscal year 2007. Fee revenue will be deposited into the Environmental Protection fund, fund 5BC that is created in the Executive Budget. For more information about the funding increase in Air Pollution Control/672 see program series 01 concerning new federal mandates.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2005 General Revenue Fund spending and fiscal year 2006 recommendations in the following table are converted from the current line-item structure to the new non-General Revenue Fund line-item structure, as it will appear in fiscal year 2007.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
5BC	715-617	Clean Ohio	741,646	741,646	0.0%	741,646	0.0%
5BC	715-622	Local Air Pollution Control	1,026,369	1,026,369	0.0%	1,026,369	0.0%
5BC	715-624	Surface Water	8,797,413	8,797,413	0.0%	8,797,413	0.0%
5BC	715-667	Groundwater	1,093,741	1,093,741	0.0%	1,093,741	0.0%
5BC	715-672	Air Pollution Control	2,390,664	4,546,175	90.2%	5,199,290	14.4%
5BC	715-673	Drinking Water	2,550,250	2,550,250	0.0%	2,550,250	0.0%
5BC	715-675	Hazardous Waste	100,847	100,847	0.0%	100,847	0.0%
5BC	715-676	Assistance and Prevention	700,302	700,302	0.0%	700,302	0.0%
5BC	715-677	Laboratory	1,216,333	1,216,333	0.0%	1,216,333	0.0%
5BC	715-678	Corrective Action	1,179,775	1,179,775	0.0%	1,179,775	0.0%

Line Item Notes

Construction and Demolition Debris/660: Recent legislation levies a new tipping fee on construction and demolition debris (C&DD) deposited into C&DD landfills, which will provide additional revenue to administer the C&DD program. Please refer to program 04.03 Construction and Demolition Debris Management for details on this program.

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	715-403	Clean Ohio	217,944	565,599	706,434	741,646	185,413	**	0	(100.0)
GRF	715-501	Local Air Pollution Control	1,263,030	1,178,818	1,075,083	1,026,369	256,594	**	0	(100.0)
GRF	716-321	Central Administration	16,204	0	0	0	0	.0	0	.0
GRF	717-321	Surface Water	9,209,459	9,408,806	8,940,839	8,797,413	2,224,683	**	0	(100.0)
GRF	718-321	Groundwater	1,321,747	1,315,038	1,152,502	1,093,741	273,437	**	0	(100.0)
GRF	719-321	Air Pollution Control	2,623,949	2,606,998	2,439,981	2,390,664	622,988	**	0	(100.0)
GRF	721-321	Drinking Water	2,818,151	2,713,163	2,604,438	2,550,250	637,566	**	0	(100.0)
GRF	723-321	Hazardous Waste	107,370	119,086	105,777	100,847	25,212	**	0	(100.0)
GRF	724-321	Pollution Prevention	929,679	770,169	716,219	700,302	175,076	**	0	(100.0)
GRF	725-321	Laboratory	1,307,938	1,336,002	1,238,526	1,216,333	304,086	**	0	(100.0)
GRF	726-321	Corrective Actions	1,799,984	1,812,750	1,238,391	1,179,775	294,945	**	0	(100.0)
TOTAL General Revenue Fund			**21,615,455**	**21,826,429**	**20,218,190**	**19,797,340**	**5,000,000**	**(74.7)**	**0**	**(100.0)**
199	715-602	Laboratory Services	913,935	829,485	948,820	1,045,654	1,078,348	3.1	1,083,574	.5
219	715-604	Central Support Indirect	13,256,830	14,266,874	14,284,290	15,544,406	15,804,913	1.7	16,345,805	3.4
4A1	715-640	Operating Expenses	2,482,418	2,804,332	3,039,919	3,369,731	3,369,731	.0	3,369,731	.0
TOTAL General Services Fund Group			**16,653,183**	**17,900,691**	**18,273,029**	**19,959,791**	**20,252,992**	**1.5**	**20,799,110**	**2.7**
3F2	715-630	Revolving Loan Fund-Operating	11,101	36,092	31,848	80,000	152,021	90.0	293,129	92.8
3F3	715-632	Fed Supprtd Cleanup & Response	2,563,190	1,932,840	2,413,686	2,326,434	2,792,648	20.0	2,777,648	(.5)
3F4	715-633	Water Quality Management	680,951	648,945	765,481	712,850	710,000	(.4)	710,000	.0
3F5	715-641	Nonpoint Source Pollution Mngt	4,763,586	5,241,523	4,998,229	8,155,000	7,815,000	(4.2)	7,810,000	(.1)
3J1	715-620	Urban Stormwater	386,201	363,052	311,827	956,001	706,000	(26.2)	710,000	.6
3J5	715-615	Maumee River	74,699	0	0	0	0	.0	0	.0
3K2	715-628	Clean Water Act 106	4,078,896	4,084,321	4,407,155	4,525,992	4,723,845	4.4	5,023,846	6.4
3K4	715-634	DOD Monitoring and Oversight	726,129	728,216	899,151	1,450,333	1,450,333	.0	1,450,333	.0
3K6	715-639	Remedial Action Plan	313,657	383,196	390,684	385,001	320,000	(16.9)	319,000	(.3)
3M5	715-652	Haz Mat Transport Uniform Safety	807	0	0	0	0	.0	0	.0
3N1	715-655	Pollution Prevention Grants	5,594	73,311	10,172	0	0	.0	0	.0
3N4	715-657	DOE Monitoring and Oversight	2,199,791	2,455,318	2,488,346	3,203,735	3,181,736	(.7)	3,231,963	1.6
3T1	715-668	Rural Hardship Grant	566,399	648,474	424,273	0	0	.0	0	.0
3V7	715-606	Agencywide Grants	221,584	410,426	73,416	458,115	458,115	.0	479,115	4.6
352	715-611	Wastewater Pollution	140,533	383,342	264,441	415,002	525,000	26.5	530,000	1.0
353	715-612	Public Water Supply	2,416,755	2,446,852	2,666,211	2,916,174	3,384,959	16.1	3,388,619	.1
354	715-614	Hazardous Waste Management-Federal	3,898,776	3,844,828	4,039,092	4,203,891	4,203,891	.0	4,203,891	.0
356	715-616	Indirect Costs	94,065	0	0	0	0	.0	0	.0
357	715-619	Air Pollution Control-Federal	5,124,407	5,159,034	6,208,316	6,801,601	6,966,337	2.4	7,243,950	4.0
362	715-605	Underground Injection Control-Fed'l	109,049	105,135	101,833	101,874	111,874	9.8	111,874	.0
363	715-610	Construction Grants	11,518	0	0	0	0	.0	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
TOTAL Fed Special Revenue Fund Group			**28,387,688**	**28,944,905**	**30,494,161**	**36,692,003**	**37,501,759**	**2.2**	**38,283,368**	**2.1**
3T3	715-669	Drinking Water SRF	2,863,835	2,349,295	1,999,685	2,516,777	2,411,614	(4.2)	2,482,910	3.0
4C3	715-647	Central Support Indirect	200,403	0	0	0	0	.0	0	.0
4J0	715-638	Underground Injection Control	332,204	375,414	378,704	394,385	438,285	11.1	458,418	4.6
4K2	715-648	Clean Air - Non Title V	3,464,796	2,025,688	1,815,429	2,633,002	3,234,278	22.8	3,178,062	(1.7)
4K3	715-649	Solid Waste	11,572,774	11,724,485	11,695,633	13,478,360	13,800,377	2.4	14,282,845	3.5
4K4	715-650	Surface Water Protection	7,895,170	8,723,941	8,604,618	10,580,181	11,606,000	9.7	12,420,000	7.0
4K5	715-651	Drinking Water Protection	4,816,223	5,255,743	5,377,491	6,255,946	7,202,901	15.1	7,492,035	4.0
4P5	715-654	Cozart Landfill	44,070	33,220	60,845	149,728	149,728	.0	149,728	.0
4R5	715-656	Scrap Tire Management	2,975,089	4,174,642	4,888,561	6,000,000	6,000,000	.0	6,000,000	.0
4R9	715-658	Voluntary Action Program	298,999	458,737	605,248	795,671	1,008,765	26.8	1,032,098	2.3
4T3	715-659	Clean Air - Title V Permit Program	15,542,352	16,069,926	15,363,603	16,361,500	16,960,373	3.7	17,180,980	1.3
4U7	715-660	Cnstructn & Demolition Debris	136,144	139,768	217,434	220,000	586,797	**	582,305	(.8)
5BC	715-617	CLEAN OHIO	0	0	0	0	556,233	**	741,646	**
5BC	715-622	Local Air Pollution Control	0	0	0	0	769,775	**	1,026,369	**
5BC	715-624	Surface water	0	0	0	0	6,572,730	**	8,797,413	**
5BC	715-667	Groundwater	0	0	0	0	820,304	**	1,093,741	**
5BC	715-672	Air Pollution Control	0	0	0	0	3,923,187	**	5,199,290	**
5BC	715-673	Drinking Water	0	0	0	0	1,912,684	**	2,550,250	**
5BC	715-675	Hazardous Waste	0	0	0	0	75,635	**	100,847	**
5BC	715-676	Assistance and Prevention	0	0	0	0	525,226	**	700,302	**
5BC	715-677	Laboratory	0	0	0	0	912,247	**	1,216,333	**
5BC	715-678	Corrective Action	0	0	0	0	884,830	**	1,179,775	**
5H4	715-664	Groundwater Support	1,405,865	1,615,640	1,634,938	1,797,036	2,325,922	29.4	2,408,871	3.6
5N2	715-613	Dredge and Fill	350	30,743	28,408	30,000	30,000	.0	30,000	.0
500	715-608	Immediate Removal Special Acct	310,699	388,834	309,787	482,000	482,000	.0	482,000	.0
503	715-621	Hazardous Waste Facility Management	9,072,183	9,942,133	10,014,021	10,686,728	11,270,231	5.5	11,711,473	3.9
503	715-662	Hazardous Waste Facility Board	385,820	333,249	95,865	0	0	.0	0	.0
505	715-623	Hazardous Waste Clean-Up	9,235,885	10,687,286	10,354,392	11,557,987	11,482,988	(.6)	11,482,988	.0
505	715-674	Clean Ohio Environmental Review	0	0	32,500	1,179,249	104,500	(91.1)	109,725	5.0
541	715-670	Site Specific Cleanup	157	551	8,166	30,000	33,000	10.0	34,650	5.0
542	715-671	Risk Management Reporting	158,494	122,512	134,365	146,188	146,188	.0	146,188	.0
592	715-627	Anti Tampering Settlement	1,096	1,097	0	0	17,203	.0	9,707	(43.6)
6A1	715-645	Environmental Education	1,359,757	1,531,911	1,428,008	1,500,000	1,500,000	.0	1,500,000	.0
602	715-626	Mtr Veh Inspection & Maintenance	2,377,415	2,315,980	1,424,248	1,437,398	1,190,944	(17.1)	250,000	(79.0)
644	715-631	ER Radiological Safety	185,587	184,519	182,754	286,114	286,114	.0	286,114	.0
660	715-629	Infectious Waste Management	106,657	130,645	157,067	160,000	160,000	.0	100,000	(37.5)
676	715-642	Water Pollutn Cntrl Loan Admin	3,667,757	4,038,343	4,428,982	4,964,625	4,964,625	.0	4,964,625	.0
678	715-635	Air Toxic Release	336,052	259,448	288,872	210,662	210,621	.0	210,622	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Environmental Protection Agency

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
679	715-636	Emergency Planning	1,601,522	2,367,733	2,857,963	2,828,647	2,828,647	.0	2,828,647	.0
696	715-643	Air Pollution Control Admin.	508,832	554,550	1,249,070	1,228,664	750,000	(39.0)	750,000	.0
699	715-644	Water Pollution Control Admin.	499,967	476,715	545,597	625,000	750,000	20.0	750,000	.0
TOTAL State Special Revenue Fund Group			**81,356,154**	**86,312,748**	**86,182,254**	**98,535,848**	**118,884,952**	**20.7**	**125,920,957**	**5.9**
5S1	715-607	Clean Ohio Operating	0	0	41,887	208,174	208,174	.0	208,174	.0
TOTAL Clean Ohio Fund Group			**0**	**0**	**41,887**	**208,174**	**208,174**	**.0**	**208,174**	**.0**
TOTAL Environmental Protection Agy			**148,012,480**	**154,984,773**	**155,209,521**	**175,193,156**	**181,847,877**	**3.8**	**185,211,609**	**1.9**

**** Please see the Appropriation Line Item analysis for further detail.**

Ohio Ethics Commission

Role and Overview

The Ethics Commission (ETH) promotes and enforces ethical conduct in public service to strengthen the public's confidence that state and local government business is conducted with impartiality and integrity.

In 1973, the Ohio legislature enacted Ohio's Ethics Law, Chapter 102 of the Ohio Revised Code, creating a series of statutory provisions to protect against unethical activity within the public sector. As an integral part of the law, the General Assembly created an independent, bi-partisan Ethics Commission, composed of six gubernatorial appointees, to execute its provisions. These appointees are subject to confirmation by the Senate, and serve six-year, staggered terms. The ethics law requires the commission to provide ethics education and advice, oversee financial disclosure, investigate unethical conduct, and advise the General Assembly on ethics-related legislation. The commission appoints an executive director who supervises a staff of approximately 20 employees to administer the ethics law and related statutes.

The commission's annual budget of approximately $1.75 million is funded primarily by the General Revenue Fund; the balance of funding is derived from the collection of financial disclosure filing fees and occasional restitution payments.

Executive Priorities for the Ohio Ethics Commission

- Ensure awareness of and compliance with the state's ethics law, as defined in the Ohio Revised Code, through the provision of reliable advisory services and educational programming to public officials, employees and those with whom they conduct business. Such efforts, including financial disclosure administration, are aimed at enabling individuals to avoid potential conflicts of interest and other violations of the ethics law and related statutes.
- Provide a system to properly investigate allegations of violations of the ethics law and related statutes, enforce compliance with the current law, and support the appropriate administration of penalties to those who are in violation of the law governing ethical behavior and conflicts of interest.
- Serve as the state's primary advisor on issues related to the ethics law and financial disclosure, related statutes and the administration of the same, which may include the review and preparation of recommendations regarding ethics-related legislation.
- Ensure proper management and maintenance of data records related to the role and responsibilities of the commission.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	1,250	1,251	1,281	1,351	5.5	1,476	9.3	1,476	.0
General Services Fund Group	392	404	321	428	33.3	503	17.5	433	(13.9)
TOTAL	**1,642**	**1,656**	**1,602**	**1,779**	**11.1**	**1,979**	**11.2**	**1,909**	**(3.5)**

Ohio Ethics Commission

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	1,443	1,486	1,423	1,584	11.3	1,647	4.0	1,688	2.5
Purchased Services	12	2	4	13	239.6	10	(23.1)	10	.0
Maintenance	155	144	165	170	3.0	170	.0	170	.0
Equipment	30	22	9	10	11.1	150	1,400.0	39	(74.0)
Transfer & Other	2	1	1	2	71.7	2	.0	2	.0
TOTAL	**1,642**	**1,656**	**1,602**	**1,779**	**11.1**	**1,979**	**11.2**	**1,909**	**(3.5)**

PROGRAM SERIES 01: Ethics Oversight

This program series administers the Ohio Ethics Law (Ohio Revised Code Chapter 102 and sections 2921.42 and 2921.43) for public officials and employees at the state and local levels of government. The commission's four major program areas are advisory services, including advisory opinions; education and public information; financial disclosure; and investigations and referrals for prosecution.

Program 01.01: Advisory Services

This program increases awareness and understanding of the ethics law by the public, public officials and employees, and entities doing business with government entities to ensure compliance with the state's ethics law. The Advisory Services program implements the commission's authority to render advisory opinions with regard to questions concerning ethics, conflicts of interest, and financial disclosure. The advisory process allows those who have potential conflicts or otherwise need ethics advice to seek guidance before they act. The commission issues written advisory opinions that apply the ethics law and related statutes for state and local public officials and employees; provides telephone guidance to public servants; and provides ethics law information to the public and media. When the commission provides written advice, the individual to whom the opinion was directed (or an individual who is similarly situated) is immune from criminal prosecution, a civil suit, or removal from office or position if such advice is heeded.

What the Budget Buys:

- Provides for the commission to prepare approximately 150 advisory opinions and respond to over 3,000 telephone inquiries each year to interpret the ethics law and related statutes on behalf of public officials, employees, the general public, and the media;
- Supports three advisory attorneys and their efforts to provide proper advice and guidance that will ensure compliance with the state's ethics law and avoidance of ethics violations; and
- Allows the commission and government entities to avoid costs related to unethical behavior, the investigation thereof, and resulting penalties to the public agency, by ensuring that unethical behavior does not occur.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	146-321	Operating Expenses	317,189	334,608
GSF	4M6	146-601	Operating Expenses	98,062	89,562
TOTAL FOR PROGRAM				**415,251**	**424,170**

Ohio Ethics Commission

Program 01.02: Education

This program provides continuing education and written materials concerning the provisions of Ohio's ethics law, conflicts of interest, and financial disclosure. The educational sessions and informational materials help increase public awareness of the application of Ohio's ethics law and, thereby, decrease the potential for ethics violations. Ethics education is offered through the development and distribution of informational materials, correspondence, educational appearances, telephone assistance, and the commission's website. This program also assumes much of the responsibility to review and recommend ethics-related legislation to the General Assembly.

What the Budget Buys:

- Supports the commission's efforts to provide more than 150 sessions each year and thereby increase public understanding of Ohio's Ethics Law and related statutes and reduce the occurrence of ethics violations;
- Funds two staff members responsible for this program and scheduling, coordinating, and conducting ethics presentations and legal education seminars on ethics and conflicts of interest each year; and
- Funds the creation, updating, printing, and distribution of public information materials, the maintenance of mailing and email notification lists, and the development and distribution of public service announcements and press releases regarding the financial disclosure requirements and applicable deadlines.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	146-321	Operating Expenses	216,277	219,159
GSF	4M6	146-601	Operating Expenses	66,376	69,076
TOTAL FOR PROGRAM				**282,653**	**288,235**

Program 01.03: Financial Disclosure

This program administers and enforces the financial disclosure requirements of the Ohio Revised Code, which mandates that over 10,500 elected state, county and city officeholders, candidates for those offices, upper-level state administrative appointees and employees, and many state board and commission members and their executive directors, annually disclose their sources of income and investments. The purpose of the disclosure is to remind the filer and make the public and commission aware of potential conflicts of interests.

What the Budget Buys:

- Enables the commission to administer approximately 10,500 statements per year and individually review more than 2,500 of these for specific potential conflicts of interest each year;
- Supports three staff who coordinate filing requirements for officials and employees in 1,333 public entities, collect filing fees, make statements available in response to public records requests, and maintain the financial disclosure information database; and
- Funds the design and implementation of enhancements to the current financial disclosure database system, which was created nearly 12 years ago. These improvements will enable the commission to meet increased demands, including those related to responsibilities to monitor disclosure filers such as those within the public retirement systems recently added in Am. Sub. H.B. 133 of the 125th General Assembly.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	146-321	Operating Expenses	313,359	267,675
GSF	4M6	146-601	Operating Expenses	164,605	95,062
TOTAL FOR PROGRAM				**477,964**	**362,737**

Program 01.04: Investigations

This program administers confidential investigations of allegations or complaints of ethics violations against public officials and employees and those with whom they do business. The Ethics Commission reports its findings to the appropriate prosecuting authority in such cases as violations (penalized as either criminal felonies or misdemeanors)

are evidenced. The commission investigates allegations of wrongdoing involving public officials and employees, and private parties who interact with them, at every level of government, including state departments, boards, and commissions, counties, cities, villages, townships, school districts, and other public entities.

What the Budget Buys:

- Enables the eight Ethics Commission staff assigned to this program to receive, review, and analyze allegations, and initiate complaints against or investigations (when substantiated) of those under its authority subject to the ethics law and related statutes;
- Allows the Commission to pursue and secure criminal investigations, including the compulsory subpoenas for the production of documents and witnesses and preparation of cases for the criminal adjudicatory processes when probable cause presents a potential criminal violation and where objective evidence ultimately supports criminal misconduct. Commission staff will be available to assist prosecutors as such cases proceed through the justice system; and
- Supports the application of alternative resolutions to violations of the Ohio Ethics Law under Ohio Revised Code 102.06, where traditional prosecution does not serve to adequately remedy the misconduct. These efforts will hold public officials and employees accountable for violations of the ethics law, assure compliance with the law, and maintain a uniform and objective standard of public ethics oversight.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	146-321	Operating Expenses	629,388	654,771
GSF	4M6	146-601	Operating Expenses	173,500	178,843
TOTAL FOR PROGRAM				**802,888**	**833,614**

LINE ITEM SUMMARY - Ethics Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	146-321	Operating Expenses	1,250,192	1,251,362	1,280,809	1,351,213	1,476,213	9.3	1,476,213	.0
TOTAL General Revenue Fund			**1,250,192**	**1,251,362**	**1,280,809**	**1,351,213**	**1,476,213**	**9.3**	**1,476,213**	**.0**
4M6	146-601	Operating Expenses	391,955	404,444	320,801	427,543	502,543	17.5	432,543	(13.9)
TOTAL General Services Fund Group			**391,955**	**404,444**	**320,801**	**427,543**	**502,543**	**17.5**	**432,543**	**(13.9)**
TOTAL Ethics Commission			**1,642,147**	**1,655,806**	**1,601,610**	**1,778,756**	**1,978,756**	**11.2**	**1,908,756**	**(3.5)**

Environmental Review Appeals Commission

Role and Overview

The Environmental Review Appeals Commission (ERAC) hears and resolves appeals resulting from various technical and legal final actions taken by the Ohio Environmental Protection Agency, the Ohio Department of Agriculture, county and local boards of health, the State Fire Marshal's Office, and the State Emergency Response Commission. The commission functions much like a court of law and was created specifically for the purpose of resolving environmental disputes involving the above-cited administrative agencies.

The commission consists of three members appointed by the Governor for staggered six-year terms. Each member must have extensive experience in pollution control and abatement technology, ecology, public health, environmental law, and economics of natural resource development or related fields. An executive secretary and one other full-time employee perform the day-to-day functions of the commission. The annual operating budget of the General Revenue-funded commission is approximately $439,000.

The commission has statewide jurisdiction and is the highest level of administrative appeal for final actions of the agencies listed above. The appeals heard by the commission generally are highly technical and legal in nature. Decisions of the commission may be appealed to the Franklin County Court of Appeals, or, if the appeal arises from an alleged violation of a law or regulation, to the court of appeals for the district in which the violation is alleged to have occurred.

Executive Priorities for the Environmental Review Appeals Commission

- Resolve appeals of actions taken by the Ohio Environmental Protection Agency and other regulating entities.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	440	428	418	439	5.0	479	9.1	484	1.0
TOTAL	**440**	**428**	**418**	**439**	**5.0**	**479**	**9.1**	**484**	**1.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	384	364	360	375	4.2	401	6.8	407	1.5
Purchased Services	1	2	0	0	.0	0	.0	0	.0
Maintenance	55	62	58	64	9.8	66	3.0	67	1.5
Equipment	0	0	0	0	.0	13	.0	10	(20.0)
TOTAL	**440**	**428**	**418**	**439**	**5.0**	**479**	**9.1**	**484**	**1.0**

PROGRAM SERIES 01: Environmental Review Appeals Commission

This program series supports the Environmental Review Appeals Commission's duties to hear and resolve environmental decision appeals in accordance with Ohio Revised Code Sections 3745.02 through 3745.06.

Program 01.01: Hearing/Determination Process

The commission hears appeals of final environmental legal actions taken by several state and local governmental agencies and makes determinations based on legal and technical aspects of each case.

What the Budget Buys:

- Funds the day-to-day operations of the commission including maintaining the two current staff members; and
- Allows the commissioners to hear and resolve appeals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	172-321	Operating Expenses	479,161	483,859
TOTAL FOR PROGRAM				**479,161**	**483,859**

LINE ITEM SUMMARY - Environmental Review Appeals Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	172-321	Operating Expenses	440,298	427,758	418,166	439,109	479,161	9.1	483,859	1.0
TOTAL General Revenue Fund			**440,298**	**427,758**	**418,166**	**439,109**	**479,161**	**9.1**	**483,859**	**1.0**
TOTAL Environmental Review Appeals			**440,298**	**427,758**	**418,166**	**439,109**	**479,161**	**9.1**	**483,859**	**1.0**

Ohio Expositions Commission

Role and Overview

The Expositions Commission (EXP) produces the annual state fair with emphasis on youth participation, education, and promotion of agriculture, Ohio products, Ohio tourism, and economic development, and operates the state-owned Expo Center year-round for publicly acceptable and fiscally responsible events in a clean, safe, and economical manner.

The Expositions Commission is composed of 13 members, which include the directors of the Departments of Agriculture and Development, nine people appointed by the Governor, and the chairs of the House and Senate Agriculture Committees.

A general manager, hired by the commission, oversees 70 employees. The commission has an annual budget of approximately $14.5 million. Additional information about the Expositions Commission is available at http://www.ohioexpocenter.com/.

Executive Priorities for the Expositions Commission

- Produce a quality annual state fair and operate the Expo Center year-round.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	483	465	437	437	.1	400	(8.6)	400	.0
State Special Revenue Fund Group	13,113	13,077	12,642	14,163	12.0	14,163	.0	14,163	.0
TOTAL	**13,597**	**13,542**	**13,078**	**14,601**	**11.6**	**14,563**	**(.3)**	**14,563**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	5,920	5,852	5,171	6,209	20.1	5,991	(3.5)	5,854	(2.3)
Purchased Services	2,584	2,560	2,790	2,573	(7.8)	3,665	42.4	3,772	2.9
Maintenance	4,901	5,033	5,019	5,426	8.1	4,856	(10.5)	4,884	.6
Equipment	25	26	23	51	123.4	26	(48.9)	28	5.0
Transfer & Other	167	71	76	341	349.0	25	(92.7)	25	.0
TOTAL	**13,597**	**13,542**	**13,078**	**14,601**	**11.6**	**14,563**	**(.3)**	**14,563**	**.0**

Ohio Expositions Commission

PROGRAM SERIES 01: State Fair Facilities

The state fair facilities or Expo Center are a 20-building complex, housed on 360 acres that provide more than one million square feet of event space and seats for 20,000 people. In addition to accommodating the needs of the Ohio State Fair more than 200 events annually are held at the facilities.

Program 01.01: State Fair Management

Ohio has produced the Ohio State Fair for over 150 years, which continues to be diverse, entertaining, well attended, and family oriented. The fair has an emphasis on youth and development of agriculture, one of Ohio's largest industries. Ohio has one of the largest Junior Fair Livestock programs in the country.

What the Budget Buys:

- Continues the current level of 70 employees and provides funding to operate the Expo Center and the Ohio State Fair; and
- Provides funds to support the Junior Fair program and the All Ohio Fair Band and Choir.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	723-403	Junior Fair Subsidy	400,000	400,000
SSR	4N2	723-602	Ohio State Fair Harness Racing	520,000	520,000
SSR	506	723-601	Operating Expenses	6,945,915	7,178,739
TOTAL FOR PROGRAM				**7,865,915**	**8,098,739**

Program 01.02: Non-Fair Events

The Expositions Commission strives to professionally operate and maintain a year-round service-oriented nationally recognized event facility which is safe, clean, versatile, comfortable, appealing, user friendly, and accessible. The facility hosts over 200 events annually in addition to the Ohio State Fair.

What the Budget Buys:

- Provides funds to operate the Expo Center year-round for non-fair events.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	506	723-601	Operating Expenses	6,697,400	6,464,576
TOTAL FOR PROGRAM				**6,697,400**	**6,464,576**

LINE ITEM SUMMARY - Expositions Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	723-403	Junior Fair Subsidy	483,367	464,684	436,902	437,487	400,000	(8.6)	400,000	.0
TOTAL General Revenue Fund			**483,367**	**464,684**	**436,902**	**437,487**	**400,000**	**(8.6)**	**400,000**	**.0**
4N2	723-602	Ohio State Fair Harness Racing	490,711	487,918	459,857	520,000	520,000	.0	520,000	.0
506	723-601	Operating Expenses	12,172,931	12,464,145	12,181,725	13,643,315	13,643,315	.0	13,643,315	.0
640	723-603	State Fair Reserve	449,663	125,001	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**13,113,305**	**13,077,064**	**12,641,582**	**14,163,315**	**14,163,315**	**.0**	**14,163,315**	**.0**
TOTAL Expositions Commission			**13,596,672**	**13,541,748**	**13,078,484**	**14,600,802**	**14,563,315**	**(.3)**	**14,563,315**	**.0**

Office of the Governor

Role and Overview

The Office of the Governor (GOV) performs the duties of the chief executive officer of the state as outlined in the Ohio Constitution and the Ohio Revised Code. The budget for the Governor also includes funds for the expenses of the Office of the Lieutenant Governor, whose role is to assist the Governor in the performance of executive duties and to assume the Office of Governor if it becomes vacant.

The Governor is a constitutional officer elected for a four-year term. The Governor's Office has approximately 75 employees and an annual budget of about $5.0 million. Duties of the Governor include: the formulation and implementation of administrative policy for executive departments; the appointments of board and commission members and judges; and the power to pardon criminal offenders, to commute sentences, and to extradite fugitives from other states. The Governor also is responsible for reporting to the legislature on the state of the state, recommending legislation, proposing operating and capital budgets, proposing revenue sources to meet the needs of the state, and considering and acting upon legislation passed by the legislature. The Governor is the commander-in-chief of the militia. The Governor administers the Office of Veterans' Affairs, which provides assistance to Ohio veterans in preparing claims for benefits from the Veterans Administration, the State of Ohio, or any agency involved in veterans' affairs, and assists in supplying service, military, and burial records.

The Lieutenant Governor is a constitutional officer elected jointly with the Governor every four years. The Lieutenant Governor is a member of the Governor's cabinet and may be appointed by the Governor to head a cabinet agency or be given any special assignment the Governor considers necessary.

More information regarding the Office of the Governor is available at http://www.governor.ohio.gov/.

Executive Priorities for the Office of the Governor

- Provide strong leadership as the chief administrator for the state's executive branch agencies.
- Ensure that the laws of Ohio are faithfully executed.
- Implement responsibilities devolved to the state and provide greater focus on significant issues impacted by federal policy such as economic development, Medicaid, and transportation.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	4,769	4,304	4,156	4,729	13.8	4,672	(1.2)	4,672	.0
General Services Fund Group	0	0	0	355	.0	355	.0	355	.0
TOTAL	**4,769**	**4,304**	**4,156**	**5,083**	**22.3**	**5,027**	**(1.1)**	**5,027**	**.0**

Office of the Governor

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	4,023	3,863	3,594	4,419	23.0	4,365	(1.2)	4,365	.0
Purchased Services	15	4	17	2	(88.2)	3	50.0	3	.0
Maintenance	657	437	538	660	22.7	658	(.3)	658	.0
Equipment	62	0	2	3	29.4	1	(60.0)	1	.0
Capital Improvements	13	0	0	0	.0	0	.0	0	.0
Transfer & Other	0	0	5	0	(100.0)	0	.0	0	.0
TOTAL	**4,769**	**4,304**	**4,156**	**5,083**	**22.3**	**5,027**	**(1.1)**	**5,027**	**.0**

PROGRAM SERIES 01: Office of the Governor

This program series encompasses the activities of the chief executive officer of the State of Ohio.

Program 01.01: Office of the Governor

The Office of the Governor oversees the cabinet agencies, formulates administrative policy, recommends legislation, proposes operating and capital budgets, and considers and acts upon legislation approved by the General Assembly. The program also includes the costs to operate the Office of the Lieutenant Governor.

What the Budget Buys:

- Supports the activities of the Governor's Columbus and Washington, D.C. offices to manage and represent the interests of the citizens of Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	040-321	Operating Expenses	3,981,582	3,981,582
GRF	GRF	040-403	Federal Relations	422,760	422,760
GSF	5AK	040-607	Federal Relations	354,514	354,514
TOTAL FOR PROGRAM				**4,758,856**	**4,758,856**

Program 01.02: Veterans' Affairs

This program provides operational oversight of the 88 county Veterans' Service offices and provides training, certification, and accreditation of more than 600 county veteran service officers, commissioners, and staff. This office also serves as the custodian of approximately 2.0 million veterans' records and provides oversight of the Ohio Veterans Plaza, and the Ohio Veterans' Hall of Fame.

What the Budget Buys:

- Supports the activities of this office to address the concerns and needs of Ohio's veterans and active military duty personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	040-408	Office of Veterans' Affairs	267,923	267,923
TOTAL FOR PROGRAM				**267,923**	**267,923**

LINE ITEM SUMMARY - Governor

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	040-321	Operating Expenses	4,362,899	3,981,000	3,601,970	3,981,582	3,981,582	.0	3,981,582	.0
GRF	040-403	Federal Relations	163,056	55,541	321,152	479,400	422,760	(11.8)	422,760	.0
GRF	040-408	Office of Veterans' Affairs	243,448	267,670	232,420	267,923	267,923	.0	267,923	.0
TOTAL General Revenue Fund			**4,769,403**	**4,304,211**	**4,155,542**	**4,728,905**	**4,672,265**	**(1.2)**	**4,672,265**	**.0**
5AK	040-607	Federal Relations	0	0	0	354,514	354,514	.0	354,514	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**354,514**	**354,514**	**.0**	**354,514**	**.0**
TOTAL Office of the Governor			**4,769,403**	**4,304,211**	**4,155,542**	**5,083,419**	**5,026,779**	**(1.1)**	**5,026,779**	**.0**

Role and Overview

The Department of Health (ODH) protects and improves the health of Ohioans by building strategic partnerships with the public and private sectors to prevent disease, disability, and premature death by promoting healthy choices, assuring the quality and safety of health care services, and eliminating health disparities.

The director and the seven-member Public Health Council share the department's governance. Both are appointed by the Governor. The council meets at least four times a year to develop regulations for the department's programs and to conduct public hearings. The director manages the department, which has approximately 1,370 employees and an annual budget of approximately $544 million. The department partners with 137 local health districts that are each governed by a locally appointed board of health and a health commissioner. The department's Website can be found at http://www.odh.ohio.gov.

Executive Priorities for the Department of Health

- Assure public health preparedness and security.
- Prevent disease and the spread of disease.
- Eliminate health disparities.
- Assure the quality and safety of health care services.
- Encourage healthy choices to reduce the incidence of chronic diseases.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	85,564	72,787	69,702	70,392	1.0	69,205	(1.7)	69,205	.0
General Services Fund Group	30,577	30,437	30,132	34,778	15.4	34,589	(.5)	34,689	.3
Fed Special Revenue Fund Group	314,260	338,805	365,818	392,298	7.2	407,344	3.8	419,458	3.0
State Special Revenue Fund Group	34,557	38,112	39,049	45,976	17.7	45,372	(1.3)	45,278	(.2)
Holding Acct Redist Fund Group	61	64	52	90	74.9	90	(.4)	90	.0
TOTAL	**465,019**	**480,204**	**504,753**	**543,534**	**7.7**	**556,600**	**2.4**	**568,720**	**2.2**

Department of Health

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	87,810	92,407	92,674	105,394	13.7	107,035	1.6	109,619	2.4
Purchased Services	16,548	21,941	23,075	34,238	48.4	24,875	(27.3)	24,524	(1.4)
Maintenance	57,934	62,539	67,512	75,793	12.3	77,507	2.3	77,324	(.2)
Equipment	3,899	5,880	5,346	5,267	(1.5)	4,877	(7.4)	4,862	(.3)
Subsidy	297,344	296,240	313,814	321,211	2.4	341,951	6.5	352,037	2.9
Capital Improvements	0	0	426	60	(85.9)	0	(100.0)	0	.0
Transfer & Other	1,485	1,198	1,907	1,571	(17.6)	354	(77.5)	354	.0
TOTAL	**465,019**	**480,204**	**504,753**	**543,534**	**7.7**	**556,600**	**2.4**	**568,720**	**2.2**

PROGRAM SERIES 01: Disease Prevention

This program series prevents diseases or the spread of disease and promotes healthy choices by tracking diseases, performing disease investigations, and by providing health education, vaccines, testing, and monitoring.

Program 01.01: Infectious Disease Control

This program prevents the spread of infectious diseases including childhood diseases, diseases transmitted from animals to humans, sexually transmitted diseases, and other diseases such as tuberculosis. Activities include providing vaccines; laboratory testing of birds, mosquitoes, ticks, and human blood; and placing vaccine-laden baits in forest areas to prevent the spread of raccoon rabies.

What the Budget Buys:

- Funds the purchase of 585,000 doses of vaccines per year for public clinics and the Vaccines for Children program;
- Updates and maintains the immunization registry;
- Funds one raccoon rabies baiting session per year (500,000 baits), which will prevent 500 animals from contracting rabies;
- Provides HIV testing and counseling to 40,000 individuals per year and funds an informational hotline; and
- Funds the testing of 400,000 mosquitoes for West Nile and other diseases, and the testing of 1,000 ticks and 2,000 birds for the West Nile virus.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	440-407	Animal Borne Disease & Prevention	2,452,101	2,452,101
GRF	GRF	440-418	Immunizations	8,559,559	8,558,122
GRF	GRF	440-444	AIDS Prevention & Treatment	1,333,025	1,338,949
GRF	GRF	440-446	Infectious Disease Prevention	200,000	200,000
GRF	GRF	440-451	Lab and Public Health Prevention	428,617	433,492
FED	387	440-602	Preventive Health Block Grant	138,972	143,346
FED	392	440-618	Federal Public Health Programs	18,274,559	18,430,519
SSR	4L3	440-609	Non-Governmental Grants and Awards	60,000	60,000
TOTAL FOR PROGRAM				**31,446,833**	**31,616,529**

Program 01.02: Healthy Ohioans

This program reduces the incidence of chronic diseases such as heart disease, diabetes, and cancer by promoting healthy choices and by providing screenings for breast and cervical cancer and education. The program also reduces the risks for injuries by providing infant car seats. Rape prevention education is another facet of the program.

What the Budget Buys:

- Reduces the number of deaths in the state due to heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes by encouraging people to adopt healthy lifestyles;
- Provides information on increasing physical activity, improving nutrition, and tobacco cessation to students and school staff to improve health;
- Educates 11,000 low-income women ages 50 to 64 on early detection of breast and cervical cancer;
- Provides education about rape prevention; and
- Encourages businesses, schools, and state employees to choose healthy behaviors.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-418	Immunizations	41,056	42,493
GRF	GRF	440-451	Lab and Public Health Prevention	921,050	938,206
GSF	142	440-618	Agency Health Services	16,670	16,670
FED	320	440-601	Maternal Child Health Block Grant	226,213	226,213
FED	387	440-602	Preventive Health Block Grant	7,043,087	7,093,537
FED	392	440-618	Federal Public Health Programs	7,446,766	7,535,118
SSR	4L3	440-609	Non-Governmental Grants and Awards	16,217	16,217
SSR	4T4	440-603	Child Highway Safety	233,894	233,894
SSR	470	440-618	Fee Supported Programs	10,000	10,000
TOTAL FOR PROGRAM				**15,954,953**	**16,112,348**

Program 01.03: Environmental Health

This program protects public health and prevents illness by assuring that migrant labor camps, swimming pools, manufactured home parks, marinas, campgrounds, and other areas meet mandated standards. The program also regulates local health departments to ensure that restaurants, private water supplies, private sewage systems, and other areas meet public health standards. In addition, this program also investigates and evaluates public health threats posed by the release of hazardous materials and samples and analyzes water from selected public beaches.

What the Budget Buys:

- Approves food protection certification courses and course providers, and will certify 6,000 individuals in food protection;
- Reviews, approves, and monitors engineering plans for 300 swimming pools/spas, 70 manufactured home parks, 15 marinas, 35 RV parks, and 10 flood plain permits;
- Investigates and evaluates the threat to public health from hazardous materials spills; and
- Registers 1,400 private water system contractors and surveys private water systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-451	Lab and Public Health Prevention	722,468	732,131
GRF	GRF	440-454	Local Environmental Health	889,752	889,752
GSF	142	440-618	Agency Health Services	38,690	38,690
FED	387	440-602	Preventive Health Block Grant	214,250	225,087
FED	392	440-618	Federal Public Health Programs	785,693	797,282
SSR	470	440-618	Fee Supported Programs	2,958,285	3,009,864
SSR	610	440-626	Radiation Emergency Response	58,360	59,123
TOTAL FOR PROGRAM				**5,667,498**	**5,751,929**

Program 01.04: Public Health Laboratories

This program provides testing and laboratory data for Ohio's citizens, including testing for metabolic conditions in newborns, HIV, tuberculosis, the source of food borne illnesses, and bioterrorism agents.

What the Budget Buys:

- Provides necessary resources to protect citizens against select agent incidents and public health emergencies, such as anthrax and smallpox; and
- Completes over four million tests a year for reference microbiology services, newborn screening, radiological chemistry testing, laboratory training and preparedness services, food borne disease testing, outbreak testing, serotyping of infectious disease specimens, and tuberculosis testing.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-444	AIDS Prevention & Treatment	317,737	309,736
GRF	GRF	440-451	Lab and Public Health Prevention	3,168,901	3,122,457
GSF	473	440-622	Lab Operating Expenses	4,154,045	4,154,045
FED	392	440-618	Federal Public Health Programs	621,076	625,673
SSR	610	440-626	Radiation Emergency Response	136,400	139,061
TOTAL FOR PROGRAM				**8,398,159**	**8,350,972**

Program 01.05: Radiation Protection

This program ensures that public exposure to radioactive materials is reduced to levels as low as is reasonably achievable by licensing technologists and others who operate radiation-generating equipment, such as X-ray machines, and by inspecting equipment and facilities. The program also conducts radon testing in schools, responds to radiation accidents, and oversees cleanup of contaminated facilities.

What the Budget Buys:

- Conducts 15,000 registrations, including amendments, for x-ray facilities each year;
- Conducts 6,500 licensing actions annually for x-ray equipment operators;
- Provides for the licensing of 630 facilities and the inspection of 300 facilities annually;
- Conducts radiological emergency response activities;
- Provides for the annual inspection of 6,000 X-ray machines and 150 equipment assemblers and maintainers; and
- Provides quality assurance inspections at 100 hospitals.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-451	Lab and Public Health Prevention	320,748	330,071
GSF	142	440-618	Agency Health Services	37,025	37,025
FED	392	440-618	Federal Public Health Programs	1,017,708	1,031,869
SSR	470	440-618	Fee Supported Programs	5,595,589	5,781,579
SSR	5B5	440-616	Quality, Monitoring, and Inspection	522,992	500,011
SSR	610	440-626	Radiation Emergency Response	655,240	651,816
TOTAL FOR PROGRAM				**8,149,302**	**8,332,371**

Program 01.06: Alcohol Testing and Permit

This program regulates the chemical testing of persons operating a vehicle under the influence. Activities include training for all permit holders; inspecting breath alcohol instrumentation, breath testing sites, and laboratories; issuing permits to breath operators and laboratories; and evaluating proficiency examinations for lab and breath permit holders.

What the Budget Buys:

- Issues and trains over 10,000 breath alcohol instrument operators;
- Issues permits to 49 drug testing and 209 alcohol testing labs; and
- Provides expert court testimony.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5C0	440-615	Alcohol Testing and Permit	1,455,405	1,455,405
TOTAL FOR PROGRAM				**1,455,405**	**1,455,405**

Program 01.07: Epidemiology

This program tracks the occurrence of over 70 diseases, including cancer, to determine the incidence and epidemiology of these diseases. The Department of Health, local public health districts, and others use this information to provide guidance on disease prevention and control programs and to determine appropriate courses of action.

What the Budget Buys:

- Provides data for disease prevention and control programs by tracking the occurrence of infectious diseases including HIV, tuberculosis, sexually transmitted diseases, and over 70 other infectious diseases; and
- Conducts cancer surveillance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-412	Cancer Incidence Surveillance System	1,002,619	1,002,619
GRF	GRF	440-444	AIDS Prevention & Treatment	37,170	39,246
GRF	GRF	440-451	Lab and Public Health Prevention	523,466	528,893
FED	387	440-602	Preventive Health Block Grant	358,696	364,689
FED	392	440-618	Federal Public Health Programs	4,259,791	4,383,270
SSR	4L3	440-609	Non-Governmental Grants and Awards	5,000	5,000
TOTAL FOR PROGRAM				**6,186,742**	**6,323,717**

Program 01.08: Abstinence

This program provides funding to local groups that provide abstinence education to youth in school settings.

What the Budget Buys:

- Provides abstinence education to 100,000 students; and
- Provides grants for local abstinence initiatives, a state conference, educational workshops, an independent statewide evaluation, and the production and purchase of educational materials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-416	Child & Family Health Services	470,000	470,000
FED	320	440-601	Maternal Child Health Block Grant	1,676,075	1,676,075
TOTAL FOR PROGRAM				**2,146,075**	**2,146,075**

Department of Health

PROGRAM SERIES 02: Family and Community Health Services

This program series eliminates health disparities by providing access to and availability of health care services for families, children, and individuals.

Program 02.01: Children with Medical Handicaps

This program provides treatment, diagnostic services, and service coordination for individuals under age 21 who have medically handicapping conditions; insurance premium payments for adults with hemophilia; and prescription medications and medical supplies to adults with cystic fibrosis.

What the Budget Buys:

- Provides treatment for approximately 18,000 children with medically handicapping conditions;
- Provides diagnostic services for 7,000 children;
- Provides service coordination for 1,500 children;
- Provides insurance premiums for 30 adults with hemophilia; and
- Provides prescription medication and medical supplies to 150 adults with cystic fibrosis.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-452	Child & Family Health Services Match	21,494	21,711
GRF	GRF	440-505	Medically Handicapped Children	5,074,974	5,074,974
GRF	GRF	440-507	Targeted Health Care Services Over 21	731,023	731,023
FED	320	440-601	Maternal Child Health Block Grant	7,662,135	7,785,998
FED	392	440-618	Federal Public Health Programs	227,076	232,162
SSR	4D6	440-608	Genetics Services	2,617,000	2,617,000
SSR	4F9	440-610	Sickle Cell Disease Control	1,035,344	1,035,344
SSR	4L3	440-609	Non-Governmental Grants and Awards	61,102	61,102
SSR	470	440-618	Fee Supported Programs	250,000	250,000
SSR	477	440-627	Medically Handicapped Children Audit	3,800,000	3,693,016
SSR	666	440-607	Medically Handicapped Children Co Assessment	14,320,687	14,320,687
TOTAL FOR PROGRAM				**35,800,835**	**35,823,017**

Program 02.02: Child and Family Health

This program provides direct health care services including family planning, enabling services, and service coordination primarily to pregnant women and children who are uninsured/underinsured to reduce infant mortality and to improve the health of women and children.

What the Budget Buys:

- Identifies community health issues and provides focused direct health care and other support services such as care coordination and risk reduction education to 90,000 low-income pregnant women and children and 95,000 women's health and family planning clients;
- Provides training and certification to 4,000 preschool vision screeners and 15,855 units of protective eyewear to 9,570 children; and
- Tracks all instances of SIDS deaths in the state and provides support and bereavement services to families.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-416	Child & Family Health Services	6,379,940	6,329,314
GRF	GRF	440-452	Child & Family Health Services Match	334,164	329,614
GSF	142	440-618	Agency Health Services	19,000	19,000
FED	320	440-601	Maternal Child Health Block Grant	13,330,397	13,389,260
FED	389	440-604	Women, Infants and Children	42,377	42,988
FED	392	440-618	Federal Public Health Programs	5,228,265	5,268,950
SSR	4V6	440-641	Save Our Sight	1,767,994	1,767,994
TOTAL FOR PROGRAM				**27,102,137**	**27,147,120**

Program 02.03: Oral Health

This program provides dental care to children and adults who have limited access to dental care due to lack of insurance or inability to pay for the services. The program funds safety net dental clinics and links patients to dentists who have agreed to provide care at little or no cost.

What the Budget Buys:

- Provides referral and case management services to 3,500 low-income Ohioans who need dental care but lack dental insurance;
- Provides start-up and expansion funds for 15 dental programs that serve low-income and uninsured populations;
- Provides financial assistance to communities that are beginning to fluoridate their water supplies or communities that need to replace fluoridation equipment and funds the school-based Fluoride Mouth-rinse program for 100,000 elementary school children in 215 schools in communities without optimal fluoridation;
- Provides dental sealants to 50,000 second, third, sixth, and seventh graders in high poverty areas to reduce tooth decay; and
- Funds the student loan repayment program for five dentists willing to serve in underserved areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-416	Child & Family Health Services	715,796	715,796
GRF	GRF	440-452	Child & Family Health Services Match	236,235	235,742
FED	320	440-601	Maternal Child Health Block Grant	3,495,986	3,529,248
FED	392	440-618	Federal Public Health Programs	28,562	28,562
TOTAL FOR PROGRAM				**4,476,579**	**4,509,348**

Program 02.04: Nutrition

This program provides nutritious foods, nutrition and breastfeeding education, immunization screening, and health care referrals to eligible pregnant, postpartum, and breastfeeding women, infants, and children up to age five. This program also provides coupons to clients in some specified counties to purchase fresh fruits and vegetables from farmers' markets.

What the Budget Buys:

- Provides highly nutritious foods and services including nutrition and breast feeding education, support, immunization screening, and health care referral to 270,000 income eligible pregnant and postpartum women, infants, and children; and
- Provides $18 in coupons to 31,000 women and children in 47 counties to enable them to purchase fresh produce at Ohio's farmers' markets.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	389	440-604	Women, Infants, and Children	219,877,706	230,034,463
TOTAL FOR PROGRAM				**219,877,706**	**230,034,463**

Program 02.05: Help Me Grow

This program provides home visiting services to first-time and teen parents, parenting education for families with questions about child health and development, and services and supports for families with infants and toddlers (ages 0 to 3) at risk for or with developmental disabilities. These activities improve a child's chance of succeeding in school by identifying disabilities and other developmental problems early and treating them.

What the Budget Buys:

- Provides home visits by a registered nurse to over 31,800 first time and teen parents to include parenting education on child health, safety, and development and local community resources;
- Provides developmental, hearing and vision screening, developmental assessments, service coordination, and family support to over 34,000 infants and toddlers at risk for developmental delays or with a developmental disability and their families;
- Collaborates with institutions of higher education to develop multi-media materials for parents and providers on emerging language/literacy for children ages birth to five (including children with special needs);
- Provides training to 1,500 child care providers on child development and screening for developmental milestones; and on providing child care to children with special health care needs;
- Provides information and referrals to over 40,000 callers to the department's Helpline twenty-four hours a day seven days a week. It also assists the department in responding to callers during events such as the Lake Erie incident; and
- Provides parenting guidance to parents with children in cases where child abuse has been substantiated.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-416	Child & Family Health Services	398,746	447,577
GRF	GRF	440-459	Help Me Grow	9,323,797	9,323,797
FED	320	440-601	Maternal Child Health Block Grant	633,433	636,482
FED	392	440-618	Federal Public Health Programs	19,790,450	19,899,133
SSR	4G0	440-637	Birth Certificate Surcharge	5,000	5,000
TOTAL FOR PROGRAM				**30,151,426**	**30,311,989**

Program 02.06: Community Health Services and Systems Development

This program helps to eliminate health disparities and improve access to health services by providing medications, health insurance premium payments, case management, emergency financial assistance, and Medicaid spend down for the HIV population; providing primary care medical services to low-income, uninsured patients in collaboration with Federally Qualified Health centers; placing physicians and other health care providers in health professional shortage areas; providing orientation and technical assistance to school nurses statewide; and providing technical assistance for rural Critical Access Hospitals.

What the Budget Buys:

- Provides primary medical care services to 136,950 low-income uninsured pregnant women and children at 100 federally qualified health center sites (FQHCs);
- Funds the operation of two black lung clinics, which provide screening and pulmonary rehabilitation services to approximately 3,000 active and retired miners;
- Provides assistance to 7,500 people diagnosed with HIV through access to life-saving medications, health insurance, case management, emergency assistance, and home care;
- Provides training and technical assistance to 1,200 school nurses;
- Conducts the Ohio Youth Risk Behavioral Survey, which will collect data to assess the use of alcohol and tobacco from 1,200 high school students at 50 schools;
- Provides technical assistance to 94 Health Professional Shortage Areas, submits 14 applications on average annually to the Federal Shortage Branch, and places physicians in underserved areas;
- Assists 22 Critical Access Hospitals in receiving certification and funds 30 quality improvement projects in small rural hospitals; and
- Provides technical assistance to ODH programs and local agencies to access sustainable funds through participation in Medicaid Administrative Claiming.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-416	Child & Family Health Services	1,028,392	1,030,187
GRF	GRF	440-444	AIDS Prevention & Treatment	5,470,195	5,470,196
GRF	GRF	440-452	Child & Family Health Services Match	432,124	436,950
FED	320	440-601	Maternal Child Health Block Grant	1,755,083	1,782,359
FED	392	440-618	Federal Public Health Programs	21,775,190	21,922,708
SSR	4L3	440-609	Non-Governmental Grants and Awards	1,800	1,800
TOTAL FOR PROGRAM				**30,462,784**	**30,644,200**

Program 02.07: Second Chance

This program provides funding for local projects to increase awareness about the need for organ donors.

What the Budget Buys:

- Provides $450,000 per year for local projects that will increase awareness about the need for organ donors; and
- Provides funding for a comprehensive marketing campaign to increase awareness about organ donation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5D6	440-620	Second Chance Trust	1,054,951	1,054,951
TOTAL FOR PROGRAM				**1,054,951**	**1,054,951**

PROGRAM SERIES 03: Quality Assurance

This program series ensures that health care services and facilities are safe and of a high quality through inspection, licensing, and data collection.

Program 03.01: Long-Term Care and Quality

This program inspects nursing home facilities to monitor compliance with state and/or federal rules and regulations, provides technical assistance to improve the quality of care, inspects nurse aide training and competency evaluation programs, and maintains a registry of nurse aides who have met written and skills test criteria to be certified for employment in long-term care settings.

What the Budget Buys:

- Supports the licensing and regulation of 991 certified nursing facilities, 518 residential care facilities, and 417 intermediate care facilities for people with mental retardation;
- Operates three models that seek to improve long-term care residents' activities of daily living (ADL) through better clinical practices including: better maintenance of fluids, urinary incontinence program, and staff retention; and
- Funds the investigation of all allegations of serious threats or harm to long-term care residents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-453	Health Care Quality Assurance	5,567,396	5,475,643
GSF	698	440-634	Nurse Aide Training	67,046	65,893
FED	391	440-606	Medicaid/Medicare	17,984,119	18,510,690
SSR	5L1	440-623	Nursing Facility Technical Assistance Program	617,517	617,517
TOTAL FOR PROGRAM				**24,236,078**	**24,669,743**

Program 03.02: Regulatory Compliance

This program administers enforcement remedies under state and federal law. The program administers enforcement actions against both licensed and certified health care facilities, the second phase of the informal dispute resolution process for nursing homes, and approving life safety code surveys and waivers.

What the Budget Buys:

- Maintains health care provider enforcement activities for nursing homes, residential care facilities, homes for the aging, adult care facilities, health care services, community alternative homes, hospices, county home resident rights enforcement, and federal nurses aide training programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-453	Health Care Quality Assurance	936,453	952,290
FED	391	440-606	Medicaid/Medicare	848,066	865,664
SSR	470	440-618	Fee Supported Programs	13,775	13,775
TOTAL FOR PROGRAM				**1,798,294**	**1,831,729**

Program 03.03: Diagnostic Safety and Personnel Certification

This program licenses and certifies companies/persons for asbestos abatement, nursing home administrators, hearing aid fitters, radon testing and mitigation, and lead abatement; inspects clinical laboratories; evaluates the need for and impact of relocating nursing home beds; approves proposed nursing home placement and renovation projects; and conducts investigations of allegations of resident abuse, neglect, and misappropriation of residents' property at long-term and residential care facilities. This program also receives and processes all acute and long-term healthcare complaints for the state.

What the Budget Buys:

- Performs licensing and certification of miscellaneous programs including asbestos abatement, nursing home administrators, hearing aid dealers, radon testing and mitigation, lead abatement, and certificate of need;
- Conducts site inspections for 8,500 clinical laboratories;
- Conducts field investigations of allegations of abuse, neglect, and misappropriation of property for residents of long-term care and residential facilities; and
- Receives, processes, and triages 8,000 healthcare complaints and facility related incidents each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-453	Health Care Quality Assurance	1,323,718	1,360,783
GSF	698	440-634	Nurse Aide Training	112,954	114,107
FED	391	440-606	Medicaid/Medicare	1,488,209	1,523,568
FED	392	440-618	Federal Public Health Programs	522,441	533,121
SSR	470	440-618	Fee Supported Programs	3,524,157	3,595,048
SSR	471	440-619	Certificate of Need	581,572	594,572
TOTAL FOR PROGRAM				**7,553,051**	**7,721,199**

Program 03.04: Community Health Care Facilities and Services

This program inspects federally-certified non long-term care providers and suppliers; inspects, licenses, and investigates complaints for adult care facilities; inspects ambulatory surgical facilities, freestanding dialysis centers, freestanding rehabilitation facilities, and hospices; and inspects and licenses hospital maternity units, neonatal units in children's hospitals, maternity homes, and freestanding birthing centers.

What the Budget Buys:

- Licenses hospital maternity units, neonatal units in children’s hospitals, maternity homes, and freestanding birthing centers;
- Licenses and inspects 712 adult care facilities; and
- Supports the survey and evaluation of federally certified non long-term care providers and suppliers, as well as state-licensed adult care facilities, ambulatory surgical facilities, freestanding dialysis centers, freestanding patient rehab facilities, and hospices.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-453	Health Care Quality Assurance	2,426,161	2,465,012
FED	391	440-606	Medicaid/Medicare	3,890,804	3,951,037
SSR	470	440-618	Fee Supported Programs	261,701	284,968
SSR	5B5	440-616	Quality, Monitoring, and Inspection	315,487	338,468
TOTAL FOR PROGRAM				**6,894,153**	**7,039,485**

PROGRAM SERIES 04: Public Health Preparedness

This program series provides funding to establish and maintain a basic public health infrastructure at the local and state level so that both have the capacity to respond to disease outbreaks, bioterrorism threats, food borne illness outbreaks, and other threats to the health of Ohioans.

Program 04.01: Vital Statistics

This program maintains the statewide registration system of births, deaths, fetal deaths, marriages, and other vital statistics; and interprets and distributes the statistical data (e.g., infant mortality, causes of death) that is collected from these records.

What the Budget Buys:

- Funds 73 employees who administer, maintain, and secure all births, deaths, fetal deaths, and other vital statistics in the state;
- Continues the modernization and move to paperless system, which will reduce operating costs; and
- Implements measures to prevent fraud and identity theft.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-461	Center for Vital & Health Statistics	3,629,535	3,629,535
GSF	142	440-618	Agency Health Services	533,302	545,721
FED	392	440-618	Federal Public Health Programs	700,625	709,733
SSR	4G0	440-636	Heirloom Birth Certificate	5,000	5,000
SSR	470	440-618	Fee Supported Programs	3,344,415	3,012,609
SSR	5G4	440-639	Adoption Services	20,000	20,000
090	R14	440-631	Vital Statistics	70,000	70,000
TOTAL FOR PROGRAM				**8,302,877**	**7,992,598**

Program 04.02: Bioterrorism

This program ensures public health and health care preparedness for a terrorism incident, including the ability to prevent, detect, investigate, control, and recover from an incident. While much of the focus is on bioterrorism, the program also works to ensure preparation for man-made and natural disasters as well. The department provides financial support to and partners with local health departments and hospitals, health care providers, state and local emergency management agencies, mental health agencies, the Ohio Citizen Corps, and other responders.

What the Budget Buys:

- Directs the modernization of the public health infrastructure to ensure that the local agencies have the capacity to respond to bioterrorism threats and other threats to public health;
- Assures that all local health departments have disaster plans and that hospital and public health plans are coordinated across communities and jurisdictions;
- Develops and maintains capacity to detect a bioterrorism event through epidemiological surveillance, the state public health laboratory, and the laboratory response network;
- Assures that the public health workforce is prepared to participate with the National Incident Management System; and
- Maintains the capacity to communicate emergency information across public health and health care in the event of a disaster.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	392	440-618	Federal Public Health Programs	46,000,000	46,279,358
TOTAL FOR PROGRAM				**46,000,000**	**46,279,358**

Program 04.03: Support for Local Health Departments

This program provides technical assistance, training and orientation, needs assessment and evaluation, coordination and compliance with public health standards, and state funding to 137 local health departments.

What the Budget Buys:

- Provides over $3.3 million per year in subsidy funds that are distributed to 137 local health departments based on a per capita formula. Funds are used to ensure local compliance with public health standards; and
- Funds three and one-half employees who provide the local health departments with technical assistance, training and orientation, and needs assessment and evaluation to ensure compliance with public health standards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	440-413	Local Health Department Support	3,786,794	3,786,794
TOTAL FOR PROGRAM				**3,786,794**	**3,786,794**

PROGRAM SERIES 05: Services to State Employees

This program series provides health and wellness programs to state workers to increase worker productivity by reducing the amount of sick time used.

Program 05.01: Employee Health

This program provides nursing services to state employees at 11 locations throughout the state. Services include referral, evaluation of work-related injuries or illnesses, and emergency care.

What the Budget Buys:

- Funds 23 employees who provide nursing services including prevention, referral, evaluation of work-related injuries or illnesses and emergency care to state employees at 11 locations throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	142	440-618	Agency Health Services	1,817,228	1,904,809
GSF	211	440-613	Central Support Indirect Costs	316,731	319,375
SSR	470	440-618	Fee Supported Programs	67,272	67,351
TOTAL FOR PROGRAM				**2,201,231**	**2,291,535**

Program 05.02: Employee Assistance

This program provides support and referral services for state employees who are experiencing personal problems that are currently or may affect job performance. This program also provides training, critical incident stress debriefing services, and intervention services for organizations in transition due to a reorganization or downsizing.

What the Budget Buys:

- Funds 12 employees who will provide support and referral services to state employees who are experiencing personal problems that have or may affect job performance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	683	440-633	Employee Assistance Program	1,208,214	1,208,214
TOTAL FOR PROGRAM				**1,208,214**	**1,208,214**

PROGRAM SERIES 06: Program Support

This program series provides administrative and operational support to the other programs, so they can accomplish the agency's mission.

Program 06.01: Program Support

This program funds the central administrative functions, including human resources, accounting, grants management, budget, information systems, internal audits, legal, facilities management, and the director's office.

What the Budget Buys:

- Funds 212 employees who provide the general operational services listed above that enables the department to fulfill its mission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	211	440-613	Central Support Indirect Costs	26,267,976	26,265,332
090	R48	440-625	Refunds, Grants, Reconciliation, and Audit	20,000	20,000
TOTAL FOR PROGRAM				**26,287,976**	**26,285,332**

LINE ITEM SUMMARY - Health

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	440-402	Osteoporosis Awareness	28,275	0	0	0	0	.0	0	.0
GRF	440-406	Hemophilia Services	1,199,604	671,164	9,419	0	0	.0	0	.0
GRF	440-407	Animal Borne Disease & Prevention	2,169,206	2,654,767	2,250,012	2,452,101	2,452,101	.0	2,452,101	.0
GRF	440-412	Cancer Incidence Surveillance Systm	736,616	1,107,358	832,870	1,002,619	1,002,619	.0	1,002,619	.0
GRF	440-413	Local Health Department Support	3,044,649	1,418,639	3,605,834	3,786,794	3,786,794	.0	3,786,794	.0
GRF	440-416	Child & Family Health Services	10,460,425	9,070,228	8,165,107	8,760,660	8,992,874	2.7	8,992,874	.0
GRF	440-418	Immunizations	7,594,803	6,288,627	9,064,857	8,600,615	8,600,615	.0	8,600,615	.0
GRF	440-419	Sexual Assault Prevention	35,899	43,138	34,648	0	0	.0	0	.0
GRF	440-424	Kid's Card	53,432	0	0	0	0	.0	0	.0
GRF	440-430	Adult Care Facilities	10,507	0	0	0	0	.0	0	.0
GRF	440-439	Nursing Home Survey & Certification	47,857	0	0	0	0	.0	0	.0
GRF	440-444	AIDS Prevention & Treatment	9,448,580	7,914,756	7,502,145	7,158,127	7,158,127	.0	7,158,127	.0
GRF	440-445	Nurse Aide Program	5,612	0	0	0	0	.0	0	.0
GRF	440-446	Infectious Disease Prevention	541,830	490,623	439,308	200,000	200,000	.0	200,000	.0
GRF	440-451	Lab and Public Health Prevention	6,582,919	6,659,849	5,149,724	6,085,250	6,085,250	.0	6,085,250	.0
GRF	440-452	Child & Family Health Serv Match	1,197,216	1,075,246	952,115	1,024,017	1,024,017	.0	1,024,017	.0
GRF	440-453	Health Care Quality Assurance	10,738,787	10,136,261	9,835,073	10,453,728	10,253,728	(1.9)	10,253,728	.0
GRF	440-454	Local Environmental Health	1,047,654	1,124,848	990,595	889,752	889,752	.0	889,752	.0
GRF	440-459	Help Me Grow	11,694,269	10,124,414	9,769,593	9,323,797	9,323,797	.0	9,323,797	.0
GRF	440-461	Center for Vital & Health Stats	3,579,790	3,578,317	3,478,552	3,848,108	3,629,535	(5.7)	3,629,535	.0
GRF	440-501	Local Health Districts	7,769,628	3,260,013	0	0	0	.0	0	.0
GRF	440-504	Poison Control Network	260,713	359,071	360,022	0	0	.0	0	.0
GRF	440-505	Medically Handicapped Children	6,461,950	6,093,064	6,447,086	6,074,974	5,074,974	(16.5)	5,074,974	.0
GRF	440-507	Targeted Health Care Svs Over 21	645,048	597,975	724,109	731,023	731,023	.0	731,023	.0
GRF	440-508	Migrant Health	111,818	98,571	91,301	0	0	.0	0	.0
GRF	440-510	Arthritis Care	97,399	19,912	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**85,564,486**	**72,786,841**	**69,702,370**	**70,391,565**	**69,205,206**	**(1.7)**	**69,205,206**	**.0**
142	440-618	Agency Health Services	2,045,997	2,456,163	1,913,614	3,461,915	2,461,915	(28.9)	2,561,915	4.1
211	440-613	Central Support Indirect Costs	23,638,082	22,967,198	23,712,789	25,800,000	26,584,707	3.0	26,584,707	.0
473	440-622	Lab Operating Expenses	2,935,040	3,357,207	3,281,773	4,154,045	4,154,045	.0	4,154,045	.0
5C1	440-642	TANF Family Planning	248,125	249,540	6,250	0	0	.0	0	.0
5K4	440-617	Sexual Assault Preventn/Interventn	511,640	141,566	4,330	0	0	.0	0	.0
683	440-633	Employee Assistance Program	1,060,029	1,101,169	1,055,166	1,192,214	1,208,214	1.3	1,208,214	.0
698	440-634	Nurse Aide Training	137,797	163,744	157,895	170,000	180,000	5.9	180,000	.0
TOTAL General Services Fund Group			**30,576,710**	**30,436,587**	**30,131,817**	**34,778,174**	**34,588,881**	**(.5)**	**34,688,881**	**.3**
3W5	440-611	Abstinence Education	367,929	576,525	41,612	0	0	.0	0	.0
320	440-601	Maternal Child Health Block Grant	27,068,015	28,728,892	27,418,363	27,448,407	28,779,322	4.8	29,025,635	.9

LINE ITEM SUMMARY - Health

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
387	440-602	Preventive Health Block Grant	8,271,735	7,751,638	7,367,480	7,530,000	7,755,005	3.0	7,826,659	.9
389	440-604	Women, Infants and Children	191,496,817	191,428,748	205,311,396	220,000,000	219,920,083	.0	230,077,451	4.6
391	440-606	Medicaid/Medicare	21,154,493	22,558,658	21,851,318	21,999,950	24,211,198	10.1	24,850,959	2.6
392	440-618	Federal Public Health Programs	65,901,010	87,760,060	103,828,112	115,319,323	126,678,202	9.9	127,677,458	.8
TOTAL Fed Special Revenue Fund Group			**314,259,999**	**338,804,521**	**365,818,281**	**392,297,680**	**407,343,810**	**3.8**	**419,458,162**	**3.0**
4D6	440-608	Genetics Services	1,533,806	1,437,315	1,417,808	2,300,000	2,617,000	13.8	2,617,000	.0
4F9	440-610	Sickle Cell Disease Control	508,417	730,819	570,468	1,035,344	1,035,344	.0	1,035,344	.0
4G0	440-636	Heirloom Birth Certificate	4,099	0	0	5,000	5,000	.0	5,000	.0
4G0	440-637	Birth Certificate Surcharge	0	0	0	5,000	5,000	.0	5,000	.0
4L3	440-609	Non-Governmental Grants and Awards	238,896	147,639	96,113	144,119	144,119	.0	144,119	.0
4T4	440-603	Child Highway Safety	166,837	236,634	196,831	233,894	233,894	.0	233,894	.0
4V6	440-641	Save Our Sight	1,152,432	1,460,951	1,301,479	1,767,994	1,767,994	.0	1,767,994	.0
470	440-618	Fee Supported Programs	10,357,573	10,563,088	10,530,210	16,025,194	16,025,194	.0	16,025,194	.0
471	440-619	Certificate of Need	319,670	329,692	466,244	483,572	581,572	20.3	594,572	2.2
477	440-627	Med Handicapped Children Audit	2,251,262	3,171,065	3,253,993	4,000,000	3,800,000	(5.0)	3,693,016	(2.8)
5B5	440-616	Quality, Monitoring and Inspection	629,646	758,564	526,603	838,479	838,479	.0	838,479	.0
5C0	440-615	Alcohol Testing and Permit	1,119,456	1,211,411	1,142,541	1,455,405	1,455,405	.0	1,455,405	.0
5D6	440-620	Second Chance Trust	606,980	847,616	437,421	1,195,951	1,054,951	(11.8)	1,054,951	.0
5E1	440-624	Health Services	27,090	0	69,223	604,500	0	(100.0)	0	.0
5G4	440-639	Adoption Services	0	0	18,911	20,000	20,000	.0	20,000	.0
5L1	440-623	Nursing Facility Tech Assist Prog	137,098	892,905	421,788	617,517	617,517	.0	617,517	.0
610	440-626	Radiation Emergency Response	669,345	702,082	619,121	923,315	850,000	(7.9)	850,000	.0
666	440-607	Mediclly Hndp Chldrn Co Assess	14,834,737	15,622,457	17,980,036	14,320,687	14,320,687	.0	14,320,687	.0
TOTAL State Special Revenue Fund Group			**34,557,344**	**38,112,238**	**39,048,790**	**45,975,971**	**45,372,156**	**(1.3)**	**45,278,172**	**(.2)**
R14	440-631	Vital Statistics	60,413	59,066	51,699	70,000	70,000	.0	70,000	.0
R48	440-625	Refunds,Grants,Reconcil,Audit	181	4,678	0	20,400	20,000	(2.0)	20,000	.0
TOTAL Holdng Acct Redist Fund Group			**60,594**	**63,744**	**51,699**	**90,400**	**90,000**	**(.4)**	**90,000**	**.0**
TOTAL Department of Health			**465,019,133**	**480,203,931**	**504,752,957**	**543,533,790**	**556,600,053**	**2.4**	**568,720,421**	**2.2**

Higher Education Facilities Commission

Role and Overview

The Higher Education Facilities Commission assists Ohio's independent colleges and universities in building capital facilities at a lower interest cost than would otherwise be available. The commission finances the construction or renovation of facilities for independent colleges and universities through the sale of tax-exempt bonds issued by the commission. In turn, the commission enters into agreements whereby a college or university leases the facility from the commission and pays rent to the commission in the amount needed to retire the bonds.

Executive Priorities for the Higher Education Facilities Commission

- Provide tax-exempt bonds to non-profit private colleges and universities to lower the costs of capital projects.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Agency Fund Group	9	10	3	17	469.6	17	.0	17	.0
TOTAL	**9**	**10**	**3**	**17**	**469.6**	**17**	**.0**	**17**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	0	1	0	8	1,570.7	10	29.9	10	.0
Maintenance	9	2	2	9	267.9	7	(24.9)	7	.0
Transfer & Other	0	7	0	0	.0	0	.0	0	.0
TOTAL	**9**	**10**	**3**	**17**	**469.6**	**17**	**.0**	**17**	**.0**

Higher Education Facilities Commission

PROGRAM SERIES 01: Higher Education Facilities Commission

This program provides funding to pay for the direct expenses incurred by members of the commission, including personal travel, parking, lunches, and incidental state fees. (Commission members receive no compensation for their service.) Revenues are generated from application and closing fees paid by independent colleges and universities in Ohio who do business with the commission..

Program 01.01: Program Management

The program provides funding for board members travel, parking, lunches, and other incidental costs. The funds used to pay for these costs are generated from application and closing fees paid by participating private colleges and universities.

What the Budget Buys:

- Supports the reimbursement of direct expenses of the members of the commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	461	372-601	Operating Expenses	16,819	16,819
TOTAL FOR PROGRAM				**16,819**	**16,819**

LINE ITEM SUMMARY - Higher Education Facilities

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
461	372-601	Operating Expenses	9,196	9,567	2,953	16,819	16,819	.0	16,819	.0
TOTAL Agency Fund Group			**9,196**	**9,567**	**2,953**	**16,819**	**16,819**	**.0**	**16,819**	**.0**
TOTAL Higher Ed Facilities Comm			**9,196**	**9,567**	**2,953**	**16,819**	**16,819**	**.0**	**16,819**	**.0**

Commission on Hispanic-Latino Affairs

Role and Overview

The Ohio Commission on Hispanic-Latino Affairs (OCHLA) provides leadership in addressing issues concerning Hispanic-Latino Ohioans. The commission serves as a liaison between state government and the Hispanic-Latino community in Ohio, and advocates for the development and implementation of policies and programs to address the needs of Hispanic-Latino Ohioans, especially, but not limited to, education, employment, economic development, health, and housing.

OCHLA is governed by an 11-member board appointed by the Governor. The commission employs an executive director and a secretary and has an annual budget of approximately $200,000. The commission focuses its resources on programs and activities in the areas of employment, education, health, and equity. The commission's website is located at http://ochla.ohio.gov/.

Executive Priorities for the Commission on Hispanic-Latino Affairs

- Gather and disseminate information about and for the Latino community.
- Advise policy makers on issues facing the Hispanic-Latino community.
- Apply for and administer grants.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	224	173	140	182	29.4	182	.0	182	.0
General Services Fund Group	5	10	8	8	.0	5	(41.1)	5	.0
TOTAL	**229**	**183**	**149**	**190**	**27.7**	**187**	**(1.8)**	**187**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	169	136	114	146	27.6	146	.0	146	.0
Purchased Services	2	4	3	0	(100.0)	1	.0	1	.0
Maintenance	39	40	31	44	41.0	40	(10.1)	40	.0
Equipment	19	2	0	0	.0	0	.0	0	.0
TOTAL	**229**	**183**	**149**	**190**	**27.7**	**187**	**(1.8)**	**187**	**.0**

Commission on Hispanic-Latino Affairs

PROGRAM SERIES 01: Hispanic Latino Affairs

This program series enables the agency to gather information on the needs of the Hispanic-Latino community and then advise policy makers on how to best serve those needs.

Program 01.01: Latino Community Network

This program provides a visible face to state government for Ohio's growing Hispanic-Latino population by gathering and disseminating information and conducting hearings, conferences, investigations, and special studies on problems and programs concerning the Hispanic-Latino community; securing appropriate recognition of the accomplishments and contributions of Hispanic-Latino people to this state; and increasing public awareness of the problems of Hispanic-Latino people. The commission also seeks to establish relationships with state and local governments, private business, and industry to promote and assure equal opportunity for Hispanic-Latino people in government, education, and employment.

What the Budget Buys:

- Funds one half of the cost of payroll for two employees and office maintenance costs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	148-100	Personal Services	72,398	72,398
GRF	GRF	148-200	Maintenance	19,328	19,328
GSF	601	148-602	Gifts & Miscellaneous	5,000	5,000
TOTAL FOR PROGRAM				**96,726**	**96,726**

Program 01.02: Public Policy Center

This program advises the Governor, legislature, and state agencies on the nature, magnitude, and priorities of the problems of Hispanic-Latino people; assists in the development and implementation of policies, programs, and procedures that focus on the special problems and needs of Hispanic-Latino people, especially in the fields of education, employment, energy, health, housing, welfare, and recreation; and proposes new and evaluates existing programs and prospective legislation that impact Hispanic-Latino people.

What the Budget Buys:

- Funds one half of the cost of payroll for two employees and office maintenance costs; and
- Funds the salaries and expenses for 11 board members for six statutorily-required board meetings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	148-100	Personal Services	73,482	73,482
GRF	GRF	148-200	Maintenance	16,573	16,573
TOTAL FOR PROGRAM				**90,055**	**90,055**

LINE ITEM SUMMARY - Hispanic-Latino Affairs

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	148-100	Personal Services	170,956	137,595	115,654	145,880	145,880	.0	145,880	.0
GRF	148-200	Maintenance	33,807	33,754	24,802	35,901	35,901	.0	35,901	.0
GRF	148-300	Equipment	18,915	1,797	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**223,678**	**173,146**	**140,456**	**181,781**	**181,781**	**.0**	**181,781**	**.0**
601	148-602	Gifts & Miscellaneous	4,857	9,550	8,485	8,485	5,000	(41.1)	5,000	.0
TOTAL General Services Fund Group			**4,857**	**9,550**	**8,485**	**8,485**	**5,000**	**(41.1)**	**5,000**	**.0**
TOTAL Com on Hispanic/Latino Affairs			**228,535**	**182,696**	**148,941**	**190,266**	**186,781**	**(1.8)**	**186,781**	**.0**

Ohio Historical Society

Role and Overview

The Ohio Historical Society provides direction, identity, education, and enlightenment to improve people's lives today and in the future. To do this, the Society collects, preserves, interprets, provides access to, and fosters an appreciation of the evidence and the experience of the past in Ohio and elsewhere.

The Historical Society is a non-profit corporation chartered by the State of Ohio to promote knowledge of Ohio's history. The society was founded in 1885 and performs certain public functions prescribed by law (ORC 149.3). Funds are appropriated to the society by the legislature to carry out these mandated functions, which include administering a state historical museum, library, and the State Archives of Ohio, as well as maintaining and operating 60 historical sites and museums that encompass nearly 5,000 acres and over 300 buildings and structures throughout the state. The society also houses the State Historic Preservation Office, which manages responsibilities delegated to the state by Congress in the National Historic Preservation Act of 1966. Funding from the state, approximately $14.8 million in fiscal year 2005, represents about 72 percent of the society's total annual operating budget. The other 28 percent is comprised of contracts, grants, private contributions, and earned revenue. Earned revenue has consisted primarily of membership, admissions, and parking fees, merchandise sales, library and research services, and contributions. The society is governed by a 21-member Board of Trustees, nine of which are appointed by the Governor. It employs an executive director and approximately 277 full-time equivalent employees.

Executive Priorities for the Ohio Historical Society

- Provide in-person and online historical educational programs for teachers, students, and families.
- Provide access to documents and artifacts that record and preserve the history of Ohio.
- Support economic development via heritage tourism by promoting 60 sites in Ohio.
- Preserve evidence of Ohio's heritage and support economic development by encouraging preservation.
- Provide grant funding supporting efforts of others preserving and interpreting the history of Ohio.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	17,341	18,708	17,328	14,779	(14.7)	12,972	(12.2)	12,972	.0
TOTAL	**17,341**	**18,708**	**17,328**	**14,779**	**(14.7)**	**12,972**	**(12.2)**	**12,972**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Subsidy	17,341	18,708	17,328	14,779	(14.7)	12,972	(12.2)	12,972	.0
TOTAL	**17,341**	**18,708**	**17,328**	**14,779**	**(14.7)**	**12,972**	**(12.2)**	**12,972**	**.0**

Ohio Historical Society

PROGRAM SERIES 01: The Ohio Historical Society

This program series includes all operations of the society as mandated in the Ohio Revised Code. The Ohio Historical Society provides direction, identity, education, and enlightenment to improve people's lives today and in the future. To do this, the society collects, preserves, interprets, provides access to, and fosters an appreciation of the evidence and the experience of the past in Ohio and elsewhere.

Program 01.01: Educational and Interpretation Services

This program provides an array of educational services that help teachers equip students to be effective 21st century citizens through in-person and online school programs. This program offers public programs and publications (both physical and virtual) that connect the present with the past and provide a sense of pride, understanding, and enjoyment. This program seeks to improve Ohio's economy by creating jobs through visitation of its 60 historic sites throughout the state.

What the Budget Buys:

- Provides for the operation, preservation, and ongoing development of 60 historic sites and museums in Ohio;
- Provides curriculum development, teacher training, and educational materials aimed at helping students meet state academic content standards; and
- Creates jobs by stimulating people to visit sites and spend tourism dollars in regions where they travel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	360-501	Operating Subsidy	1,137,696	1,137,696
GRF	GRF	360-502	Site Operations	6,167,737	6,167,737
GRF	GRF	360-505	Afro-American Museum	754,884	754,884
GRF	GRF	360-506	Hayes Presidential Center	509,231	509,231
TOTAL FOR PROGRAM				**8,569,548**	**8,569,548**

Program 01.02: State Archives, Library, and Artifact Collections

This program preserves the physical evidence of Ohio's heritage and provides access to over 3,000,000 historical artifacts and documents. These collections provide strength and power to OHS educational programs. The society also preserves the records of state and local government through the State Archives.

What the Budget Buys:

- Organizes, labels, files and serves as the repository for public records for Ohio's agencies, boards, commissions, counties, municipalities, townships, school districts, and numerous special taxing districts;
- Hosts online databases of artifacts, documents, and images from the society's collections, as well as 330 other cultural heritage repositories;
- Manages the acquisition, assessment, and preservation of the society's historical documents and artifact collection; and
- Facilitates knowledge creation by operating an historical research library used by students, professional historians, genealogists, and the general public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	360-501	Operating Subsidy	1,788,503	1,788,503
GRF	GRF	360-502	Site Operations	1,405,338	1,405,338
TOTAL FOR PROGRAM				**3,193,841**	**3,193,841**

Program 01.03: Historic Preservation and Local History Support

This program helps provide citizens in virtually every community in Ohio with a sense of place and personal identity by helping to preserve structures and landscapes that connect citizens of today with their heritage. It helps create jobs through economic development made possible by federal tax incentives for the rehabilitation of historical structures. This OHS program assists the efforts of nearly 1,000 other historical organizations that are working throughout Ohio to use the past to improve lives today.

What the Budget Buys:

- Serves as the official historic preservation agency of the state which implements federal preservation policy;
- Assists over 400 local historical societies and nearly 400 additional history-related groups in Ohio;
- Leads to over $230 million per year in historic federal tax credit project work, which yields nearly 5,000 new jobs per year; and
- Reviews over 6,000 federally funded or licensed projects each year for their impact on historical resources, resulting in projects that preserve Ohio's past while they improve its present and future.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	360-501	Operating Subsidy	267,679	267,679
GRF	GRF	360-502	Site Operations	463,838	463,838
GRF	GRF	360-504	Ohio Preservation Office	281,041	281,041
TOTAL FOR PROGRAM				**1,012,558**	**1,012,558**

Program 01.04: Institutional Advancement

This program advances all of the society's services to Ohioans by encouraging support for those programs. This development initiative works to increase non-state funding support for the society and to communicate and promote the society's programs and services to its audiences (both current and potential). The society is investing greater resources into these fund development efforts to complement and leverage state funding. Activities include fundraising from individuals, corporations, foundations, federal and local governments, and quasi-governmental agencies. The program also coordinates the society's marketing and membership promotion efforts.

What the Budget Buys:

- Supports the society's goals of increasing membership and raising additional resources and support from the private sector;
- Supports the society's goals by communicating and marketing OHS programs to current and potential audiences; and
- Obtains non-state funds that help support the public sector/private sector partnership between OHS and the State of Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	360-501	Operating Subsidy	94,396	94,396
GRF	GRF	360-502	Site Operations	101,812	101,812
TOTAL FOR PROGRAM				**196,208**	**196,208**

LINE ITEM SUMMARY - Historical Society

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	360-403	Adena-Worthington Home	0	0	196,000	145,500	0	(100.0)	0	.0
GRF	360-501	Operating Subsidy	3,529,521	3,389,974	3,322,174	3,288,274	3,288,274	.0	3,288,274	.0
GRF	360-502	Site Operations	6,918,116	6,626,040	8,070,794	7,993,225	8,138,725	1.8	8,138,725	.0
GRF	360-503	Ohio Bicentennial Commission	3,904,998	6,129,228	1,773,349	56,419	0	(100.0)	0	.0
GRF	360-504	Ohio Preservation Office	370,892	340,862	288,773	281,041	281,041	.0	281,041	.0
GRF	360-505	Afro-American Museum	972,043	915,566	762,666	754,884	754,884	.0	754,884	.0
GRF	360-506	Hayes Presidential Center	655,725	617,625	514,481	509,231	509,231	.0	509,231	.0
GRF	360-508	Historical Grants	989,925	688,469	2,400,000	1,750,000	0	(100.0)	0	.0
TOTAL General Revenue Fund			**17,341,220**	**18,707,764**	**17,328,237**	**14,778,574**	**12,972,155**	**(12.2)**	**12,972,155**	**.0**
TOTAL Historical Society			**17,341,220**	**18,707,764**	**17,328,237**	**14,778,574**	**12,972,155**	**(12.2)**	**12,972,155**	**.0**

House of Representatives

Role and Overview

The House of Representatives (REP), in conjunction with the Senate, enacts the laws of the state, subject to the approval of the Governor. The authority to do so is provided in Article II of the Ohio Constitution. The House considers bills that may alter existing laws or create new laws, and resolutions, which are formal expressions of the wishes and opinions of the legislature.

The House of Representatives and the Senate are the two "houses" that comprise the bicameral Ohio General Assembly. Each member of the House is elected to a two-year term from one of the state's 99 House districts. Each member is assigned to at least one of the approximately 30 standing committees and subcommittees. A member also may be assigned to a temporary committee of a standing committee; a select committee, which undertakes a specific legislative task; a joint select committee, which consists of members from both the House and Senate; or a conference committee, which seeks to resolve the differences between versions of a bill passed by both houses of the legislature. Members represent the citizens in their districts, and serve as liaisons between groups and individuals in their districts and state and federal agencies. Members also respond to questions and concerns of their constituents.

In addition, members may be appointed to serve on statutorily created committees such as the Joint Committee on Agency Rule Review, which has the power to review and invalidate agency rules; or the state Controlling Board, which provides legislative oversight over certain capital and operating expenditures by state agencies.

The 99 members of the House are supported by a full-time staff of about 190 employees with an annual budget of approximately $19.9 million.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	17,697	17,983	18,428	19,969	8.4	20,169	1.0	20,371	1.0
General Services Fund Group	1,191	339	57	1,457	2,467.4	1,457	.0	1,457	.0
TOTAL	**18,888**	**18,321**	**18,485**	**21,426**	**15.9**	**21,626**	**.9**	**21,828**	**.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	16,658	16,771	17,071	17,990	5.4	18,190	1.1	18,391	1.1
Purchased Services	75	39	32	0	(100.0)	0	.0	0	.0
Maintenance	1,727	1,218	1,088	3,436	215.8	3,436	.0	3,436	.0
Equipment	403	266	272	0	(100.0)	0	.0	0	.0
Goods For Resale	26	28	22	0	(100.0)	0	.0	0	.0
Transfer & Other	0	0	0	0	(100.0)	0	.0	0	.0
TOTAL	**18,888**	**18,321**	**18,485**	**21,426**	**15.9**	**21,626**	**.9**	**21,828**	**.9**

House of Representatives

PROGRAM SERIES 01: House of Representatives

This program series supports the efforts of state representatives and their staffs to represent their districts, political party, state agencies, interest groups, and the committees on which they serve through the development of legislation.

Program 01.01: House of Representatives

This program serves to promote the role and responsibilities of the House of Representatives. Each member of the House of Representatives is elected to a two-year term from one of the state's 99 House districts during which time they are assigned to at least one standing committee or subcommittee. From time-to-time, representatives are also assigned to a temporary committee of a standing committee, a select committee, a joint select committee, or a conference committee.

What the Budget Buys:

As required by Section 107.03(B) of the Revised Code, the Governor has made no alterations to the funding requests of agencies of the legislative branch of government. Recommended amounts are as requested by the agency.

- Supports the development of legislation as well as legislative oversight of the administration of state government activities and the state budget;Ensures that citizens of each legislative district receive representation and assistance with questions and concerns that are the responsibility of state government; and
- Provides compensation to the 99 members of the House of Representatives and approximately 190 legislative staff.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	025-321	Operating Expenses	20,169,168	20,370,859
GSF	103	025-601	House Reimbursement	1,419,469	1,419,469
TOTAL FOR PROGRAM				**21,588,637**	**21,790,328**

LINE ITEM SUMMARY - House of Representatives

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	025-321	Operating Expenses	17,697,265	17,982,716	18,428,388	19,969,473	20,169,168	1.0	20,370,859	1.0
TOTAL General Revenue Fund			**17,697,265**	**17,982,716**	**18,428,388**	**19,969,473**	**20,169,168**	**1.0**	**20,370,859**	**1.0**
103	025-601	House Reimbursement	1,164,729	311,211	28,249	1,419,469	1,419,469	.0	1,419,469	.0
4A4	025-602	Miscellaneous Sales	26,244	27,421	28,498	37,474	37,474	.0	37,474	.0
TOTAL General Services Fund Group			**1,190,973**	**338,632**	**56,747**	**1,456,943**	**1,456,943**	**.0**	**1,456,943**	**.0**
TOTAL House of Representatives			**18,888,238**	**18,321,348**	**18,485,135**	**21,426,416**	**21,626,111**	**.9**	**21,827,802**	**.9**

Ohio Housing Finance Agency

Role and Overview

The Ohio Housing Finance Agency (OHFA) was created in 1983 as an agency within the Department of Development. The agency, among other authorized activities, finances the acquisition, construction, rehabilitation, remodeling, and ownership of housing intended for rental or ownership, or both, by families of low or moderate income. With the legislature's recent approval of Substitute House Bill 431, the OHFA will become an independent agency on July 1, 2005, administered by an 11-member board.

Nine of the 11 board members represent various sectors of the affordable housing community and general public and are appointed by the Governor. The other two board members are the directors of the Ohio Department of Commerce and the Ohio Department of Development. A staff of 121 (including full-time, part-time, and intermittent employees and interns), led by an executive director, conducts the day-to-day operations of the OHFA with an annual payroll of approximately $8.1 million. Payroll is the only portion of the OHFA's overall budget to be appropriated through the state treasury and thus to appear in the Executive Budget. The OHFA charges user fees and seeks administrative reimbursement for services provided to outside organizations. The OHFA uses no General Revenue Fund dollars in its ongoing operations or programs.

Since its inception in 1983, the OHFA has issued over $5 billion in tax-exempt mortgage revenue bonds that have allowed 85,000 households in all of Ohio's 88 counties to become homeowners. As the allocating agency for the federal housing credit program, more than 75,000 rental-housing units have been created or upgraded since 1987.

More information regarding the Ohio Housing Finance Agency is available at http://www.odod.state.oh.us/OHFA.

Executive Priorities for the Ohio Housing Finance Agency

- Provide affordable housing opportunities for first-time homebuyers, renters, senior citizens, and other populations with special needs for whom affordable housing might not otherwise be available.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
General Services Fund Group	0	0	0	0	.0	8,100	.0	8,100	.0
TOTAL	**0**	**0**	**0**	**0**	**.0**	**8,100**	**.0**	**8,100**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Personal Services	0	0	0	0	.0	8,100	.0	8,100	.0
TOTAL	**0**	**0**	**0**	**0**	**.0**	**8,100**	**.0**	**8,100**	**.0**

PROGRAM SERIES 01: Affordable Housing

This program series offers affordable housing opportunities for Ohioans.

Program 01.01: Program Support

The Director's Office, with a staff of four employees, directs and oversees all functions performed by the agency's administrative and programmatic divisions. The office is responsible for all aspects of the agency's programmatic and operational policies, objectives, and initiatives. This office reports to an 11-member Board of Directors and represents the agency and the state to federal, state, and local elected officials, the housing industry, the mortgage lending community, the investment banking community, and the public concerning affordable housing activities of the state and agency.

The Administration Division, with a staff of 14 employees, provides administrative support for the agency and its programs. The division is responsible for the agency's facilities and equipment, security, vehicle fleet, mail service, human resources, communications, marketing, legislative affairs, and record retention.

The Information Technology Division, with a staff of seven employees, designs, acquires, and implements all aspects of OHFA's computer operations. The division provides desktop and server support, databases, e-portal and e-business applications, and manages the document imaging system. This office also provides strategic direction for long-range planning, and also develops and implements network security policies and establishes hardware and software standards for the agency.

The Finance Division, with a staff of 29 employees, provides fiscal management and accounting for the agency and its programs. It manages over $1.6 billion in combined mortgage bonds payable, and represents the agency with bond counsel, bond trustees, and investment bankers. The Finance Division also administers more than $40 million in housing assistance payments annually for United States Department of Housing and Urban Development (HUD) Section 8 housing projects, and acts as loan servicer for the Affordable Housing Loan and Down Payment Assistance Programs, which combined currently total approximately $261 million.

What the Budget Buys:

- Supports the oversight of all agency activities, including centralized information technology and finance services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5AZ	997-601	Housing Finance Agency Personal Services	3,823,715	3,823,715
TOTAL FOR PROGRAM				**3,823,715**	**3,823,715**

Program 01.02: Homeownership

The Homeownership Division, with a staff of 14 employees, is responsible for providing safe, structurally sound, and sanitary housing to as many low- and moderate-income Ohioans as possible. The cornerstone of this undertaking is OHFA's First-Time Homebuyer Program, which offers below market interest rate mortgages to qualified homebuyers. The OHFA has partnered with more than 50 Ohio financial institutions as participating lenders in this program.

OHFA funds mortgages so that Ohio households can realize the American dream of owning their homes. Saving for a down payment is the single largest barrier to purchasing a first home. OHFA's First-Time Homebuyer Program makes available a down payment assistance grant in an amount equal to 2 percent of the home's purchase price.

Through the program's two-tiered interest rate structure, borrowers enjoy the flexibility of choosing a mortgage rate that best fits their needs. Historically, more than one-third of the mortgages funded include a down payment assistance grant.

What the Budget Buys:

- Supports the operations of the First-Time Homebuyer Program, for which the agency expects to issue $300 million per year in mortgage revenue bonds to fund 3,000 mortgages statewide.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5AZ	997-601	Housing Finance Agency Personal Services	994,013	994,013
TOTAL FOR PROGRAM				**994,013**	**994,013**

Program 01.03: Planning, Preservation, and Development

Through innovative financing and tax incentives, the Planning, Preservation and Development Division, with a staff of 23 employees, helps to increase the number of affordable housing units throughout the state. Financial assistance includes programs for all phases of the development process from predevelopment through construction finance to permanent financing. All Planning, Preservation, and Development programs are accessed through a one-stop application approach. These programs encourage the production of affordable housing by enabling developers to keep rent costs down to provide affordable housing to those who need it most.

The Housing Credit Program creates tax incentives to develop affordable rental housing by providing equity financing. Federal tax credits are issued to qualified organizations in exchange for commitments to provide and maintain rental units at lower rent levels for minimum periods of affordability. Tax credits are awarded in one highly competitive funding cycle each year.

The Housing Development Loan Program provides equity-bridge financing, financing for construction costs, and financing for the acquisition and predevelopment costs associated with the production of affordable housing. Funds for the loan program are provided through Ohio's unclaimed funds.

The Housing Development Assistance Program (HDAP) provides gap financing for projects developed under the Housing Credit Program; projects preserved as affordable housing utilizing Section 8; Rural Development; older housing credit allocations; or rental development with HUD programs and homeownership assistance. Funds for the program come from the Ohio Housing Trust Fund and the HOME Program awarded through HUD.

Project Administration oversees projects receiving HDAP funds during the construction phase of the project. This office is responsible for ensuring that the project progresses according to schedule and fulfills all terms of the funding agreement and related policies.

The Multifamily Bond Program creates incentives to develop affordable rental housing by providing lower cost debt financing. The program helps to finance the purchase, construction, and rehabilitation of housing units through the issuance of tax-exempt bonds. The results are below-market interest rates for project sponsors, which translate into a lower rent structure.

The Planning, Preservation and Development Division also administers the Ohio Housing Trust Fund. This includes hosting meetings of the Housing Trust Fund Advisory Board, preparing the annual status report to the legislature, and accounting for revenues as they are allocated to the fund. In 2003, the legislature doubled the real estate recordation fees, creating a permanent and dedicated funding source that is capped at $50 million annually.

What the Budget Buys:

- Supports staffing for the Housing Development Loan Program, which is expected to approve loans of approximately $37 million per year to create 1,700 affordable rental units;
- Supports staffing for the Housing Development Assistance Program, from which the agency expects to award $24 million per year in loans; and
- Provides staffing for the Housing Credit Program, from which the agency will allocate $26.6 million in annual credits, resulting in the development of 60 properties consisting of 3,300 affordable housing units.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5AZ	997-601	Housing Finance Agency Personal Services	1,624,890	1,624,890
TOTAL FOR PROGRAM				**1,624,890**	**1,624,890**

Program 01.04: Program Compliance

The Program Compliance Division, with a staff of 30 employees, monitors more than 1,300 rental properties throughout Ohio. Program Compliance ensures that the properties are being maintained in a satisfactory manner and that the properties are in compliance with Internal Revenue Service, HUD, and state regulations. In addition, the office monitors approximately 30 multifamily bond-financed properties consisting of 3,500 units, and five Federal Deposit Insurance Corporation (formerly Resolution Trust Corporation) properties consisting of 202 units.

In order to more effectively and efficiently serve its constituents, the Program Compliance Division has field offices in Akron, Cincinnati, and Toledo. Additionally, the Program Compliance office uses a process of in-house file reviews to enhance its services.

Program Compliance views compliance monitoring as a team effort. Therefore, the division, in concert with the Compliance Advisory Committee, regularly conducts training for owners and managers of rental projects regarding the basic and advanced issues that they face. The performance of affordable housing properties is enhanced as a result of this training.

What the Budget Buys:

- Supports the staffing needed to monitor compliance at over 60,000 Housing Credit and Section 8 rental units, 3,500 multifamily bond-financed units, and 202 Federal Deposit Insurance Corporation units.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5AZ	997-601	Housing Finance Agency Personal Services	1,657,382	1,657,382
TOTAL FOR PROGRAM				**1,657,382**	**1,657,382**

LINE ITEM SUMMARY - OHIO HOUSING FINANCE AGENCY

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5AZ	997-601	Housing Finance Agy Persona Svcs	0	0	0	0	8,100,000	.0	8,100,000	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**0**	**8,100,000**	**.0**	**8,100,000**	**.0**
TOTAL Ohio Housing Finance Agency			**0**	**0**	**0**	**0**	**8,100,000**	**.0**	**8,100,000**	**.0**

Industrial Commission

Role and Overview

The Industrial Commission (OIC) conducts hearings on workers' compensation issues. The hearing process begins when the commission assumes jurisdiction of an issue after an appeal of a Bureau of Workers' Compensation order. The hearings, which are quasi-judicial in nature, are conducted at three levels within the commission. The first level is the district hearing level. If the district level decision is appealed, a staff hearing is held. If this decision is appealed, a hearing may be held before the three-member commission. This hearing is discretionary and is based on criteria set forth in an OIC resolution. Any further appeals are handled through the court system where the Attorney General's Office represents the commission.

The office is governed by a three-member commission appointed by the Governor, with the advice and consent of the Senate. Each member is required to have six or more years of recognized expertise in the field of workers' compensation and at least one member is required to be a licensed attorney. One of the commissioners acts as a representative of employers, another acts as a representative of employees, and the remaining commissioner acts as a representative of the public. From among the three members, the chairperson, who is appointed by and serves at the pleasure of the Governor, acts as head of the commission and the chief executive officer for the agency.

The commission has 554 employees and an annual budget of approximately $60 million.

Executive Priorities for the Industrial Commission

- Provide fair and impartial resolutions to disputes in workers' compensation claims through an easily accessible hearing process completed within time frames mandated by the state legislature.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Workers' Compensation Fund Group	50,718	51,100	50,087	59,999	19.8	59,999	.0	59,999	.0
TOTAL	**50,718**	**51,100**	**50,087**	**59,999**	**19.8**	**59,999**	**.0**	**59,999**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	33,649	35,025	34,502	40,012	16.0	40,171	.4	40,171	.0
Purchased Services	1,561	1,120	1,250	2,026	62.1	1,117	(44.9)	1,117	.0
Maintenance	10,501	10,788	8,746	12,113	38.5	12,613	4.1	12,613	.0
Equipment	1,732	1,014	2,130	2,393	12.4	2,643	10.4	2,643	.0
Transfer & Other	3,275	3,152	3,458	3,455	(.1)	3,455	.0	3,455	.0
TOTAL	**50,718**	**51,100**	**50,087**	**59,999**	**19.8**	**59,999**	**.0**	**59,999**	**.0**

Industrial Commission

PROGRAM SERIES 01: Adjudication of Workers' Compensation Claims

This program series serves injured workers and their employers through expeditious and impartial resolutions of issues arising from workers' compensation claims.

Program 01.01: Adjudicating Disputed Workers' Compensation Claims

This program adjudicates all disputed workers' compensation claims by providing an administrative court structure for the workers' compensation system.

What the Budget Buys:

- Funds 554 employees who manage hearings, adjudicate disputed claims, and process over 199,000 approved claims per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	5W3	845-321	Operating Expenses	50,270,800	50,270,800
WCF	5W3	845-402	Rent-William Green Building	6,116,466	6,116,466
WCF	5W3	845-410	Attorney General Payments	3,454,984	3,454,984
WCF	821	845-605	Service Account	157,133	157,133
TOTAL FOR PROGRAM				**59,999,383**	**59,999,383**

LINE ITEM SUMMARY - Industrial Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
023	845-321	Operating Expenses	42,589,470	42,783,719	0	0	0	.0	0	.0
023	845-402	Rent-William Green Building	4,858,462	5,058,583	0	0	0	.0	0	.0
023	845-410	Attorney General Payments	3,264,855	3,152,382	0	0	0	.0	0	.0
5W3	845-321	Operating Expenses	0	0	43,593,839	50,370,800	50,270,800	(.2)	50,270,800	.0
5W3	845-402	Rent-William Green Building	0	0	2,910,423	6,016,466	6,116,466	1.7	6,116,466	.0
5W3	845-410	Attorney General Payments	0	0	3,454,984	3,454,984	3,454,984	.0	3,454,984	.0
821	845-605	Service Account	4,833	105,140	127,367	157,133	157,133	.0	157,133	.0
TOTAL Workers' Compensation Fund Group			**50,717,620**	**51,099,824**	**50,086,613**	**59,999,383**	**59,999,383**	**.0**	**59,999,383**	**.0**
TOTAL Industrial Commission			**50,717,620**	**51,099,824**	**50,086,613**	**59,999,383**	**59,999,383**	**.0**	**59,999,383**	**.0**

Office of the Inspector General

Role and Overview

The Inspector General (IGO) investigates alleged acts of fraud, waste, abuse, and corruption within the executive branch of government.

The Office of the Inspector General was created by an executive order in 1988 and permanently established in 1990. The office has a nine-member staff and an annual budget of $863,280. The Inspector General's jurisdiction includes the Governor and his staff, state agencies, departments, boards, commissions, and state-assisted colleges and universities. The IGO is prohibited from examining, investigating, and making recommendations concerning the legislature, any court, the Secretary of State, the Auditor of State, the Treasurer of State, or the Attorney General.

Additional information about the Inspector General is available at http://watchdog.ohio.gov/.

Executive Priorities for the Office of the Inspector General

- Investigate complaints of fraud, waste, and abuse in the executive branch of state government.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
General Revenue Fund	564	628	769	763	(.7)	763	.0	763	.0
General Services Fund Group	105	92	73	100	36.8	100	.0	100	.0
TOTAL	**669**	**720**	**842**	**863**	**2.6**	**863**	**.0**	**863**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Personal Services	510	596	704	786	11.6	851	8.2	851	.0
Purchased Services	115	92	73	25	(65.8)	0	(100.0)	0	.0
Maintenance	35	28	43	40	(8.0)	13	(68.5)	13	.0
Equipment	9	4	21	13	(41.3)	0	(100.0)	0	.0
TOTAL	**669**	**720**	**842**	**863**	**2.6**	**863**	**.0**	**863**	**.0**

Office of the Inspector General

PROGRAM SERIES 01: Investigations

This program series investigates complaints of fraud, waste, and abuse in the executive branch of state government.

Program 01.01: Investigations

This program extends to the governor, the governor's cabinet and staff, state agencies, departments, boards and commissions, and state universities and state medical colleges. Outside of the jurisdiction of the office are community colleges, the courts, the legislature, and the offices of the Secretary of State, Auditor, Treasurer, Attorney General and their staff and employees.

What the Budget Buys:

- Continues the current staff level of nine; and
- Provides operational funding for the office and funding to contract with investigative staff.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	965-321	Operating Expenses	763,280	763,280
GSF	4Z3	965-602	Special Investigations	100,000	100,000
TOTAL FOR PROGRAM				**863,280**	**863,280**

LINE ITEM SUMMARY - Inspector General

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	965-321	Operating Expenses	564,067	628,246	768,552	763,280	763,280	.0	763,280	.0
TOTAL General Revenue Fund			**564,067**	**628,246**	**768,552**	**763,280**	**763,280**	**.0**	**763,280**	**.0**
4Z3	965-602	Special Investigations	104,514	91,625	73,119	100,000	100,000	.0	100,000	.0
TOTAL General Services Fund Group			**104,514**	**91,625**	**73,119**	**100,000**	**100,000**	**.0**	**100,000**	**.0**
TOTAL Office of Inspector General			**668,581**	**719,871**	**841,671**	**863,280**	**863,280**	**.0**	**863,280**	**.0**

Department of Insurance

Role and Overview

The Department of Insurance (INS) protects the consumer through financial solvency, market conduct regulation, and consumer education. The department is responsible for regulating 1,740 insurance companies, 13,000 insurance agencies, and 180,000 insurance agents.

The department determines the financial soundness of insurance companies; investigates consumer complaints and insurance fraud; determines if services and benefits offered by insurance companies are consistent with policy provisions and Ohio law; reviews company filings for life, accident, health, managed care, property and casualty policies; reviews and approves forms and rates; and licenses insurance agents and agencies.

The Superintendent of Insurance, who is appointed by the Governor, heads the department. The annual administrative budget of the department is approximately $32 million and supports 270 employees. Additional information on the agency can be found at http://www.ohioinsurance.gov.

Executive Priorities for the Department of Insurance

- Achieve stability in the medical liability marketplace through the work of the Medical Malpractice Commission.
- Develop recommendations to assist small businesses to obtain health insurance.
- Assure the financial solvency of insurance companies operating in Ohio.
- Ensure that insurance companies comply with state insurance laws.
- Improve the capacity of the department to handle investigations of fraud and misconduct.
- Build expertise within the department in the review of health insurance rates and form filings.
- Educate seniors about the new prescription drug options and changes to Medicare.
- Assist consumers with insurance matters.
- Review rate and form filings for all insurance products.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Services Fund Group	0	0	0	11,465	.0	0	(100.0)	0	.0
Fed Special Revenue Fund Group	400	389	538	711	32.1	1,080	52.0	1,080	.0
State Special Revenue Fund Group	24,948	26,312	24,991	30,559	22.3	30,859	1.0	31,044	.6
TOTAL	**25,347**	**26,700**	**25,529**	**42,734**	**67.4**	**31,939**	**(25.3)**	**32,124**	**.6**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	20,446	21,837	21,596	24,271	12.4	25,934	6.9	26,324	1.5
Purchased Services	1,250	708	889	2,971	234.3	1,749	(41.1)	1,608	(8.1)
Maintenance	3,097	3,429	2,802	3,564	27.2	3,918	9.9	3,924	.2
Equipment	490	690	205	397	93.3	292	(26.3)	221	(24.3)
Subsidy	0	0	0	11,465	.0	0	(100.0)	0	.0
Transfer & Other	64	37	37	67	81.9	45	(32.2)	45	.0
TOTAL	**25,347**	**26,700**	**25,529**	**42,734**	**67.4**	**31,939**	**(25.3)**	**32,124**	**.6**

PROGRAM SERIES 01: Investigative and Licensing Services

This program series consists of three programs which ensure that agencies, agents, and insurance companies follow proper business practices through licensing and market conduct examinations and investigating allegations of fraud and wrongdoing in the insurance market.

Program 01.01: Market Conduct

This program identifies inappropriate insurance company market practices by analyzing market data, consumer complaints, and electronic data; conducting on-site and off-site examinations; and participating in the National Association of Insurance Commissioners' examination tracking systems. The division also imposes remedies established by state laws and rules and ensures that proper corrective action is taken.

What the Budget Buys:

- Funds on-site examinations, investigations, and in-house company compliance reviews;
- Conducts collection and analysis of market data, consumer complaints, and data;
- Supports a provider complaint and prompt payment program for healthcare claims;
- Funds limited-scope in-house company compliance reviews, on-site examinations, and investigations; and
- Maintains the National Association of Insurance Commissioners examination tracking system and other regulatory databases.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
SSR	554	820-606	Operating Expenses	1,967,399	1,988,872
TOTAL FOR PROGRAM				**1,967,399**	**1,988,872**

Program 01.02: Licensing

This program licenses individuals and organizations involved in selling, distributing, and servicing insurance products. It administers pre- and post-insurance license education and examinations. The program proposes regulatory action against licensees not in compliance with the education requirements.

What the Budget Buys:

- Supports an initiative to have a uniform and fully electronic licensing system;
- Provides administration of continuing education programs; and
- Funds the processing of applications.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	1,553,051	1,622,491
TOTAL FOR PROGRAM				**1,553,051**	**1,622,491**

Program 01.03: Fraud Investigation and Enforcement

The program investigates allegations of misconduct by licensees and license applicants and provides assistance in prosecuting insurance-related fraud committed by consumers, medical providers, and others.

What the Budget Buys:

- Funds investigation and prosecution of insurance-related fraud; and
- Provides for misconduct investigations of insurance agents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	1,815,124	1,835,069
TOTAL FOR PROGRAM				**1,815,124**	**1,835,069**

PROGRAM SERIES 02: Financial Regulation Services

This program series regulates the financial solvency of all domestic (Ohio-based) insurance companies as well as monitors and coordinates regulatory oversight of the financial conditions of foreign (out-of-state), surplus lines (unauthorized foreign insurer), and alien (international) insurers.

Program 02.01: Financial Regulation Services

This program monitors the financial solvency of Ohio-licensed companies. The monitoring functions include: performing reviews of financial statements and filings; conducting on-site full-scope and/or targeted financial examinations of Ohio-domiciled companies; coordinating with other domestic regulators to assess and monitor foreign and alien insurance companies; analyzing the changes occurring in the insurance industry through mergers, diversifications, product introductions, and legislative action; and implementing appropriate regulatory action in response to troubled insurance company situations.

What the Budget Buys:

- Provides financial analysis and review of the financial statements of 1,710 insurers;
- Funds financial examinations;
- Implements legislative changes to financial policy;
- Takes regulatory action in response to troubled insurance company situations;
- Licenses domestic, foreign, and alien insurers applying for admission; and
- Certifies premium, retaliatory, and fire marshal taxes for collection in excess of $420 million annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	555	820-605	Examination	7,639,581	7,639,581
TOTAL FOR PROGRAM				**7,639,581**	**7,639,581**

PROGRAM SERIES 03: Policy and Rate Filing Regulation

This program series consists of two programs that review the product submissions of all insurance companies selling insurance products in Ohio.

Program 03.01: Property and Casualty

This program analyzes all rates, rules, and insurance contracts filed by property and casualty insurance companies and reviews purchasing, risk retention group registrations, and surplus lines brokers' quarterly reports. This program also ensures that the premiums charged by the insurance industry are fair and equitable and that the policies conform to state law.

What the Budget Buys:

- Funds collection and analysis of medical liability insurance data;
- Allows for the preparation of reports on market conditions; and
- Supports annual review of 10,000 rate and insurance contracts filed by property and casualty insurance companies, title insurance products, risk purchasing and risk retention group registrations, notifications forms, and surplus line quarterly reports.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	2,107,695	2,130,263
TOTAL FOR PROGRAM				**2,107,695**	**2,130,263**

Program 03.02: Life and Health

This program analyzes all rates and insurance products filed by life and health companies licensed by the state and is statutorily required to value and maintain the reserve liability of life insurance companies. In addition, this program is involved in licensing and monitoring the activities of all health insuring corporations operating in Ohio and is responsible for accrediting Independent Review Organizations (IROs).

What the Budget Buys:

- Provides oversight of 459 insurance companies;
- Provides analysis of 800 accident and health premium adjustments; and
- Supports periodic rate filing reviews.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	2,381,469	2,407,374
TOTAL FOR PROGRAM				**2,381,469**	**2,407,374**

PROGRAM SERIES 04: Consumer Services

This program series consists of two programs that provide direct services to consumers by responding to inquiries, investigating insurance complaints against companies and agents, and conducting educational outreach regarding insurance issues in Ohio.

Program 04.01: Consumer Services

This program responds to inquiries from the general public and investigates individual complaints about all lines of insurance with the dual objective of resolving problems and identifying violations of insurance law. In addition, this program distributes consumer publications and conducts educational outreach activities.

What the Budget Buys:

- Maintains the consumer service center for public inquiries;
- Distributes insurance publications;
- Funds investigations to identify violations; and
- Funds investigations and recovery services based on consumer complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	2,810,595	2,840,978
TOTAL FOR PROGRAM				**2,810,595**	**2,840,978**

Program 04.02: Ohio Senior Heath Insurance Information Program (OSHIIP)

The program's staff organizes, trains, and supports community volunteers throughout the state who counsel nearly two million Medicare beneficiaries on health insurance matters. The program staffs a toll-free telephone line for senior consumers with questions about their Medicare benefits. The program also distributes two shopper guides, one for Medicare supplemental insurance and one for long-term care insurance, several brochures, and a monthly volunteer newsletter. OSHIIP has been instrumental in educating seniors on the new prescription drug programs.

What the Budget Buys:

- Funds consumer counseling services;
- Funds volunteer training to persons providing health insurance information to seniors; and
- Supports education outreach efforts to Ohio seniors on Medicare issues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3U5	820-602	OSHIIP Operating Grant	1,080,000	1,080,000
SSR	554	820-601	Operating Expenses-OSHIIP	564,754	571,772
TOTAL FOR PROGRAM				**1,644,754**	**1,651,772**

PROGRAM SERIES 05: Medical Malpractice

This program series will assess and recommend to the Ohio General Assembly and the Governor initiatives that will address issues of availability and affordability of medical malpractice insurance.

Program 05.01: Medical Malpractice

The Superintendent of Insurance has been authorized to establish a Medical Liability Underwriting Association (MLUA) under specified circumstances. The MLUA will issue medical liability insurance policies, collect premiums, and pay claims for certain health care providers unable to obtain such coverage in the commercial market.

What the Budget Buys:

- Supports the Medical Malpractice Commission;
- Funds a MLUA if and when one is established; and
- Funds other medical malpractice initiatives with the approval of the General Assembly.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	300,000	485,000
TOTAL FOR PROGRAM				**300,000**	**485,000**

PROGRAM SERIES 06: Program Management

This program series supports the department's mission to be responsive to and safeguard consumer interests through education and vigilance while promoting a stable and competitive marketplace among insurance providers. The department is committed to the proper regulation and licensing of insurance agents and agencies and to assuring consumers and providers of a financially solvent industry.

Program 06.01: Program Management

This program develops regulatory policy, provides communication and media support, handles liquidation matters, provides fiscal and human resource support, provides legal support and advice to all divisions, and designs and maintains the department's computer programs and applications.

What the Budget Buys:

- Funds the Office of Executive Services, legal services, information technology, fiscal operations, and human resources needed to support the department's activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	554	820-606	Operating Expenses	9,718,899	9,522,167
TOTAL FOR PROGRAM				**9,718,899**	**9,522,167**

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Notes

Medical Malpractice Liability/603: This line item was originally appropriated in H.B 282 of the 125th General Assembly to fund a Medical Malpractice Underwriting Association (MLUA) in the event that certain conditions exist. The funds appropriated for fiscal year 2005 will lapse if not needed, and if an MLUA is created, the department will need to seek appropriation authority from the State Controlling Board. For additional details, please refer to program 05.01 Medical Malpractice.

LINE ITEM SUMMARY - Insurance

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5AG	820-603	Medical Malpractice Liability	0	0	0	11,464,578	0	**	0	**
TOTAL General Services Fund Group			**0**	**0**	**0**	**11,464,578**	**0**	**(100.0)**	**0**	**.0**
3AV	820-604	Federal Grant-Special Project	0	0	0	150,000	0	(100.0)	0	.0
3U5	820-602	OSHIIP Operating Grant	399,506	388,864	537,813	560,559	1,080,000	92.7	1,080,000	.0
TOTAL Fed Special Revenue Fund Group			**399,506**	**388,864**	**537,813**	**710,559**	**1,080,000**	**52.0**	**1,080,000**	**.0**
554	820-601	Operating Expenses-OSHIIP	422,787	522,267	271,343	561,411	564,754	.6	571,772	1.2
554	820-606	Operating Expenses	18,427,153	19,334,833	18,650,358	22,357,575	22,654,232	1.3	22,832,214	.8
555	820-605	Examination	6,097,700	6,454,494	6,069,349	7,639,581	7,639,581	.0	7,639,581	.0
TOTAL State Special Revenue Fund Group			**24,947,640**	**26,311,594**	**24,991,050**	**30,558,567**	**30,858,567**	**1.0**	**31,043,567**	**.6**
TOTAL Department of Insurance			**25,347,146**	**26,700,458**	**25,528,863**	**42,733,704**	**31,938,567**	**(25.3)**	**32,123,567**	**.6**

**** Please see the Appropriation Line Item analysis for further detail.**

Department of Job and Family Services

Role and Overview

The Department of Job and Family Services (ODJFS) develops and oversees programs that provide health care, employment and economic assistance, child support, and services to families and children. The programs and services offered are designed to help Ohioans be healthy and safe, while gaining and maintaining independence, and are delivered at the local level in a manner that recognizes and preserves individual rights, responsibilities, and dignity. These programs include an array of services not limited to financial assistance, job training and placement services, child care, child protection services, family services, child support enforcement, and health care. Most of these programs are federally mandated and funded. Title XIX and XXI of the Social Security Act funds the Medicaid health care program; Temporary Assistance for Needy Families (TANF) funds financial assistance for families; the federal Workforce Investment Act (WIA) of 1998 funds job training and job placement services for workers and employers; and Title III of the Social Security Act sets forth federal standards for administration of the Unemployment Insurance program and authorizes federal administrative funding for the program.

The administration and funding of these programs represent a cooperative partnership between federal, state, and local governments. Most programs are supervised by the department and administered locally by a combination of county offices, which include 88 county departments of job and family services, 26 separate public children services agencies, and 26 separate child support enforcement agencies. The department provides funding to local agencies to develop programs that respond to local needs and provides technical assistance and support to ensure compliance with federal and state regulations.

The department is led by a director, appointed by the Governor, who manages approximately 4,000 employees and a budget of approximately $16.3 billion in fiscal year 2005. More information regarding the Department of Job and Family Services is available at http://jfs.ohio.gov.

Executive Priorities of the Department of Job and Family Services

- Protect children so that they grow up safe and healthy.
- Enable youth to become responsible adults.
- Assist individuals and businesses so that they realize their greatest degree of economic well being.
- Ensure that seniors and individuals with a disability or chronic illness receive health care and supportive services that maximize their quality of life.
- Achieve and maintain excellence in the department's workforce, organization, services and products, and relationships through adherence to the quality principles.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	8,102,891	8,848,919	9,733,217	10,471,483	7.6	10,591,726	1.1	10,939,543	3.3
General Services Fund Group	93,114	103,272	75,041	88,169	17.5	100,868	14.4	91,800	(9.0)
Fed Special Revenue Fund Group	3,216,801	3,598,632	3,622,597	4,553,014	25.7	4,746,872	4.3	4,960,959	4.5
State Special Revenue Fund Group	649,550	805,265	906,726	1,085,949	19.8	1,382,580	27.3	1,180,454	(14.6)
Agency Fund Group	113,933	107,836	111,926	128,000	14.4	128,000	.0	128,000	.0
Holding Acct Redist Fund Group	46	3,523	1,508	5,354	255.0	3,610	(32.6)	3,610	.0
TOTAL	**12,176,336**	**13,467,449**	**14,451,015**	**16,331,969**	**13.0**	**16,953,655**	**3.8**	**17,304,366**	**2.1**

Department of Job and Family Services

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	238,324	254,727	261,412	313,161	19.8	312,789	(.1)	322,688	3.2
Purchased Services	193,509	160,617	142,791	289,323	102.6	266,972	(7.7)	268,411	.5
Maintenance	104,065	115,011	121,594	187,818	54.5	87,999	(53.1)	92,843	5.5
Equipment	25,835	26,550	31,841	49,536	55.6	41,538	(16.1)	38,257	(7.9)
Subsidy	10,556,429	11,599,901	12,625,234	13,800,132	9.3	14,574,750	5.6	14,842,466	1.8
Transfer & Other	1,058,173	1,310,643	1,268,142	1,691,998	33.4	1,669,608	(1.3)	1,739,701	4.2
TOTAL	**12,176,336**	**13,467,449**	**14,451,015**	**16,331,969**	**13.0**	**16,953,655**	**3.8**	**17,304,366**	**2.1**

PROGRAM SERIES 01: Workforce Development

This program series includes funding for activities that strengthen the state's workforce through employment services and workforce development activities at both the state and local levels, as well as the technology that supports these functions.

Program 01.01: Workforce Investment Act Worker Training

The Workforce Investment Act (WIA) and related programs are at the core of Ohio's workforce development strategies. Key programs included under this functional area are: WIA, One-Stop Systems, Apprenticeship, Rapid Response, and Grants and Audit Resolution. The WIA programs provide a flexible, locally planned, and private sector driven approach to meeting existing workforce needs and developing skills needed for the future.

What the Budget Buys:

- Supports employment and training activities, including worker training and re-training, occupational and vocational testing and counseling services, and employment readiness activities;
- Supports the administrative functions of the program including the Governor's Ohio Workforce Policy Board, State Youth Council, Jobs Cabinet initiatives, reporting system, grant processing, and auditing; and
- Provides technical assistance to local program areas and local workforce policy boards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
FED	3V0	600-688	Workforce Investment Act	194,630,309	194,089,910
FED	3V4	600-678	Federal Unemployment Programs	812,135	512,561
FED	331	600-686	Federal Operating	1,419,867	1,139,712
SSR	4A9	600-607	Unemployment Compensation Admin Fund	130,264	141,148
TOTAL FOR PROGRAM				**196,992,575**	**195,883,331**

Program 01.02: Employment Services

The Wagner-Peyser Act of 1933 established a nationwide system of public employment offices that provide Employment Labor Exchange Services. The Workforce Investment Act of 1998 amended the Wagner-Peyser Act and made the Employment Services program part of the One-Stop delivery system. Helping Ohio workers find jobs and assisting Ohio employers in finding qualified workers is the main purpose of the program.

What the Budget Buys:

- Supports job search assistance, referral and placement assistance to job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings; and
- Supports the administrative functions of the program such as the Labor Exchange system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	613	600-645	Training Activities	135,000	135,000
FED	331	600-686	Federal Operating	22,293,995	23,008,767
SSR	4A9	600-607	Unemployment Compensation Admin Fund	1,886,810	1,910,992
TOTAL FOR PROGRAM				**24,315,805**	**25,054,759**

Program 01.03: Veteran's Services

Veteran's Services includes the Local Veterans Employment Representative and Disabled Veteran Outreach Program Specialist programs. Veterans are hired to perform these services for other veterans. Disabled veterans, combat veterans, newly separated, and other eligible veterans and eligible persons are targeted in this program. Program activities are conducted mainly through the One Stop system. However, there are several outstation locations such as Veteran Administration (VA) domiciliaries, VA hospitals, and County Veteran Service Offices.

What the Budget Buys:

- Provides the intensive, one-on-one service to Ohio's veterans in the newly created One Stop system, while working with other One Stop partners to coordinate all available services for which veterans may be eligible.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	331	600-686	Federal Operating	5,211,799	5,347,516
TOTAL FOR PROGRAM				**5,211,799**	**5,347,516**

Program 01.04: Tax Credit

The Tax Credit program is administered following rules established by the Department of Treasury and the IRS. These tax credits provide tax incentives to Ohio employers who hire from targeted groups of job seekers with consistently high unemployment rates, giving the employer a tax credit against their federal tax liability and supplying employment to disadvantaged job seekers.

What the Budget Buys:

- Supports continued processing of applications along with management and administration of the tax credit programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	331	600-686	Federal Operating	1,224,945	1,258,727
TOTAL FOR PROGRAM				**1,224,945**	**1,258,727**

Program 01.05: Women's Hall Of Fame

The Women's Division, which was created in 1970, promotes programs that improve and enhance women's opportunities in the workplace. The main objective is to administer the Ohio Women's Hall of Fame for the Governor. Recognition is given to outstanding Ohio women each year by inducting them into the Hall of Fame. A Website database is maintained with biographical information on each woman inducted into the Hall of Fame.

What the Budget Buys:

- Funds the induction ceremony; and
- Maintains a Website database with biographical information on each woman inducted.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-321	Support Services	40,000	40,000
TOTAL FOR PROGRAM				**40,000**	**40,000**

Program 01.06: Labor Market Information

The Labor Market Information (LMI) program collects, collates, analyzes, publishes, and disseminates industry, labor force, and economic information. Although the program serves all Ohio taxpayers, the focus is on serving business initiatives and planning needs and supporting and informing workforce and economic development activities and decisions. Some services provided include: employment levels, unemployment rates, wages and earnings, short- and long-term employment outlook by industry and occupation, recruitment tools, training resources and career information, postsecondary education data, economic development profiles, and occupational profiles.

What the Budget Buys:

- Funds the development and access to workforce statistics about Ohio and its communities, with an emphasis on information delivery via the Internet.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-678	Federal Unemployment Programs	1,391,828	1,107,597
FED	331	600-686	Federal Operating	4,405,056	4,543,885
TOTAL FOR PROGRAM				**5,796,884**	**5,651,482**

Program 01.07: Sharing Career Opportunities and Training Information (SCOTI)

The SCOTI system consolidates all of the WIA and the Wagner-Peyser Act activities into one homogeneous information system for use throughout the state. It is a key system in the implementation of the "One Stop" service centers allowing integrated case management of the applicant for WIA and Wagner-Peyser Act benefits. WIA requires states to provide training programs for youth and displaced workers to prepare them for entry or re-entry into the job market, and the Wagner-Peyser Act requires states to provide job search and job matching service to laid-off workers who are collecting unemployment benefits.

What the Budget Buys:

- Supports the administration of the SCOTI system, including 21 full-time employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V0	600-688	Workforce Investment Act	5,628,335	5,683,756
TOTAL FOR PROGRAM				**5,628,335**	**5,683,756**

PROGRAM SERIES 02: Family Stability

This program series funds activities that support low-income working families and families that need basic assistance. This includes TANF-funded activities, food assistance programs, child care funding, the Disability Financial Assistance program, and refugee services, as well as the technology that supports these functions.

Department of Job and Family Services

Program 02.01: TANF/Ohio Works First Cash Assistance

Ohio Works First (OWF) is the financial assistance portion of Ohio's Temporary Assistance to Needy Families (TANF) program. OWF was established to provide time-limited assistance to eligible families. OWF provides cash benefits to eligible needy families for up to 36 months. After 36 months, a family cannot receive additional cash assistance unless approved by the county department of job and family services (CDJFS) where the family lives.

What the Budget Buys:

- Provides monthly assistance to an average of 88,400 assistance groups in fiscal year 2006 and 88,419 in fiscal year 2007;
- Funds a 10 percent grant increase in the cash assistance program to adjust for inflation;
- Allows the OWF initial eligibility threshold to be increased to 50 percent of the federal poverty level from 48 percent; and
- Funds the Learning, Earning, and Parenting (LEAP) Program that supports grade completion, enrollment, and graduation bonus increases and incentives to encourage college enrollment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-410	TANF State	132,619,061	132,619,061
GRF	GRF	600-421	Office of Family Stability	820,128	832,605
GSF	4A8	600-658	Child Support Collections	23,680,794	23,680,794
FED	3V6	600-689	TANF Block Grant	187,932,407	198,454,435
TOTAL FOR PROGRAM				**345,052,390**	**355,586,895**

Program 02.02: TANF Non-Assistance

This program is designed to assist low-income families with the resources to prevent them from having to apply for OWF cash assistance; assist families with non-recurrent urgent problems that result in families needing long-term public assistance; and support families receiving OWF with services to enable them to become self-sufficient. Services or activities provided include the major categories of training, employment and work support, short-term basic needs, Help Me Grow, child welfare and family support, domestic violence, community and economic development, and disaster assistance.

What the Budget Buys:

- Funds TANF county allocations at $326 million per year;
- Supports Help Me Grow at $38 million per year;
- Funds innovative demonstration programs at $35 million in fiscal year 2006 and $35 million in fiscal year 2007, including a Student Intervention demonstration project funded at $15 million per year and other state and county demonstration projects;
- Provides $5 million per year for Disaster Relief;
- Supports the non-TANF Disaster Relief program at $1 million per year;
- Funds TANF eligible services for the Access to Better Care (ABC) program at $7 million each year that includes an increase to Help Me Grow;
- Provides $11 million per year for faith-based initiatives; and
- Allows for an employment retention incentive at $8.6 million in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-410	TANF State	140,000,000	140,000,000
GRF	GRF	600-421	Office of Family Stability	2,413,506	2,369,105
GRF	GRF	600-512	Non-TANF Disaster Assistance	1,000,000	1,000,000
FED	3V6	600-689	TANF Block Grant	307,242,028	297,107,344
TOTAL FOR PROGRAM				**450,655,534**	**440,476,449**

Program 02.03: Disability Financial Assistance

The Disability Financial Assistance (DFA) program provides a minimal "safety net" with a cash payment to vulnerable eligible individuals who are unemployable due to disabilities, drug and alcohol issues, or age restrictions. For some individuals, the benefit provides interim assistance while his/her application for Supplemental Security Income (SSI) benefits is pending.

What the Budget Buys:

- Provides a grant award of $115 per month to an estimated 14,600 Disability Financial Assistance recipients.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-511	Disability Financial Assistance	22,839,371	22,839,371
TOTAL FOR PROGRAM				**22,839,371**	**22,839,371**

Program 02.04: Food Stamp and Food Stamp Employment and Training Program

The Food Stamp program provides federal food stamp benefits to low-income individuals and families in an effort to alleviate hunger. The Food Stamp Employment and Training (FSET) program is mandated by the Food Stamp program and provides employment and training to able-bodied individuals who are employed less than 30 hours per week or whose earnings are less than a specified threshold.

What the Budget Buys:

- Supports the administration of the food stamp program and employment and training for recipients; and
- Supports approximately 483,000 assistance groups in fiscal year 2006 and 543,000 assistance groups in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-421	Office of Family Stability	1,125,284	1,146,898
GRF	GRF	600-521	Entitlement Administration -Local	151,206,401	151,206,401
FED	384	600-610	Food Stamps & State Administration	173,657,827	164,375,103
AGY	5B6	600-601	Food Stamp Intercept	2,000,000	2,000,000
TOTAL FOR PROGRAM				**327,989,512**	**318,728,402**

Program 02.05: Emergency Food Distribution

This program provides emergency food assistance to needy Ohioans through two separate programs, the Temporary Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). TEFAP provides United States Department of Agriculture food commodities to the Ohio food bank network for distribution to food pantries, soup kitchens, congregate meal sites, and emergency feeding organizations. CSFP provides USDA donated foods to selected Ohio food banks for distribution to supplement the diets of low-income women, infants, children, and elderly participants. This program also provides a monthly food package to eligible participants.

What the Budget Buys:

- Supports the TEFAP program that serves over 300,000 people each month; and
- Funds the Commodity Supplemental Food Program (CSFP) that distributes over 16 million pounds of food and serves approximately 4.1 million individuals each year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-421	Office of Family Stability	500,236	510,374
FED	3A2	600-641	Emergency Food Distribution	2,600,000	2,800,000
FED	384	600-610	Food Stamps & State Admin.	181,430	187,249
FED	396	600-620	Social Services Block Grant	5,500,000	5,500,000
TOTAL FOR PROGRAM				**8,781,666**	**8,997,623**

Program 02.06: Child Care

This program provides child care subsidies to low-income working and welfare-to-work (OWF) families, funds projects and programs such as the early literacy project to improve the quality of child care services, licenses and regulates the operation of child care settings, and administers the state's child care subsidy program.

What the Budget Buys:

- Allows the child care income threshold to be raised to 185 percent of the federal poverty level in the next biennium with the removal of the cap on co-payments;
- Allows the provider rate reimbursement ceiling to be increased to the 60th percentile;
- Funds a monthly average of 95,947 children at a cost of $482 million in fiscal year 2006 and a monthly average of 99,553 children at a cost of $496 million in fiscal year 2007; and
- Provides $10 million a year for the planning and beginning development of a new child care information technology system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-413	Child Care Match/Maintenance of Effort	84,120,596	84,120,596
GRF	GRF	600-421	Office of Family Stability	5,778	5,950
GRF	GRF	600-423	Office of Children and Families	1,466,714	1,510,317
GSF	4R4	600-665	BCII Services Fees	36,974	36,974
FED	3H7	600-617	Child Care Federal	197,302,288	196,586,382
FED	3V6	600-689	TANF Block Grant	241,863,710	266,795,790
FED	3W3	600-659	TANF/Title XX Transfer	500,000	500,000
FED	396	600-620	Social Services Block Grant	9,639,237	9,639,237
TOTAL FOR PROGRAM				**534,935,297**	**559,195,246**

Program 02.07: Refugee Services

This program assists refugees, asylees, Cuban and Haitian entrants, victims of a severe form of trafficking, and certain Amerasians from Vietnam with resettlement. Cash assistance, medical benefits, and social services are available to needy refugees who are not eligible for other cash or medical assistance programs such as TANF, SSI, or Medicaid and who arrive in the country without any financial resources.

What the Budget Buys:

- Funds the continued provision of cash assistance and medical benefits, available for a maximum of eight months, and social services for eligible refugees;
- Provides cash assistance to approximately 4,000 recipients in fiscal year 2006 and 4,200 recipients in fiscal year 2007; and
- Provides medical assistance to approximately 3,500 recipients in fiscal year 2006 and fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	385	600-614	Refugee Services	5,683,829	5,742,439
TOTAL FOR PROGRAM				**5,683,829**	**5,742,439**

Program 02.08: Client Registry Information System Enhanced (CRIS-E)

CRIS-E is a statewide information system that automates all of the county caseworker support activities including scheduling appointments, taking applications, assigning benefits eligibility, and distributing benefits to clients. The goal of CRIS-E is to provide an automated eligibility and benefits calculation system to county caseworkers that improves efficiency and accuracy.

What the Budget Buys:

- Supports over 18,000 users with online availability each day;
- Issues Medicaid identification cards and OWF cash benefit checks, and processes food stamp/EBT transactions each month; and
- Funds the business plan for the replacement of the CRIS-E system in fiscal year 2006, the request for proposal process in the beginning of fiscal year 2007, and testing of the new system at the end of fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	5,920,536	10,167,986
FED	3H7	600-617	Child Care Federal	2,547,071	2,939,544
FED	384	600-610	Food Stamps & State Administration	2,639,906	4,533,803
TOTAL FOR PROGRAM				**11,107,513**	**17,641,333**

Program 02.09: Electronic Benefit Transfer (EBT)

The Ohio Direction Card EBT system is the electronic method for the delivery of food stamp benefits to the eligible food stamp population. All states are required to deliver food stamp benefits through the EBT system. Ohio currently delivers benefits with off-line smart card technology but will be transitioning to on-line magnetic strip technology in fiscal year 2006 and fiscal year 2007.

What the Budget Buys:

- Supports the necessary Point of Sale equipment, which allows the transactions to occur, and is available in approximately 5,200 retail grocery locations throughout Ohio as well as 100 retail grocery locations in surrounding states;
- Supports approximately 500,000 food stamp households that actively participate in the program;
- Supports the process of procuring a vendor for an on-line magnetic stripe technology system in fiscal year 2006; and
- Supports the co-existing on-line and off-line systems in fiscal year 2006 with the phase-out of the off-line system expected to occur in the beginning of fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	31,646,006	15,785,347
FED	384	600-610	Food Stamps & State Administration	710,536	734,352
TOTAL FOR PROGRAM				**32,356,542**	**16,519,699**

Program 02.10: Integrated Client Management System (e-ICMS)

The e-ICMS is an automated Web-based information system designed through an ongoing, working state-county agency partnership. The e-ICMS system provides county public assistance caseworkers with a tool to track client visits and access organized caseload information from CRIS-E.

What the Budget Buys:

- Funds the maintenance of the e-ICMS system, which is voluntary and currently deployed to 42 counties.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V6	600-689	TANF Block Grant	8,565,997	8,625,631
TOTAL FOR PROGRAM				**8,565,997**	**8,625,631**

Program 02.11: TANF Quality Control

This program consists of a review process that focuses on payment accuracy within the eligibility determination process for the OWF program. The program also includes a training and technical assistance component designed for error reduction.

What the Budget Buys:

- Funds the administrative costs of the review process and provides training and technical assistance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5Z9	600-672	TANF QC Reinvestments	647,409	688,421
TOTAL FOR PROGRAM				**647,409**	**688,421**

PROGRAM SERIES 03: Child Support

This program series funds both the administrative and technology functions that support all child support activities for the state including financial and medical support establishment and paternity establishment activities.

Program 03.01: Child Support Activities

The Child Support program provides, through state and local partnerships, a network of services that ensures every child's right to the financial support of both parents. In addition, the Child Support program reduces OWF and other TANF costs through increased child support collections. To achieve this goal, the local Child Support Enforcement Agencies (CSEAs) work to increase the number of paternities and support orders established for children who are born out of wedlock or whose parents are separated, to locate non-residential parents, to assist those children in obtaining medical coverage, to assist in obtaining financial support for those individuals owed support, and to review and modify support orders.

What the Budget Buys:

- Supports statewide services utilized by CSEAs including processing and disbursing of all support collections, locating absent parents, establishing and enforcing support orders, genetic testing for paternity establishment or disestablishment, tax offset, new hire reporting, medical coverage enforcement, professional and driver's license suspension, financial institution data match, and passport denial;
- Supports a caseload and collections that are both in the top five nationally in size; and
- Allows for state supervision of CSEAs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-420	Child Support Administration	3,734,301	3,694,076
GRF	GRF	600-502	Child Support Match	16,814,103	16,814,103
GSF	4A8	600-658	Child Support Collections	3,000,000	3,000,000
FED	3S5	600-622	Child Support Projects	534,050	534,050
FED	397	600-626	Child Support	234,307,194	232,671,986
SSR	5BE	600-693	Child Support Operating	5,000,000	5,000,000
AGY	192	600-646	Support Intercept-Federal	110,000,000	110,000,000
AGY	583	600-642	Support Intercept-State	16,000,000	16,000,000
TOTAL FOR PROGRAM				**389,389,648**	**387,714,215**

Program 03.02: Support Enforcement Tracking System (SETS)

The Support Enforcement Tracking System manages the Child Support Enforcement Program by monitoring child support payments and issuing letters to obligors whose payments become delinquent.

What the Budget Buys:

- Funds the improvement and stabilization of information flow between child support and public assistance systems, enhances the delivery of information to counties, redesigns the worker alert subsystem, and changes and enhances retro order modifications and financial corrections.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	17,277,146	17,743,528
GRF	GRF	600-420	Child Support Administration	1,357,145	1,397,370
FED	397	600-626	Child Support	36,172,439	37,155,855
TOTAL FOR PROGRAM				**54,806,730**	**56,296,753**

PROGRAM SERIES 04: Family and Children

This program series supports activities that assure prevention and protection services for children and adults, foster care services, adoption activities, social services, Family and Children First activities, and the technology that supports these programs.

Department of Job and Family Services

Program 04.01: Child Prevention and Protective Services

This program supports child abuse prevention and investigation activities. Specifically, the program supports operating and grant costs of the Ohio Children's Trust Fund, the child welfare-operating subsidy that is provided to county child welfare agencies, and three federal child abuse grants the state receives.

What the Budget Buys:

- Supports county child welfare agencies through a state child welfare operating subsidy;
- Supports all objectives incorporated in the Children's Trust Fund's biennial prevention plan;
- Supports the state administration of the prevention plan; and
- Provides $1.5 million per year from the Children's Trust Fund for the Access to Better Care initiative, an initiative that focuses on children with multiple behavioral needs, reducing out-of-home placement and the need to relinquish custody to get care.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-423	Office of Children and Families	390,539	401,604
GRF	GRF	600-523	Children and Families Subsidy	57,176,944	57,176,944
FED	3D3	600-648	Children's Trust Fund-Federal	2,040,524	2,040,524
FED	327	600-606	Child Welfare	28,286,380	28,216,039
FED	395	600-616	Special Activities-Child & Family Services	2,717,112	2,714,877
SSR	198	600-647	Children's Trust Fund	6,788,522	6,788,522
SSR	5U6	600-663	Children and Family Support	4,929,717	4,929,717
TOTAL FOR PROGRAM				**102,329,738**	**102,268,227**

Program 04.02: Social Services

This program supports an array of social services including protective services provided to abused and exploited adults over the age of 60. Twenty-eight service categories are available under the program and range from various child welfare services to services for senior citizens such as home meals and chore help. Counties are responsible for planning and executing service delivery to county residents.

What the Budget Buys:

- Supports social services programs in 28 service categories; and
- Supports adult protective services through county Social Services Block Grant funding.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-423	Office of Children and Families	33,717	34,720
GRF	GRF	600-523	Children and Families Subsidy	9,013,013	9,013,013
FED	396	600-620	Social Services Block Grant	105,853,775	105,864,985
TOTAL FOR PROGRAM				**114,900,505**	**114,912,718**

Program 04.03: Adoption Services

This program supports the state's adoption programs through subsidy payments to families that adopt special needs children, reimbursement for certain out-of-pocket costs incurred by families who adopt special needs children, services to families who already have adopted special needs children, and continued support for outreach and advertising campaigns to promote adoption and recruit adoptive families.

What the Budget Buys:

- Provides the federal and non-federal share of adoption assistance payments to the counties, up to $250 per child per month;
- Supports an average of 21,738 recipients in fiscal year 2006 and 23,274 in fiscal year 2007, with a caseload increase of approximately 130 per month;
- Reimburses the out-of-pocket costs incurred by families who adopt special needs children, up to $2,000 per child adopted, and will support payment for approximately 2,000 children in each year of the biennium; and
- Reimburses county child welfare agencies for some post adoption services required by special needs children, up to $10,000 per child per year, or $15,000 in extraordinary circumstances, and will support between 375 and 475 such cases per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-423	Office of Children and Families	826,394	754,680
GRF	GRF	600-528	Adoption Services	74,030,105	78,538,615
FED	3V6	600-689	TANF Block Grant	5,000,000	5,000,000
FED	327	600-606	Child Welfare	2,057,760	2,059,329
FED	395	600-616	Special Activities-Child & Family Services	1,850,000	1,800,000
FED	398	600-627	Adoption Maintenance/Administration	129,547,306	130,713,592
SSR	4E7	600-604	Child & Family Services Collections	300,000	300,000
SSR	4F1	600-609	Foundation Grants-Child & Family Services	61,420	61,420
TOTAL FOR PROGRAM				**213,672,985**	**219,227,636**

Program 04.04: Foster Care

This program supports county child welfare costs including the investigation of complaints of child abuse and neglect, placement of children into foster care, training programs for county child welfare workers and foster parents, and the federal and non-federal shares of education and training vouchers available to persons who have "aged-out" of the foster care system.

What the Budget Buys:

- Supports foster parent and county staff training and the state match for education and training vouchers; and
- Funds the federal child welfare demonstration, ProtectOhio, made up of 14 counties representing one third of the foster care placement caseload.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-423	Office of Children and Families	2,690,656	2,730,369
GRF	GRF	600-523	Children and Families Subsidy	3,248,586	3,248,586
FED	3G5	600-655	Interagency Reimbursement	3,900,000	4,000,000
FED	3N0	600-628	IV-E Foster Care Maintenance	153,963,142	153,963,142
FED	327	600-606	Child Welfare	2,816,050	2,815,418
FED	395	600-616	Special Activities-Child & Family Services	0	50,000
FED	398	600-627	Adoption Maintenance/Administration	164,294,098	165,610,449
TOTAL FOR PROGRAM				**330,912,532**	**332,417,964**

Program 04.05: Family and Children First

Family and Children First (FCF) coordinates the formulation of family and children services policies among various cabinet departments.

What the Budget Buys:

- Funds the department's share of the cost of the Family and Children First program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-321	Support Services	100,406	100,406
TOTAL FOR PROGRAM				**100,406**	**100,406**

Program 04.06: SACWIS/FACSIS

Statewide Automated Children Welfare Information System (SACWIS) will replace the functionality in two existing legacy systems, FACSIS and SACWIS Interim Solution (SIS). SACWIS will include an increase in functionality and consolidate state and county data into a single, statewide system that will be used by all 88 counties. The Family and Children Services Information System (FACSIS) is a legacy system and provides management information, compliance data, case-tracking services and data to support program evaluation, assessment, family/foster home licensing, and a Title IV-E payment system.

What the Budget Buys:

- Funds the implementation of SACWIS, expected to begin a pilot test in January 2006 and begin rollout 90 days later; and
- Supports the operation of FACSIS and SIS until the rollout of SACWIS is complete.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	2,935,118	2,973,424
FED	3W3	600-659	TANF/Title XX Transfer	7,500,000	4,900,000
FED	398	600-627	Adoption Maintenance/Administration	10,071,147	7,154,979
TOTAL FOR PROGRAM				**20,506,265**	**15,028,403**

PROGRAM SERIES 05: Health Care

This program series supports the medical program activities of the department, including Title XIX - Medicaid, Title XXI - Children's Health Insurance Program (CHIP), Disability Medical Assistance, Ohio's Best Rx, and the technology that supports these functions.

Program 05.01: Fee for Service

ODJFS provides its consumers with a fee-for-service health plan that emphasizes accessibility, network management, quality, and improved outcomes. It also assures customer access to comprehensive, quality primary and acute-care services in the most efficient and cost-effective manner. The department will carry out the following subprograms: 1) the provision of primary and acute-care services through fee-for-service programs, 2) Medicare premium assistance programs, 3) program integrity, 4) collection of third-party payments, 5) prior authorization, 6) claims adjustment, and 7) categorical medical service spending.

What the Budget Buys:

- Provides health care coverage for 1,056,028 citizens per month in fiscal year 2006 and 661,932 in fiscal 2007. The decline in fiscal year 2007 is due to expansion in the managed care program; and
- Funds Ohio's share of the Medicare Part D prescription drug payment to the federal government, $155.3 million in fiscal year 2006 and $339.6 million in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-425	Office of Ohio Health Plans	21,975,656	22,497,584
GRF	GRF	600-525	Health Care/Medicaid	4,200,401,850	3,623,301,317
GRF	GRF	600-526	Medicare Part D	155,349,266	339,578,325
FED	3F0	600-623	Health Care Federal	38,345,352	24,641,396
FED	3G5	600-655	Interagency Reimbursement	834,344	975,620
SSR	5P5	600-692	Health Care Services	7,000,000	7,000,000
SSR	5U3	600-654	Health Care Services Administration	1,868,381	1,988,795
TOTAL FOR PROGRAM				**4,425,774,849**	**4,019,983,037**

Program 05.02: Managed Care

ODJFS provides its consumers with a health plan that emphasizes accessibility, network management, quality, and improved outcomes. It also assures customer access to comprehensive, quality primary and acute-care services in the most efficient and cost-effective manner. The department supports the following value purchasing activities under this program: 1) the provision of primary and acute-care services to Covered Families and Children through managed care programs, and 2) enhanced care management for certain persons with specific chronic diseases.

What the Budget Buys:

- Provides full-risk managed care coverage for 714,910 recipients per month in fiscal year 2006 and 1,135,990 per month in fiscal year 2007; and
- Funds an expansion of enhanced care management (ECM), which will have an enrollment of 50,000 by the end of fiscal year 2006 and 80,000 by the end of fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-425	Office of Ohio Health Plans	3,760,042	3,871,842
GRF	GRF	600-525	Health Care/Medicaid	1,524,362,282	2,194,046,214
FED	3F0	600-623	Health Care Federal	28,095,627	148,416,059
SSR	5U3	600-654	Health Care Services Administration	50,074	51,562
TOTAL FOR PROGRAM				**1,556,268,025**	**2,346,385,677**

Program 05.03: Care Within Institutional Settings

ODJFS supports and manages the delivery of long-term care and related services provided through nursing facilities and non-state operated intermediate care facilities for the mentally retarded (ICFs/MR). Residents of nursing facilities and ICFs/MR who use Medicaid also receive coverage for primary and acute-care services paid for on a fee-for-service basis. The facility-based program provides long-term care and related services to persons who are aged, blind, or disabled. ODJFS pays for long-term care services through direct payment to nursing facilities and non-state operated ICFs/MR for care rendered on a per diem basis.

What the Budget Buys:

- Reimburses nursing homes and ICF/MRs for care provided to over 63,000 citizens.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-425	Office of Ohio Health Plans	5,332,721	5,491,243
GRF	GRF	600-525	Health Care/Medicaid	2,779,703,049	2,742,800,540
FED	3G5	600-655	Interagency Reimbursement	11,900,000	11,900,000
SSR	4J5	600-618	Residential State Supplement Payment	15,700,000	15,700,000
TOTAL FOR PROGRAM				**2,812,635,770**	**2,775,891,783**

Program 05.04: Care Within Community Settings

ODJFS's community-based program continuously increases options for long-term care and integrated community services for persons with disabilities throughout Ohio. This program continues Governor Taft's Ohio Access Plan for elders and persons with disabilities.

What the Budget Buys:

- Funds home health services and private duty nursing services;
- Provides federal funding passed through to other agencies (i.e., Mental Health, ODMR/DD, Aging, and ODADAS) for Medicaid services that they provide to elders and people with disabilities;
- Funds the Home Care waiver caseload of 9,991 in fiscal year 2006 and 10,580 in fiscal year 2007; and
- Provides funding for the Success Project, which provides an opportunity for residents to transition from a nursing home to living in a community setting. Fifty individuals are scheduled to move out of nursing homes in fiscal year 2006 and 100 in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-425	Office of Ohio Health Plans	5,948,499	6,119,743
GRF	GRF	600-525	Health Care/Medicaid	916,125,735	1,023,985,180
GSF	5C9	600-671	Medicaid Program Support	3,000,634	3,000,634
FED	3F0	600-623	Health Care Federal	954,059	666,519
FED	3G5	600-655	Interagency Reimbursement	1,345,324,025	1,407,232,820
SSR	4J5	600-613	Nursing Facility Bed Assessment	33,613,984	33,613,984
SSR	5U3	600-654	Health Care Services Administration	706,979	727,952
TOTAL FOR PROGRAM				**2,305,673,915**	**2,475,346,832**

Program 05.05: Program Management

Ohio's Medicaid program is one of the largest public health care purchasers in the country. It constitutes more than 23 percent of the state's total budget expenditures and about 76 percent of ODJFS' budget expenditures. Operating an effective health plan requires the department to engage in a number of administrative activities. These activities include member services, provider network management, quality assurance and improvement, coordination of benefits, benefit design and pricing, information services, contract monitoring, and program integrity activities.

What the Budget Buys:

- Funds 587 employees who manage and administer the Medicaid program;
- Provides hospitals with federal reimbursement for care provided to indigent patients through the Hospital Care Assurance program;
- Funds health care payments to providers and administrative activities using rebates from drug manufacturers. These rebates total $821.6 million in fiscal year 2006 and $531.3 million fiscal year 2007; and
- Funds the expansion of managed care and other health services through the collection and use of a managed care assessment fee. The fee will provide an additional $18.8 million in fiscal year 2006 and $99.4 million fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	4,695,454	4,081,032
GRF	GRF	600-425	Office of Ohio Health Plans	14,326,257	11,884,870
GSF	5C9	600-671	Medicaid Program Support	70,014,387	60,946,902
FED	3F0	600-623	Health Care Federal	447,546,363	457,401,340
FED	3F0	600-650	Hospital Care Assurance Match	343,239,047	343,239,047
FED	3G5	600-655	Interagency Reimbursement	2,844,000	2,846,000
SSR	4E3	600-605	Nursing Home Assessments	4,759,914	4,759,914
SSR	4J5	600-613	Nursing Facility Bed Assessment	49,681	16,495
SSR	4K1	600-621	ICF/ MR Bed Assessments	20,074,255	20,064,131
SSR	4Z1	600-625	Healthcare Compliance	10,000,000	10,000,000
SSR	5BG	600-653	Managed Care Assessment	18,795,483	99,410,121
SSR	5P5	600-692	Health Care Services	821,587,776	531,301,761
SSR	5Q9	600-619	Supplemental Inpatient Hosp Payments	56,125,998	56,125,998
SSR	5R2	600-608	Medicaid-Nursing Facilities	111,129,224	111,214,982
SSR	5S3	600-629	MR/DD Medicaid Administration & Oversight	1,620,960	1,620,960
SSR	5U3	600-654	Health Care Services Administration	3,390,703	3,594,997
SSR	651	600-649	Hospital Care Assurance Program	231,893,404	231,893,404
TOTAL FOR PROGRAM				**2,162,092,906**	**1,950,401,954**

Program 05.06: Client Registry Information System Enhanced (CRIS-E)

CRIS-E is a statewide information system that automates all of the county caseworker support activities including scheduling appointments, taking applications, assigning benefits eligibility, and distributing benefits to clients. The goal of CRIS-E is to provide an automated eligibility and benefits calculation system to county caseworkers that improves efficiency and accuracy.

What the Budget Buys:

- Supports over 18,000 users with online availability each day;
- Issues Medicaid identification cards and OWF cash benefit checks, and processes food stamp/EBT transactions each month; and
- Funds the business plan for the replacement of the CRIS-E system in fiscal year 2006, the request for proposal process in the beginning of fiscal year 2007, and testing of the new system at the end of fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	7,935,152	13,627,908
TOTAL FOR PROGRAM				**7,935,152**	**13,627,908**

Program 05.07: Medicaid Management Information System (MMIS)/Health Information Portability and Accountability Act (HIPAA)

The primary function of Ohio's MMIS is to process Medicaid and Disability Assistance Medical claims. It provides reimbursement to medical providers for services rendered to eligible recipients. As part of HIPAA, state Medicaid programs are required to: improve efficiency in healthcare delivery by standardizing electronic data interchange; protect confidentiality and security of health data; and use standardized codes and fields for consumer's electronic health, administrative, and financial data.

What the Budget Buys:

- Provides funding to develop the new Medicaid information technology system (MITS) which will replace the 20 plus year old system currently used to process Medicaid claims. The state funds used to develop MITS will receive a 90 percent federal match;
- Provides funding to operate and maintain the current legacy system used to process Medicaid claims; and
- Supports funding for over 65 employees who perform systems operations and development functions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	15,571,796	17,407,105
FED	3F0	600-623	Health Care Federal	26,742,691	41,988,255
SSR	5U3	600-654	Health Care Services Administration	3,743,057	8,743,057
TOTAL FOR PROGRAM				**46,057,544**	**68,138,417**

Program 05.08: Ohio's Best Rx

Ohio's Best Rx program is a statewide prescription drug discount card program designed to lower the cost of prescriptions for Ohio residents age 60 or over or with incomes at or below 250 percent of the federal poverty level who have no other prescription drug insurance coverage. The Best Rx card is available at no charge to eligible participants and offers a mail order delivery option for ongoing medications. The goal of Best Rx is to improve access to needed medications at a reduced cost to the participant through a wide network of participating pharmacies.

What the Budget Buys:

- Supports the administration of the Ohio's Best Rx program that is expected to serve over 500,000 participants; and
- Funds ten full-time positions for program administration.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5AA	600-673	Ohio's Best Rx Administration	5,000,000	5,000,000
TOTAL FOR PROGRAM				**5,000,000**	**5,000,000**

PROGRAM SERIES 06: Unemployment Insurance

This program series supports all activities related to the unemployment insurance in Ohio including benefit issuance, employer tax functions, Trade Program and NAFTA-related activities, funding for the Unemployment Compensation Review Commission, and the related technology activities.

Department of Job and Family Services

Program 06.01: Unemployment Insurance

The Unemployment Insurance (UI) program was developed as a counter cyclical economic stabilizer to provide funds to support the economy when workers are unemployed and without wages through no fault of their own. Employers pay a federal unemployment tax to the IRS that provides administrative funding for the system through federal appropriations, and a state unemployment tax to ODJFS that provides funds for unemployment benefits. The UI program is a federal/state partnership in recognition of the fact that states and the federal government both have critical roles to play for the program to be effective.

What the Budget Buys:

- Provides temporary financial support to individuals with an attachment to the workforce who have become separated from employment through no fault of their own, up to a maximum of 26 weeks while seeking reemployment;
- Funds primary administration functions including support of the payment of claims and the collection of employer state unemployment taxes; and
- Supports two administration offices, the Office of Unemployment Compensation and the Office of Local Operations, that maintain six call centers and 16 processing centers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-678	Federal Unemployment Programs	98,578,318	101,470,580
FED	331	600-686	Federal Operating	221,475	228,113
SSR	4A9	600-607	Unemployment Compensation Admin Fund	9,180,106	9,215,171
SSR	4R3	600-687	Banking Fees	800,000	800,000
TOTAL FOR PROGRAM				**108,779,899**	**111,713,864**

Program 06.02: Trade/NAFTA Dislocated Workers

This program provides training and other resources to move trade-affected workers into new jobs as quickly and effectively as possible so that they continue to be productive members of the workforce and so that businesses remain competitive.

What the Budget Buys:

- Provides cash benefits while workers seek reemployment, allowances for job search and relocation, a health coverage tax credit, a wage supplement for workers over 50 years of age who become reemployed prior to exhausting unemployment benefits, and formal retraining for a new career; and
- Supports an estimated 2,200 participants per year in fiscal year 2006 and fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V0	600-688	Workforce Investment Act	844,324	868,833
FED	3V4	600-678	Federal Unemployment Programs	9,942,933	9,966,923
TOTAL FOR PROGRAM				**10,787,257**	**10,835,756**

Program 06.03: Unemployment Compensation Review Commission (UCRC)

The UCRC has jurisdiction over an unemployment claim when an appeal is filed and transferred to the UCRC for disposition. The UCRC hears appeals of unemployment compensation decisions at two appeal levels, lower authority and higher authority.

What the Budget Buys:

- Supports the hearing of approximately 22,000 cases in fiscal year 2006 and 20,000 cases in fiscal year 2007;
- Supports functions that will help reduce the backlog of cases and improve production levels; and
- Funds the installation of a voice response system that will handle basic information requests and free up staff members to work in other critical areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-679	Unemployment Comp. Review Comm. - Federal	3,165,951	3,251,850
SSR	4A9	600-694	Unemployment Comp Review Commission	3,188,473	3,188,473
TOTAL FOR PROGRAM				**6,354,424**	**6,440,323**

Program 06.04: Employment Systems

Employment Systems are the statewide information systems that administer the Unemployment Compensation Tax system, Unemployment Compensation Benefits system, and the Wage Record system. Features of these systems include an automated employer charging function, automated overpayment processing function, child support interception function, voluntary IRS tax withholding function, statistical reporting functions, automated non-monetary form, and decision-writing function.

What the Budget Buys:

- Supports the statewide information systems that assist the department in administering employment service programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-678	Federal Unemployment Programs	9,858,684	9,931,222
FED	331	600-686	Federal Operating	2,289,051	2,318,924
TOTAL FOR PROGRAM				**12,147,735**	**12,250,146**

Program 06.05: Ohio Job Insurance (OJI)

Ohio Job Insurance (OJI) replaces the legacy Unemployment Compensation Benefits system that pays unemployment benefits to individuals who are laid off or otherwise become unemployed through no fault of their own.

What the Budget Buys:

- Supports functions such as EFT payment to claimants, Internet applications for benefits, and online access to information needed by employers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-678	Federal Unemployment Programs	7,883,775	7,973,437
TOTAL FOR PROGRAM				**7,883,775**	**7,973,437**

Program 06.06: Employer Resource Information Center (ERIC)

Employer Resource Information Center (ERIC) replaces the legacy Unemployment Compensation Tax and Wage systems. This new system will be coordinated with the Ohio Business Gateway to provide employers with the best level of service.

What the Budget Buys:

- Serves approximately 232,000 active Ohio employers and processes $750 million of tax revenues per year; and
- Provides a more stable, up-to-date technological platform that will offer more functionality and broader range of online available services to both internal and external users of the system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-678	Federal Unemployment Programs	7,849,753	7,855,447
TOTAL FOR PROGRAM				**7,849,753**	**7,855,447**

Program 06.07: UCRC-MIS

Ohio's UCRC case management system database tracks the unemployment appeal claims throughout the appeal process until it is assigned, heard, and a disposition issued. Management Information Services (MIS) supports and maintains the Ohio Unemployment Compensation Review Commission's (UCRC) case management system database.

What the Budget Buys:

- Supports the maintenance of UCRC's hardware, network, and application software.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V4	600-679	Unemployment Comp. Review Comm. - Federal	663,479	548,723
TOTAL FOR PROGRAM				**663,479**	**548,723**

PROGRAM SERIES 07: Support Services

This program series provides administrative and operational support to agency programs to help accomplish the agency's mission.

Program 07.01: Program Management

Program Management contains the support offices that help the agency to achieve and maintain excellence in the workforce, organization, services and products, and relationships, through adherence to quality principles. Services include budget development, management and monitoring; payroll projections; human resources processing; facilities management, timely responses to legislative, constituent and media requests; performance management; contracting and acquisition procedures; accounting services; funding and auditing of counties and service providers; financial reporting; legal services; mail processing; quality control, and Internal Audit Compliance Program implementation.

What the Budget Buys:

- Supports nine program support offices of the agency and 766 full-time positions; and
- Supports the relocation and consolidation of the agency's central staff into three sites.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-321	Support Services	70,771,994	68,379,532
GRF	GRF	600-442	PA Reconciliation	30,000,000	30,000,000
FED	3F0	600-623	Health Care Federal	1,100,316	1,139,123
FED	3H7	600-617	Child Care Federal	4,439,306	4,591,711
FED	3V0	600-688	Workforce Investment Act	4,399,761	4,524,833
FED	3V4	600-678	Federal Unemployment Programs	5,326,874	6,125,905
FED	3V6	600-689	TANF Block Grant	6,000,000	6,000,000
FED	331	600-686	Federal Operating	3,521,409	3,557,350
FED	384	600-610	Food Stamps & State Administration	11,013,617	11,383,865
FED	397	600-626	Child Support	8,277,234	8,558,762
FED	398	600-627	Adoption Maintenance/Administration	4,370,543	4,516,169
SSR	4A9	600-607	Unemployment Compensation Admin Fund	0	2,000,000
SSR	4J5	600-613	Nursing Facility Bed Assessment	950,319	983,505
SSR	5F2	600-667	Building Consolidation	250,000	250,000
SSR	5F3	600-668	Building Consolidation	1,000,000	1,000,000
SSR	5U3	600-654	Health Care Services Administration	356,676	368,346
090	R12	600-643	Refunds and Audit Settlements	3,600,000	3,600,000
090	R13	600-644	Forgery Collections	10,000	10,000
TOTAL FOR PROGRAM				**155,388,049**	**156,989,101**

Program 07.02: Computer Projects (MIS Support)

This program includes the network, mainframe support, security, database maintenance, systems programming for all mainframe applications, client server support, standards, and configuration management for all of the MIS applications and the business functions of MIS. The Data Warehouse project is designed to provide easily accessible, comprehensive, and high-quality information in a timely manner using both standard and ad hoc reporting in an integrated environment.

What the Budget Buys:

- Provides equipment and software to support the administration of the agency network;
- Allows for network support of 25,000 state and county workers;
- Funds mainframe support, security equipment and software, database maintenance, systems programming for all mainframe applications, and client server support; and
- Supports standards and configuration management for MIS applications and the business functions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	600-416	Computer Projects	70,114,700	73,695,156
GSF	5N1	600-677	County Technologies	1,000,000	1,000,000
FED	3H7	600-617	Child Care Federal	3,711,335	3,882,363
FED	3V0	600-688	Workforce Investment Act	2,819,308	2,930,616
FED	3V4	600-678	Federal Unemployment Programs	11,791,245	12,259,078
FED	331	600-686	Federal Operating	3,378,537	3,526,552
FED	384	600-610	Food Stamps & State Administration	35,390	36,427
FED	397	600-626	Child Support	8,711,709	9,081,973
FED	398	600-627	Adoption Maintenance/Administration	6,356,425	6,644,330
TOTAL FOR PROGRAM				**107,918,649**	**113,056,495**

Table E-1
Department of Job and Family Services
State and Federal Shares of GRF Recommendations
for FYs 2006 and 2007

Amounts are rounded to the nearest thousand*

		RECOMMENDED					
		FY 2006			FY 2007		
ALI	ALI TITLE	TOTAL	STATE	FEDERAL	TOTAL	STATE	FEDERAL
600-321	Support Services	70,912	62,798	8,114	68,520	60,065	8,455
600-416	Computer Projects	156,096	117,517	38,579	155,481	120,226	35,255
600-425	Office of Ohio Health Plans	51,343	24,804	26,540	49,865	24,055	25,810
600-525	Health Care/Medicaid	9,420,593	3,773,643	5,646,950	9,584,133	3,818,541	5,765,592
600-528	Adoption Services	74,030	33,698	40,332	78,539	35,516	43,022
Total		9,772,975	4,012,460	5,760,515	9,936,538	4,058,403	5,878,135

*Totals may not add due to rounding

Department of Job and Family Services

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Notes

Local Operations/422: Employment services and unemployment compensation activities previously funded by this line item are now supported by the line item Unemployment Compensation Administrative Fund/607 and various federal line items.

Office of Workforce Development/424: Workforce development activities previously funded by this line item are now supported by the line item Unemployment Compensation Administrative Fund/607.

Unemp. Comp. Review Commission/435: Unemployment Compensation Review Commission activities funded by this line item are now supported by the line item Unemployment Compensation Review Commission/694.

Ohio's Best RX Start Up Costs/440: Appropriation that is expected to lapse at the end of fiscal year 2005 will be reappropriated for fiscal year 2006 to support continuing program development.

TANF/Title XX Transfer/659: TANF funds will now be transferred to the line item Social Services Block Grant/620 to support county social service expenditures.

State and Local Training/602: In keeping with the shift towards program budgeting, the funding in this line item has been requested directly from the respective federal program line items.

Unemployment Benefit Automation/685: The funds supporting this line item were derived from investing a portion of the Federal Trust fund dollars, and the principal was used to fund the Ohio Job Insurance project. The remainder of the funds generated from this line item will be exhausted by the end of fiscal year 2005.

Medicare Part D Impact on ODJFS Account Line Items

In 2003, the federal government enacted the Medicare Prescription Drug, Improvement, and Modernization Act (MMA). Part of the MMA affects how prescription drugs are paid to dual eligible individuals. This part of the MMA is referred to as Medicare Part D. Dual eligible individuals are those that qualify for both Medicare and Medicaid. Currently, Ohio Medicaid pays for these individuals' drugs and receives federal reimbursement like most other Medicaid services. The state also receives rebates from drug manufacturers for these purchases. When Medicare Part D becomes effective in January 2006, Medicare will pay for these drugs and will charge the state a premium for what the federal government calculates as the state share of these costs. It is estimated that the number of dual eligible individuals served by Medicaid will increase due to Medicare encouraging additional people to sign up for Medicaid.

The following highlights the most significant impacts to the Medicaid budget structure.

- Prescription drug expenditures for dual eligible individuals will no longer be paid out of line item 600-525, Health Care/Medicaid.
- A new line item, 600-526 Medicare Part D, will be used to make the premium payment to the federal government.
- Since the federal government will be paying the drug costs for dual eligible individuals, the federal reimbursement will no longer flow through the state's budget lowering the federal share of line item 600-525, Heath Care / Medicaid.
- The state will not receive the drug rebates for dual eligibles, lowering the revenue in line item 600-692, Health Care Services. There is no impact in fiscal year 2006 because rebates are received two quarters after payment and Medicare Part D does not take effect until the third quarter of fiscal year 2006.

The impacts above will make it difficult to compare the new Medicaid budget to past Medicaid budgets. To illustrate changes in funding levels, the table below shows affected line items prior to the Medicare Part D impact and after the Medicare Part D impact.

Prior to Medicare Part D includes cost containment initiatives			**Fiscal Year 2005**		**Fiscal Year 2006**		**Fiscal Year 2007**	
GRF	600-525	Health Care / Medicaid	$9,574,922,353	7.4%	$9,848,953,187	2.9%	$10,270,964,640	4.3%
	state		*$3,886,099,513*	*5.0%*	*$3,945,500,770*	*1.5%*	*$4,094,097,431*	*3.8%*
	federal		*$5,688,822,840*	*9.2%*	*$5,903,452,417*	*3.8%*	*$6,176,867,209*	*4.6%*
GRF	600-526	Medicare Part D	n/a		n/a		n/a	
5P5	600-692	Health Care Services	$544,817,582	19.6%	$828,587,776	52.1%	$891,317,803	7.6%
Part D Impact								
GRF	600-525	Health Care / Medicaid			-$428,360,269		-$707,631,385	
	state				*-$171,858,140*		*-$283,901,712*	
	federal				*-$256,502,129*		*-$423,729,673*	
GRF	600-526	Medicare Part D			$155,349,266		$339,578,325	
5P5	600-692	Health Care Services			$0		-$353,016,042	
Post Medicare Part D includes cost containment initiatives								
GRF	600-525	Health Care / Medicaid	$9,574,922,353	7.4%	$9,420,592,918	-1.6%	$9,584,133,255	1.7%
	state		*$3,886,099,513*	*5.0%*	*$3,773,642,630*	*-2.9%*	*$3,818,540,678*	*1.2%*
	federal		*$5,688,822,840*	*9.2%*	*$5,646,950,288*	*-0.7%*	*$5,765,592,577*	*2.1%*
GRF	600-526	Medicare Part D	n/a		$155,349,266	n/a	$339,578,325	118.6%
5P5	600-692	Health Care Services	$544,817,582	19.6%	$828,587,776	52.1%	$538,301,761	-35.0%

*** Note:** FY 07 appropriations for All GRF and 600-525 include $20,800,000 (state and federal) not contained in the pre-Part D figures for the implementation of the Assisted Living Waiver

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	600-100	Personal Services	71,835,958	313,649	0	0	0	.0	0	.0
GRF	600-200	Maintenance	23,916,620	1,012,763	0	0	0	.0	0	.0
GRF	600-300	Equipment	528,112	133,640	0	0	0	.0	0	.0
GRF	600-321	Support Services	0	54,498,761	62,154,564	65,736,930	70,912,400	7.9	68,519,938	(3.4)
GRF	600-402	EBT	15,169,330	2,843,666	0	0	0	.0	0	.0
GRF	600-405	Family Violence Prevention Prg	90,631	0	0	0	0	.0	0	.0
GRF	600-407	UI/ES Operating	1,169	0	0	0	0	.0	0	.0
GRF	600-410	TANF State	268,461,459	268,622,755	272,619,054	272,619,061	272,619,061	.0	272,619,061	.0
GRF	600-411	TANF Federal Block Grant	14,723,719	0	0	0	0	.0	0	.0
GRF	600-413	Child Care Mtch/Maint. of Effort	84,120,596	84,118,257	84,120,420	84,120,596	84,120,596	.0	84,120,596	.0
GRF	600-416	Computer Projects	134,189,609	140,271,621	122,309,615	151,400,454	156,095,908	3.1	155,481,486	(.4)
GRF	600-420	Child Support Administration	5,349,446	5,137,221	4,460,689	5,091,446	5,091,446	.0	5,091,446	.0
GRF	600-421	Office of Family Stability	0	3,962,170	4,151,514	4,864,932	4,864,932	.0	4,864,932	.0
GRF	600-422	Local Operations	0	2,232,474	2,101,545	2,305,232	0	**	0	.0
GRF	600-423	Office of Children and Families	0	4,130,122	4,266,872	5,906,927	5,408,020	(8.4)	5,431,690	.4
GRF	600-424	Office of Workforce Development	0	802,164	457,134	877,971	0	**	0	.0
GRF	600-425	Office of Ohio Health Plans	0	34,351,227	34,739,585	42,099,242	51,343,175	22.0	49,865,282	(2.9)
GRF	600-426	Children's Health Insurance Prog	47,106,345	0	0	0	0	.0	0	.0
GRF	600-427	Child & Family Svcs Activities	1,729,120	542,093	0	0	0	.0	0	.0
GRF	600-435	Unemp. Comp. Review Committee	3,688,522	3,151,998	3,041,014	3,188,473	0	**	0	.0
GRF	600-436	Medicaid Systems Enhancements	32,125	0	0	0	0	.0	0	.0
GRF	600-437	Temporary Heating Assistance	423,966	0	0	0	0	.0	0	.0
GRF	600-439	Commission to Reform Medicaid	0	0	5,682	236,441	0	(100.0)	0	.0
GRF	600-440	Ohio's Best Rx Start Up Costs	0	0	119,808	9,880,186	0	**	0	.0
GRF	600-442	PA Reconciliation	0	0	0	0	30,000,000	.0	30,000,000	.0
GRF	600-502	Child Support Match	17,369,467	16,803,024	16,802,229	16,814,103	16,814,103	.0	16,814,103	.0
GRF	600-504	Non-TANF County Administration	67,150,231	859,444	0	0	0	.0	0	.0
GRF	600-511	Disability Financial Assistance	87,222,475	24,487,575	21,348,922	22,839,371	22,839,371	.0	22,839,371	.0
GRF	600-512	Non-TANF Disaster Assistance	1,062,815	0	0	0	1,000,000	.0	1,000,000	.0
GRF	600-521	Entitlement Administration -Local	0	58,040,559	54,091,331	62,506,401	151,206,401	141.9	151,206,401	.0
GRF	600-522	Burial Claims	91,187	0	0	0	0	.0	0	.0
GRF	600-523	Children and Families Subsidy	0	69,897,771	67,736,205	68,939,636	69,438,543	.7	69,438,543	.0
GRF	600-525	Health Care/Medicaid	7126,610,366	8008,531,527	8912,897,216	9574,922,352	9420,592,916	**	9584,133,251	1.7
GRF	600-526	Medicare Part D	0	0	0	0	155,349,266	**	339,578,325	**
GRF	600-527	Child Protective Services	58,633,007	209,307	0	0	0	.0	0	.0
GRF	600-528	Adoption Services	60,427,409	63,618,210	65,793,842	77,132,981	74,030,105	(4.0)	78,538,615	6.1
GRF	600-534	Adult Protective Services	2,738,097	70,112	0	0	0	.0	0	.0
GRF	600-552	County Social Services	10,219,677	277,055	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**8102,891,458**	**8848,919,165**	**9733,217,241**	**10471,482,735**	**10591,726,243**	**1.1**	**10939,543,040**	**3.3**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4A8	600-658	Child Support Collections	42,303,897	43,821,149	24,449,285	26,680,794	26,680,794	.0	26,680,794	.0
4R4	600-665	BCII Services Fees	7,163	7,469	6,967	136,974	36,974	(73.0)	36,974	.0
5C9	600-671	Medicaid Program Support	50,771,239	59,151,893	50,292,326	60,216,249	73,015,021	21.3	63,947,536	(12.4)
5N1	600-677	County Technologies	7,743	276,983	256,567	1,000,000	1,000,000	.0	1,000,000	.0
613	600-645	Training Activities	23,555	14,730	35,629	135,000	135,000	.0	135,000	.0
TOTAL General Services Fund Group			**93,113,597**	**103,272,224**	**75,040,774**	**88,169,017**	**100,867,789**	**14.4**	**91,800,304**	**(9.0)**
3AW	600-675	Faith Based Initiatives	0	0	0	750,000	0	(100.0)	0	.0
3A2	600-641	Emergency Food Distribution	2,425,381	1,997,708	2,691,705	2,936,855	2,600,000	(11.5)	2,800,000	7.7
3D3	600-648	Children's Trust Fund-Federal	641,407	871,685	215,017	2,040,524	2,040,524	.0	2,040,524	.0
3F0	600-623	Health Care Federal	251,580,895	316,865,254	413,196,431	438,397,125	542,784,408	23.8	674,252,692	24.2
3F0	600-650	Hospital Care Assurance Match	320,551,643	329,495,855	282,052,600	343,680,516	343,239,047	(.1)	343,239,047	.0
3G5	600-655	Interagency Reimbursement	788,027,514	977,276,055	1006,819,702	1278,278,596	1364,802,369	6.8	1426,954,440	4.6
3G9	600-657	Special Activities-Family Asst	377,853	391,950	0	0	0	.0	0	.0
3H7	600-617	Child Care Federal	314,874,784	335,422,802	197,783,565	202,529,280	208,000,000	2.7	208,000,000	.0
3N0	600-628	IV-E Foster Care Maintenance	119,103,085	120,940,020	115,796,416	153,963,142	153,963,142	.0	153,963,142	.0
3S5	600-622	Child Support Projects	277,962	160,800	280,306	534,050	534,050	.0	534,050	.0
3V0	600-662	WIA Ohio Option 7	0	82,648,878	66,953,871	0	0	.0	0	.0
3V0	600-688	Workforce Investment Act	104,268,249	68,607,612	62,000,443	184,285,600	208,322,037	13.0	208,097,948	(.1)
3V4	600-678	Federal Unemployment Programs	64,445,477	96,263,783	104,372,627	199,748,976	153,435,545	(23.2)	157,202,750	2.5
3V4	600-679	Unemp. Comp. Review Comm. - Federal	1,616,353	2,625,381	3,035,906	2,860,297	3,829,430	33.9	3,800,573	(.8)
3V6	600-689	TANF Block Grant	569,408,003	563,722,208	650,235,823	675,703,645	756,604,142	12.0	781,983,200	3.4
3V6	600-690	Wellness	13,137,155	12,567,447	15,004	0	0	.0	0	.0
3W3	600-659	TANF/Title XX Transfer	16,195,117	22,710,087	55,633,235	93,498,158	8,000,000	**	5,400,000	(32.5)
3W3	600-696	Non TANF Adult Assistance	1,000,000	0	0	0	0	.0	0	.0
3W8	600-638	HIPPY Program	62,500	0	0	0	0	.0	0	.0
3W9	600-640	Adoption Connection	50,000	0	0	0	0	.0	0	.0
316	600-602	State and Local Training	6,476,523	7,983,451	2,633,843	11,249,282	0	**	0	.0
327	600-606	Child Welfare	19,167,205	19,645,815	14,532,495	28,665,728	33,160,190	15.7	33,090,786	(.2)
331	600-686	Federal Operating	38,610,315	40,956,746	38,415,185	47,340,081	43,966,134	(7.1)	44,929,546	2.2
365	600-681	Job Training Program	19,034,130	1,483,604	0	0	0	.0	0	.0
384	600-610	Food Stamps & State Admin.	87,253,366	97,938,456	102,237,448	135,141,694	188,238,706	39.3	181,250,799	(3.7)
385	600-614	Refugee Services	3,408,461	3,579,853	3,992,620	5,841,407	5,683,829	(2.7)	5,742,439	1.0
395	600-616	Special Activities-Child & Fam Svs	2,283,396	1,649,953	2,466,671	3,975,821	4,567,112	14.9	4,564,877	.0
396	600-620	Social Services Block Grant	50,336,679	37,703,685	33,689,727	139,485,134	120,993,012	**	121,004,222	.0
397	600-626	Child Support	237,228,543	240,065,342	237,675,453	287,468,576	287,468,576	.0	287,468,576	.0
398	600-627	Adoption Maint/Administration	184,958,968	215,057,999	225,871,231	314,639,519	314,639,519	.0	314,639,519	.0
TOTAL Fed Special Revenue Fund Group			**3216,800,964**	**3598,632,429**	**3622,597,324**	**4553,014,006**	**4746,871,772**	**4.3**	**4960,959,130**	**4.5**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
198	600-647	Children's Trust Fund	2,786,937	2,860,319	4,209,769	5,288,522	6,788,522	28.4	6,788,522	.0
4A9	600-607	Unemployment Compensation Admin Fd	7,038,595	126,666	125,011	8,001,000	11,197,180	**	13,267,311	18.5
4A9	600-694	Unemployment Comp Review Comm	0	0	0	0	3,188,473	**	3,188,473	.0
4E3	600-605	Nursing Home Assessments	(1,774)	56,892	588,025	4,759,914	4,759,914	.0	4,759,914	.0
4E7	600-604	Child & Family Services Collections	58	0	2,795	1,237,500	300,000	(75.8)	300,000	.0
4F1	600-609	Foundation Grants-Child & Fam Svs	98,380	0	0	119,310	61,420	(48.5)	61,420	.0
4J5	600-613	Nursing Facility Bed Assessmnt	43,415,949	33,878,723	33,975,980	35,064,238	34,613,984	(1.3)	34,613,984	.0
4J5	600-618	Rsdntial State Supplemnt Pymnt	13,935,742	13,681,359	11,992,307	15,700,000	15,700,000	.0	15,700,000	.0
4K1	600-621	ICF MR Bed Assessments	20,007,768	21,419,351	20,363,845	20,428,726	20,074,255	(1.7)	20,064,131	(.1)
4R3	600-687	Banking Fees	404,000	655,364	556,424	892,000	800,000	(10.3)	800,000	.0
4Z1	600-625	Healthcare Compliance	925,689	899,953	300,000	10,000,000	10,000,000	.0	10,000,000	.0
5AA	600-673	Ohio's Best Rx Administration	0	0	0	5,000,000	5,000,000	.0	5,000,000	.0
5A5	600-685	Unemployment Benefit Automation	1,493,491	7,809,680	12,504,146	14,700,000	0	**	0	.0
5BE	600-693	Child Support Operating	0	0	0	0	5,000,000	.0	5,000,000	.0
5BG	600-653	Managed Care Assessment	0	0	0	0	18,795,483	.0	99,410,121	428.9
5E6	600-634	State Option Food Stamps	5,297,303	5,176,393	45,546	0	0	.0	0	.0
5F2	600-667	Building Consolidation	0	0	0	500,000	250,000	(50.0)	250,000	.0
5F3	600-668	Building Consolidation	0	0	810,021	5,000,000	1,000,000	(80.0)	1,000,000	.0
5P4	600-691	TANF Child Welfare	2,163,229	9,672,179	506,346	0	0	.0	0	.0
5P5	600-692	Health Care Services	258,544,052	353,153,059	459,404,768	544,817,582	828,587,776	52.1	538,301,761	**
5Q9	600-619	Supplemental Inpatient Hosp Pymnts	8,931,000	11,779,720	44,227,437	56,125,998	56,125,998	.0	56,125,998	.0
5R2	600-608	Medicaid-Nursing Facilities	56,531,059	98,585,728	113,754,184	108,206,770	111,129,224	2.7	111,214,982	.1
5S3	600-629	MR/DD Medicaid Admn & Oversight	129,875	245,350	197,319	1,620,960	1,620,960	.0	1,620,960	.0
5T2	600-652	Child Support Special Payment	3,836,542	12,869,481	1,007,013	296,856	0	(100.0)	0	.0
5U3	600-654	Health Care Services Administration	0	135,208	2,002,564	6,119,127	10,115,870	65.3	15,474,709	53.0
5U6	600-663	Children and Family Support	0	1,197,811	2,739,882	4,929,718	4,929,717	.0	4,929,717	.0
5Z5	600-664	Health Care Grants	0	0	11,659	0	0	.0	0	.0
5Z9	600-672	TANF QC Reinvestments	0	0	19,962	574,000	647,409	12.8	688,421	6.3
600	600-603	Third Party Recoveries	1,531,612	0	0	0	0	.0	0	.0
651	600-649	Hospital Care Assurance Prgrm	222,480,309	231,061,911	197,380,968	236,566,852	231,893,404	(2.0)	231,893,404	.0
TOTAL State Special Revenue Fund Group			**649,549,816**	**805,265,147**	**906,725,971**	**1085,949,073**	**1382,579,589**	**27.3**	**1180,453,828**	**(14.6)**
192	600-646	Support Intercept-Federal	97,951,642	93,516,410	96,470,181	110,000,000	110,000,000	.0	110,000,000	.0
5B6	600-601	Food Stamp Intercept	1,263,289	1,169,823	634,365	2,000,000	2,000,000	.0	2,000,000	.0
583	600-642	Support Intercept-State	14,718,542	13,150,190	14,821,290	16,000,000	16,000,000	.0	16,000,000	.0
TOTAL Agency Fund Group			**113,933,473**	**107,836,423**	**111,925,836**	**128,000,000**	**128,000,000**	**.0**	**128,000,000**	**.0**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Job and Family Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
R12	600-643	Refunds and Audit Settlements	46,364	3,523,314	1,506,767	5,343,906	3,600,000	(32.6)	3,600,000	.0
R13	600-644	Forgery Collections	0	0	1,286	10,000	10,000	.0	10,000	.0
TOTAL Holdng Acct Redist Fund Group			**46,364**	**3,523,314**	**1,508,053**	**5,353,906**	**3,610,000**	**(32.6)**	**3,610,000**	**.0**
TOTAL Dept. of Job and Family Svcs.			**12176,335,672**	**13467,448,702**	**14451,015,199**	**16331,968,737**	**16953,655,393**	**3.8**	**17304,366,302**	**2.1**

**** Please see the Appropriation Line Item analysis for further detail.**

Joint Committee on Agency Rule Review

Role and Overview

The Joint Committee on Agency Rule Review (JCARR) reviews proposed new, amended, and rescinded rules to ensure that the rules do not exceed the scope of the rule-making authority of that agency; that the rules do not conflict with a rule of that agency or another rule-making agency; that the rules do not conflict with the intent of the legislature; and that the rule-making agency has prepared a complete and accurate rule summary and fiscal analysis. The committee consists of five state representatives and five state senators. In odd-numbered years the chairperson is a House member and in even-numbered years, the chairperson is a Senate member. JCARR has a staff of five and an annual budget of approximately $380,000.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	384	314	308	380	23.3	380	.0	387	2.0
TOTAL	**384**	**314**	**308**	**380**	**23.3**	**380**	**.0**	**387**	**2.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	348	286	275	350	27.3	350	.0	357	2.0
Purchased Services	3	0	0	0	.0	0	.0	0	.0
Maintenance	32	28	33	30	(8.2)	30	.0	31	2.0
Equipment	1	0	1	0	(100.0)	0	.0	0	.0
TOTAL	**384**	**314**	**308**	**380**	**23.3**	**380**	**.0**	**387**	**2.0**

Joint Committee on Agency Rule Review

PROGRAM SERIES 01: Administrative Rule Review

This program series supports the review of proposed new, amended, and rescinded rules to ensure that the rules do not exceed the scope of the rule-making authority of that agency, that such rules do not conflict other existing rules or the intent of the legislature.

Program 01.01: Administrative Rule Review

Provides for the review of rules to ensure the rules' consistency with the scope of the relevant agency's rule-making authority and confirm the proposed rules do not conflict other existing rules or the intent of the legislature.

What the Budget Buys:

As required by Section 107.03(B) of the Revised Code, the Governor has made no alterations to the funding requests of agencies of the legislative branch of government. Recommended amounts are as requested by the agency.

- Supports the review of approximately 12,000 rules annually to ensure they are complete, accurate and consistent with current law, rules and legislative intent; and
- Supports five staff positions responsible for the administration of agency activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	029-321	Operating Expenses	379,769	387,364
TOTAL FOR PROGRAM				**379,769**	**387,364**

LINE ITEM SUMMARY - Joint Committee on Agency Rule Review

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	029-321	Operating Expenses	384,411	314,116	308,102	379,769	379,769	.0	387,364	2.0
TOTAL General Revenue Fund			**384,411**	**314,116**	**308,102**	**379,769**	**379,769**	**.0**	**387,364**	**2.0**
TOTAL Joint Comm. on Agy Rule Review			**384,411**	**314,116**	**308,102**	**379,769**	**379,769**	**.0**	**387,364**	**2.0**

Joint Legislative Ethics Committee

Role and Overview

The Joint Legislative Ethics Committee (JLE) establishes a code of ethics consistent with law to govern all members and employees of the state legislature and all candidates seeking election to the legislature. The committee also investigates claims alleging a breach of privilege, conflict of interest or violation of the state ethics laws, by any candidate for legislative office, legislative member, or employee in either the Senate or the House of Representatives.

The committee consists of 12 members of the legislature. The Speaker of the House and the President of the Senate appoint six members each, not more than three can be from the same political party. The Speaker and the President annually alternate appointing the chairman and vice-chairman of the committee. The committee employs an executive director and a staff of five to assist in the exercise of its duties. The staff is known as the Office of the Legislative Inspector General. The staff also administers legislative, executive agency and retirement system lobbyist registrations and filings. The office has an annual budget of approximately $550,000.

The committee may obtain information concerning any complaint filed against a member of, employee of, or candidate for the legislature and may enforce the attendance and testimony of witnesses during hearings. The committee may recommend appropriate sanctions against a particular member, employee, or candidate. The committee may recommend legislation relating to the conduct and ethics of legislative members, employees, and candidates. The committee also may act as an advisory body to the legislature and to individual members, employees, and candidates regarding possible conflicts of interest. Legislative officials and employees file their annual financial disclosure statements with the committee.

Persons regularly engaged in lobbying activity and their employers are required to register with the JLEC administrative Office of the Legislator Inspector General, and are also required to submit reports three times each calendar year of certain expenditures and certain financial transactions in connection with lobbying activity. Lobbying includes activity to influence legislation, executive agency decisions, or a decision of a state retirement system. The registration statements and reports of expenditures and transactions are kept on file by JLEC, which also maintains lists of registered legislative agents, executive agency lobbyists, retirement systems lobbyists, and their respective employers. The list of lobbyists and their employers is updated semiannually and distributed to department-level agencies and the General Assembly. Violations under Chapters 101 or 121 of the Revised Code are referred to the Attorney General.

All documents filed with JLEC and the searchable database of lobbyists and lobbyist employers are posted to the office Website.

Executive Priorities for the Joint Legislative Ethics Committee

- Establish a Code of Ethics for the legislative branch of state government.
- Ensure awareness of and compliance with the state's standards of ethics, as defined in the Ohio Revised Code, through the provision of reliable advisory services to the legislature and lobbying organizations in an effort to avoid potential violations of the ethics law and related statutes.
- Enforce ethics laws through the investigation of claims alleging breach of privilege, conflict of interest, or violation of ethics laws
- Render advisory opinions on questions of privilege, conflict of interest and ethics laws
- Administer Ohio lobbying laws for legislative, executive branch and retirement systems lobbyists

Joint Legislative Ethics Committee

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	415	442	473	550	16.3	550	.0	550	.0
General Services Fund Group	26	33	0	0	.0	0	.0	0	.0
TOTAL	**442**	**475**	**473**	**550**	**16.3**	**550**	**.0**	**550**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	335	362	374	409	9.3	409	.0	409	.0
Purchased Services	27	31	21	25	19.9	25	.0	25	.0
Maintenance	79	80	76	114	50.1	100	(12.3)	100	.0
Equipment	0	2	2	2	5.3	16	700.0	16	.0
TOTAL	**442**	**475**	**473**	**550**	**16.3**	**550**	**.0**	**550**	**.0**

PROGRAM SERIES 01: Legislative Inspector General

This program series includes one program to enable the Legislative Inspector General to fulfill its statutory mission.

Program 01.01: Legislative Inspector General

This program supports the establishment and enforcement of a standard code of ethics consistent with law to govern all members and employees of the state legislature and all candidates seeking election to the legislature. The committee also investigates claims alleging a breach of privilege, conflict of interest or violation of the state ethics laws, by any candidate for legislative office, legislative member, or employee in either the Senate or the House of Representatives.

What the Budget Buys:

- Supports the efforts of the agency's five staff and twelve committee members to establish and enforce ethics regulations for the legislative branch, executive branch and retirement systems lobbyists;
- Funds the investigation of claims alleging breach of privilege, conflict of interest, or violation of ethics laws; and
- Provides for the preparation of ender advisory opinions on questions of privilege, conflict of interest, and ethics laws.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	028-321	Legislative Ethics Committee	550,000	550,000
TOTAL FOR PROGRAM				**550,000**	**550,000**

LINE ITEM SUMMARY - Joint Legislative Ethics Committee

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	028-321	Legislative Ethics Committee	415,493	441,551	472,972	550,000	550,000	.0	550,000	.0
TOTAL General Revenue Fund			**415,493**	**441,551**	**472,972**	**550,000**	**550,000**	**.0**	**550,000**	**.0**
4G7	028-601	Jt Legislative Ethics Committee	26,305	33,316	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**26,305**	**33,316**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Joint Legislative Ethics Comm.			**441,798**	**474,867**	**472,972**	**550,000**	**550,000**	**.0**	**550,000**	**.0**

Judicial Conference

Role and Overview

The Judicial Conference (JCO) continually studies and recommends changes in the procedures and practices of Ohio's court system in an effort to promote a fair and effective administration of justice. The Judicial Conference is comprised of all judges in the state, including common pleas, probate, juvenile, domestic relations, appellate, county, and municipal court, and the justices of the Supreme Court. The conference consists of 711 active and 171 retired judges. An executive committee of 36 judges with an honorary chair, who is the Chief Justice of the Supreme Court of Ohio, makes policy decisions for the conference. There are 11 staff members and a total annual budget of about $1.2 million. More information regarding the Judicial Conference is available at http://www.ohiojudges.org/.

Executive Priorities for the Judicial Conference

- Study the coordination of several courts of Ohio.
- Encourage uniformity in the application of law, rules, and practice throughout the state.

As required by Section 107.03(B) of the Ohio Revised Code, the Governor has made no alterations to the funding requests of agencies of the judicial branch of government. Recommended amounts are as requested by the agency.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	1,106	1,116	919	957	4.2	957	.0	957	.0
General Services Fund Group	156	199	194	200	3.2	225	12.5	225	.0
TOTAL	**1,262**	**1,315**	**1,113**	**1,157**	**4.0**	**1,182**	**2.2**	**1,182**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	731	791	756	790	4.4	775	(1.9)	775	.0
Purchased Services	59	71	38	50	33.2	65	30.0	65	.0
Maintenance	368	412	300	317	5.6	332	4.7	332	.0
Equipment	55	42	17	0	(100.0)	10	.0	10	.0
Subsidy	39	0	0	0	.0	0	.0	0	.0
Transfer & Other	9	0	1	0	(100.0)	0	.0	0	.0
TOTAL	**1,262**	**1,315**	**1,113**	**1,157**	**4.0**	**1,182**	**2.2**	**1,182**	**.0**

Judicial Conference

PROGRAM SERIES 01: Judicial System Review

The Judicial Conference is an independent statutory entity within the judicial branch of government. The activities of the Judicial Conference fall under three core program areas: judicial support, judicial independence and responsibility, and public confidence and trust. By statute, all Ohio judges are members of the Judicial Conference. Every judicial officeholder of the State of Ohio is an active member of the Ohio Judicial Conference.

Program 01.01: Judicial System Review

There are 20 committees that carry out the activities of the Judicial Conference. The committees deal with a variety of issues ranging from administrative to legislative, and from court technology to judicial ethics.

What the Budget Buys:

- Funds operating costs of the Judicial Conference including the 11 staff positions and more than 20 committees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	018-321	Operating Expenses	957,000	957,000
GSF	403	018-601	Ohio Jury Instructions	225,000	225,000
TOTAL FOR PROGRAM				**1,182,000**	**1,182,000**

LINE ITEM SUMMARY - Judicial Conference

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	018-321	Operating Expenses	1,067,688	1,115,905	918,751	957,000	957,000	.0	957,000	.0
GRF	018-502	Court Security Subsidy	38,017	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**1,105,705**	**1,115,905**	**918,751**	**957,000**	**957,000**	**.0**	**957,000**	**.0**
403	018-601	Ohio Jury Instructions	156,202	198,944	193,808	200,000	225,000	12.5	225,000	.0
TOTAL General Services Fund Group			**156,202**	**198,944**	**193,808**	**200,000**	**225,000**	**12.5**	**225,000**	**.0**
TOTAL Judicial Conference			**1,261,907**	**1,314,849**	**1,112,559**	**1,157,000**	**1,182,000**	**2.2**	**1,182,000**	**.0**

Judiciary/Supreme Court

Role and Overview

The Judiciary/Supreme Court (JSC) represents the third branch of Ohio government as established by Article IV of the Ohio Constitution. The Judiciary consists of all 708 judges of the state who preside over cases in the trial and appellate courts, and in the Supreme Court. The Supreme Court is the court of last resort in the state on questions of Ohio law and the Ohio Constitution. The Judiciary/Supreme Court's total General Revenue Fund budget is $122.9 million for fiscal year 2006.

The Judiciary portion of the budget is $96.5 million. Approximately $76.8 million is used to pay the full salaries of Ohio's 68 appellate judges; a substantial portion of the salaries for all judges of the 88 county courts of common pleas (general division, juvenile division, probate division, and domestic relations division); and the state's share of salaries for municipal and county court judges, and county clerks of court. The remaining $19.6 million in the Judiciary portion of the budget is used to pay the salaries for the support staff of the state's 12 courts of appeals.

The Supreme Court portion of the budget is $25.2 million. It is used to pay for the operation of the Supreme Court including the salaries for the justices and staff, the operation and maintenance of the Ohio Judicial Center at 65 South Front Street which is the home to the Supreme Court, Court of Claims, and the Judicial Conference, and to provide programs for the benefit of the trial and appellate courts throughout the state.

Special purpose appropriations are also included in the Judiciary/Supreme Court budget for the Ohio Criminal Sentencing Commission, the Ohio Center for Law Related Education, and the Commission for Legal Education Opportunity. The Ohio Criminal Sentencing Commission is a 24-member body created by section 181.21 of the Revised Code to study the state's sentencing laws, recommend comprehensive sentencing plans to the General Assembly, and to advise legislative committees and members when bills that affect criminal sentencing are considered and enacted. The Ohio Center for Law Related Education provides legal educational programs to Ohio schoolchildren including the Ohio Mock Trial program. The Commission for Legal Education Opportunity is established to provide an intensive course of study designed to assist low-income and educationally disadvantaged college graduates for law school education, including the provision of tuition and an annual stipend.

Additionally, special revenue funds are appropriated as part of the budget for grants, judicial education, continuing legal education, bar admissions, and attorney registration. Continuing legal education, bar admission, and attorney registration fees support annual appropriations of approximately $6.1 million and fund about 52 legal and support positions at the Supreme Court.

Additional information about the Judiciary/Supreme Court is available at http://www.sconet.state.oh.us/.

Executive Priorities for the Judiciary/Supreme Court

- Represent the third branch of Ohio government.

As required by Section 107.03(B) of the Ohio Revised Code, the Governor has made no alterations to the funding requests of agencies of the judicial branch of government. Recommended amounts are as requested by the agency.

Judiciary/Supreme Court

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	FY 2002	ACTUAL FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	95,703	98,210	105,630	118,974	12.6	122,892	3.3	128,137	4.3
General Services Fund Group	131	177	104	129	24.6	130	.8	130	.0
Fed Special Revenue Fund Group	516	572	451	1,360	201.3	848	(37.7)	861	1.6
State Special Revenue Fund Group	3,245	3,555	4,019	5,022	25.0	5,160	2.7	5,314	3.0
TOTAL	**99,595**	**102,514**	**110,204**	**125,485**	**13.9**	**129,030**	**2.8**	**134,442**	**4.2**

(In thousands) OBJECT OF EXPENSE	FY 2002	ACTUAL FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	92,748	95,698	100,601	112,991	12.3	117,677	4.1	123,106	4.6
Purchased Services	1,622	1,563	1,915	2,845	48.6	2,361	(17.0)	2,490	5.4
Maintenance	2,328	2,871	4,131	6,498	57.3	4,547	(30.0)	4,735	4.1
Equipment	1,866	1,619	2,885	2,030	(29.7)	3,085	52.0	3,022	(2.0)
Subsidy	997	711	644	1,081	67.7	1,278	18.3	1,010	(21.0)
Transfer & Other	33	53	27	40	48.9	81	101.6	80	(1.2)
TOTAL	**99,595**	**102,514**	**110,204**	**125,485**	**13.9**	**129,030**	**2.8**	**134,442**	**4.2**

PROGRAM SERIES 01: Judiciary/Supreme Court

This program series includes the judiciary branch of government including the Supreme Court.

Program 01.01: Judiciary/Supreme Court

The Supreme Court is established by Article IV, Section 1 of the Ohio Constitution. Article IV, Section 2 of the Constitution sets the size of the court and outlines its jurisdiction. Article IV, Section 5 of the Constitution grants rule making and other authority to the court. The Supreme Court is the court of last resort in Ohio. Most of its cases are appeals from the 12 district courts of appeals.

Judiciary/Supreme Court

What the Budget Buys:

- Continues the current staffing levels of 1,268 and allows for the addition of seven staff in fiscal year 2006 and six in fiscal year 2007. The majority of these positions are for Common Pleas and Municipal/County judges;
- Provides for the pass-through expenses of courts of appeals and other courts within the judiciary system. JSC funds, in part, costs for local county and municipal judges at a rate set in statute. These pass-through expenses account for seventy-nine percent of the budget; and
- Funds operational, maintenance, and security costs for the Ohio Judicial Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	005-321	Operating Exp-Judiciary/Supreme Ct	121,661,980	126,300,227
GRF	GRF	005-401	State Criminal Sentencing Council	328,676	343,730
GRF	GRF	005-406	Law-Related Education	216,131	222,615
GRF	GRF	005-502	Comm.for Legal Education Opportunity	685,000	1,270,000
GSF	672	005-601	Continuing Judicial Education	130,000	130,000
FED	3J0	005-603	Federal Grants	848,070	861,382
SSR	4C8	005-605	Attorney Registration	3,169,774	3,264,867
SSR	5T8	005-609	Sentencing Commission Grants	10,000	10,000
SSR	6A8	005-606	Supreme Court Admissions	1,410,718	1,453,042
SSR	643	005-607	Commission on Cont Legal Ed	569,203	586,261
TOTAL FOR PROGRAM				**129,029,552**	**134,442,124**

LINE ITEM SUMMARY - Judiciary/Supreme Court

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	005-321	Operating Exp-Judiciary/Supreme Ct	94,996,070	97,725,993	105,170,327	118,401,294	121,661,980	2.8	126,300,227	3.8
GRF	005-401	State Criminal Sentencing Council	289,530	280,145	249,517	356,371	328,676	(7.8)	343,730	4.6
GRF	005-402	Task Force on Family Law & Children	2,405	0	0	0	0	.0	0	.0
GRF	005-406	Law-Related Education	197,790	203,724	209,836	216,131	216,131	.0	222,615	3.0
GRF	005-502	Comm.for Legal Edu. Opportunity	0	0	0	0	685,000	.0	1,270,000	85.4
GRF	010-321	Supreme Court Operating Exp	216,948	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**95,702,743**	**98,209,862**	**105,629,680**	**118,973,796**	**122,891,787**	**3.3**	**128,136,572**	**4.3**
5Q7	005-608	Court Security Operations Manual	30,764	0	0	0	0	.0	0	.0
672	005-601	Continuing Judicial Education	100,042	176,799	103,561	129,000	130,000	.8	130,000	.0
TOTAL General Services Fund Group			**130,806**	**176,799**	**103,561**	**129,000**	**130,000**	**.8**	**130,000**	**.0**
3J0	005-603	Federal Grants	516,074	572,252	451,486	1,360,404	848,070	(37.7)	861,382	1.6
TOTAL Fed Special Revenue Fund Group			**516,074**	**572,252**	**451,486**	**1,360,404**	**848,070**	**(37.7)**	**861,382**	**1.6**
4C8	005-605	Attorney Registration	1,928,195	2,147,137	2,517,114	3,077,450	3,169,774	3.0	3,264,867	3.0
5T8	005-609	Sentencing Commission Grants	0	0	44,068	89,767	10,000	(88.9)	10,000	.0
6A8	005-606	Supreme Court Admissions	851,197	925,238	976,761	1,267,428	1,410,718	11.3	1,453,042	3.0
643	005-607	Commission on Cont Legal Ed	465,611	482,745	480,895	587,210	569,203	(3.1)	586,261	3.0
TOTAL State Special Revenue Fund Group			**3,245,003**	**3,555,120**	**4,018,838**	**5,021,855**	**5,159,695**	**2.7**	**5,314,170**	**3.0**
TOTAL The Judiciary/Supreme Court			**99,594,626**	**102,514,033**	**110,203,565**	**125,485,055**	**129,029,552**	**2.8**	**134,442,124**	**4.2**

Lake Erie Commission

Role and Overview

The Lake Erie Commission (LEC) preserves Lake Erie's natural resources, protects the quality of its waters and ecosystem, and promotes economic development of the region by ensuring the coordination of policies and programs of state government pertaining to water quality, toxic substances, and coastal resource management. The commission also oversees the management of the Lake Erie Protection Fund.

The Lake Erie Commission is made up of the directors of the Ohio Environmental Protection Agency, the Department of Natural Resources, the Ohio Department of Health, the Ohio Department of Transportation, the Department of Development, and the Ohio Department of Agriculture. The day-to-day functions of the Lake Erie Commission are performed by five employees with a total operating budget of approximately $1.6 million annually.

The Lake Erie Commission staff advises the Governor and the commission on the development, implementation, and coordination of Lake Erie programs and policies; provides representation of the interests of Ohio in regional, national, and international forums pertaining to the resources of the Great Lakes; assists in the implementation of the Coastal Zone Management program; facilitates compliance with the Great Lakes Water Quality Agreement and the Great Lakes Toxic Substances Control Agreement; and manages the distribution of moneys from the Lake Erie Protection Fund. Revenue for the commission comes primarily from annual earnings of the regional endowment of the Great Lakes Protection Fund and from the sale of Lake Erie license plates. Funding is distributed to federal, state, and local agencies; educational institutions; and non-profit organizations in Ohio in the form of grants for research and implementation projects. Approximately $8.0 million has been distributed for about 200 projects over a 12-year period.

The commission issues a *State of the Lake Report ~ Lake Erie Quality Index*; the most recent being in 2004. This report provides direction to the state on the condition of Lake Erie. The commission also issued a Lake Erie Protection & Restoration Plan in 2000 to provide 84 strategic actions for state government to improve Lake Erie and its use. Every two years, the commission issues a progress report to evaluate Ohio's efforts to accomplish the recommended strategic actions. These reports form a basis for providing direction to state government and accountability in protecting and restoring Lake Erie. More information regarding the Lake Erie Commission is available at http://www.epa.state.oh.us/oleo/index.html.

Executive Priorities for the Lake Erie Commission

- Administer the grant program provided from the Lake Erie Protection Fund.
- Implement specific strategic actions assigned to the LEC in the Lake Erie Protection & Restoration Plan.
- Organize commission meetings to coordinate state agency actions concerning Lake Erie.
- Conduct a statewide Lake Erie education program including Coastweeks, a month-long volunteer effort to clean up Ohio's Lake Erie shoreline and its watersheds.
- Represent Ohio on regional Great Lakes management forums.
- Develop revenue sources (e.g., Lake Erie license plates) for the Lake Erie Protection Fund.

Lake Erie Commission

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
State Special Revenue Fund Group	1,440	1,003	1,120	1,519	35.7	1,361	(10.4)	1,368	.5
TOTAL	**1,440**	**1,003**	**1,120**	**1,519**	**35.7**	**1,361**	**(10.4)**	**1,368**	**.5**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	261	208	217	295	35.8	291	(1.4)	298	2.3
Purchased Services	26	35	51	25	(51.3)	50	100.0	50	.0
Maintenance	163	127	152	125	(17.6)	142	13.4	142	.0
Equipment	2	2	6	3	(52.8)	3	10.0	3	.0
Subsidy	988	632	686	1,071	56.2	875	(18.3)	875	.0
Transfer & Other	0	0	7	0	(100.0)	0	.0	0	.0
TOTAL	**1,440**	**1,003**	**1,120**	**1,519**	**35.7**	**1,361**	**(10.4)**	**1,368**	**.5**

PROGRAM SERIES 01: Lake Erie Protection Commission

This program series works to preserve Lake Erie's natural resources, protect the ecological quality of its watershed, and promote economic development in the Great Lake region through policy direction and awarding moneys for environmental projects concerning Lake Erie and its watershed.

Program 01.01: Lake Erie Resources and Protection

The Lake Erie Protection and Restoration Plan establishes the program's priorities concerning policy and activities. The Lake Erie Protection Fund awards moneys for environmental projects to help support Lake Erie and its watershed. The Lake Erie Resources Fund provides moneys for the resources and operation of the Lake Erie Protection Fund.

What the Budget Buys:

- Administers approximately 36 grant projects worth $875,000;
- Supports the day-to-day operations of the agency including a staff of four full-time and two part-time employees;
- Coordinates policies and projects pertaining to issues such as water quality, habitat, recreation and tourism, and resource management within the Lake Erie Basin;
- Conducts four quarterly Ohio Lake Erie Commission meetings and initiatives; and
- Markets established revenue sources such as the Lake Erie license plate program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4C0	780-601	Lake Erie Protection	875,000	875,000
SSR	5D8	780-602	Lake Erie Resources	486,072	492,794
TOTAL FOR PROGRAM				**1,361,072**	**1,367,794**

LINE ITEM SUMMARY - Lake Erie Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4C0	780-601	Lake Erie Protection	987,520	631,529	692,968	1,070,975	875,000	(18.3)	875,000	.0
5D8	780-602	Lake Erie Resources	452,040	371,312	426,692	448,000	486,072	8.5	492,794	1.4
TOTAL State Special Revenue Fund Group			**1,439,560**	**1,002,841**	**1,119,660**	**1,518,975**	**1,361,072**	**(10.4)**	**1,367,794**	**.5**
TOTAL Lake Erie Commission			**1,439,560**	**1,002,841**	**1,119,660**	**1,518,975**	**1,361,072**	**(10.4)**	**1,367,794**	**.5**

Legal Rights Service

Role and Overview

The Legal Rights Service (LRS) protects and advocates the rights of people with disabilities by providing legal representation, investigating complaints, negotiating settlements, monitoring services, and providing training regarding clients' rights.

In the State of Ohio, LRS is the federally mandated protection and advocacy system for people with developmental disabilities, mental illness, brain injury, and other disabilities. The agency helps to implement multiple federal programs for people with disabilities by advocating for vocational rehabilitation services, assistive technologies, voting rights and poll accessibility, employment opportunities for social security disability beneficiaries, special education services for students with traumatic brain injury, and other rights programs.

LRS has an ombudsman section that receives complaints and conducts investigations. The ombudsman section resolves and mediates complaints from people or relatives or guardians of people with mental retardation, developmental disabilities, and those labeled mentally ill, or interested citizens, public officials, and governmental agencies.

The administrator of LRS is appointed by a seven-member commission. The Chief Justice of the Supreme Court appoints one member, who serves as chairman,; the Speaker of the House of Representatives appoints three members; and the President of the Senate appoints three members. Terms of office are for three years. The commission advises the administrator on policy and budget issues.

The agency has 49 employees with an annual budget of approximately $4.5 million. The Legal Rights Service is online at: http://olrs.ohio.gov/.

Executive Priorities for the Legal Rights Service

- Protect the rights of persons with disabilities in the areas of living, access, employment, voting, and education.
- Monitor and address restraint and seclusion and Major Unusual Incident (MUI) reports.
- Increase self-advocacy skills through education and training.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	597	551	500	489	(2.1)	489	.0	489	.0
General Services Fund Group	396	49	130	76	(41.1)	76	.0	76	.0
Fed Special Revenue Fund Group	3,573	4,247	4,097	3,796	(7.4)	3,938	3.7	3,938	.0
State Special Revenue Fund Group	0	0	17	140	747.1	75	(46.4)	75	.0
TOTAL	**4,565**	**4,847**	**4,744**	**4,502**	**(5.1)**	**4,578**	**1.7**	**4,578**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	3,414	3,788	4,013	3,768	(6.1)	4,000	6.1	4,000	.0
Purchased Services	237	401	206	47	(77.3)	40	(14.6)	40	.0
Maintenance	560	554	470	623	32.7	486	(22.0)	486	.0
Equipment	122	99	45	57	26.6	43	(23.8)	43	.0
Subsidy	201	5	5	7	28.3	9	35.4	9	.0
Transfer & Other	30	0	5	0	(100.0)	0	.0	0	.0
TOTAL	**4,565**	**4,847**	**4,744**	**4,502**	**(5.1)**	**4,578**	**1.7**	**4,578**	**.0**

PROGRAM SERIES 01: Protection and Advocacy Services for Ohioans with Disabilities

This program series provides protection and advocacy services to people with disabilities when they are subjected to violations of their civil, legal, or human rights.

Program 01.01: Legal Assistance

This program investigates complaints regarding health and safety, abuse and neglect and rights violation; facilitates resolution of complaints using appropriate methods of intervention, including counseling/advice, mediation/negotiation, administrative appeals, and litigation; and monitors major unusual incident reports.

What the Budget Buys:

- Serves approximately 4,150 clients through individual casework and many others through group cases;
- Maintains the Major Unusual Incident database, which receives over 25,000 reports each year; and
- Monitors the most egregious cases of abuse identified through the database.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	054-100	Personal Services	64,828	64,828
GRF	GRF	054-200	Maintenance	13,734	13,734
GRF	GRF	054-300	Equipment	668	668
GRF	GRF	054-401	Ombudsman	262,122	262,122
GSF	416	054-601	Gifts and Donations	68	68
GSF	5M0	054-610	Settlements	45,000	45,000
FED	3AG	054-613	Protection/Advocacy-Voter Accessibility	11,409	11,409
FED	3B8	054-603	Protection/Advocacy Mentally Ill	370,664	370,664
FED	3N3	054-606	Protection/Advocacy-Individual Rights	220,113	220,113
FED	3N9	054-607	Assistive Technology	77,927	77,927
FED	3T2	054-609	Client Assistance Program	280,387	280,387
FED	3X1	054-611	Protection & Advocacy/Beneficiary/Social Security	131,449	131,449
FED	3Z6	054-612	Traumatic Brain Injury	6,514	6,514
FED	305	054-602	Protection & Advocacy-Developmental Disabilities	616,032	616,032
SSR	5AE	054-614	Grants and Contracts	9,000	9,000
TOTAL FOR PROGRAM				**2,109,915**	**2,109,915**

Program 01.02: Education and Training

This program produces and disseminates educational materials, conducts trainings and public speaking, and provides informational and referral services.

What the Budget Buys:

- Provides information and referral services for approximately 1,400 clients;
- Maintains an agency Website that serves more than 1.3 million visitors; and
- Publishes and posts self-advocacy tools and materials on the agency Website.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	054-100	Personal Services	81,211	81,211
GRF	GRF	054-200	Maintenance	16,837	16,837
GRF	GRF	054-300	Equipment	990	990
GRF	GRF	054-401	Ombudsman	14,562	14,562
GSF	416	054-601	Gifts and Donations	1,217	1,217
GSF	5M0	054-610	Settlements	22,500	22,500
FED	3AG	054-613	Protection/Advocacy-Voter Accessibility	85,567	85,567
FED	3B8	054-603	Protection/Advocacy Mentally Ill	370,664	370,664
FED	3N3	054-606	Protection/Advocacy-Individual Rights	275,142	275,142
FED	3N9	054-607	Assistive Technology	42,505	42,505
FED	3R9	054-604	Family Support Collaborative	20,000	20,000
FED	3T2	054-609	Client Assistance Program	80,111	80,111
FED	3X1	054-611	Protection & Advocacy/ Beneficiary/Social Security	46,946	46,946
FED	3Z6	054-612	Traumatic Brain Injury	55,367	55,367
FED	305	054-602	Protection & Advocacy-Developmental Disabilities	273,836	273,836
SSR	5AE	054-614	Grants and Contracts	66,000	66,000
TOTAL FOR PROGRAM				**1,453,455**	**1,453,455**

Program 01.03: Public Policy

This program advocates for system and policy change by educating and informing policy makers, monitoring the legislative and rule-making processes, and building coalitions with relevant stakeholders.

What the Budget Buys:

- Continues involvement in the Martin lawsuit and the closure of the state developmental centers; and
- Disseminates information, plans systemic advocacy, and meets individual needs in response to changes in the Medicaid program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	054-100	Personal Services	16,242	16,242
GRF	GRF	054-200	Maintenance	3,367	3,367
GRF	GRF	054-300	Equipment	198	198
GRF	GRF	054-401	Ombudsman	14,563	14,563
GSF	416	054-601	Gifts and Donations	67	67
GSF	5M0	054-610	Settlements	7,500	7,500
FED	3AG	054-613	Protection/Advocacy-Voter Accessibility	17,113	17,113
FED	3B8	054-603	Protection/Advocacy Mentally Ill	317,713	317,713
FED	3N3	054-606	Protection/Advocacy-Individual Rights	55,028	55,028
FED	3N9	054-607	Assistive Technology	21,254	21,254
FED	3R9	054-604	Family Support Collaborative	30,000	30,000
FED	3T2	054-609	Client Assistance Program	40,055	40,055
FED	3X1	054-611	Protection & Advocacy/ Beneficiary/Social Security	9,389	9,389
FED	3Z6	054-612	Traumatic Brain Injury	3,257	3,257
FED	305	054-602	Protection & Advocacy-Developmental Disabilities	479,214	479,214
TOTAL FOR PROGRAM				**1,014,960**	**1,014,960**

LINE ITEM SUMMARY - Legal Rights Service

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	054-100	Personal Services	242,521	217,331	182,847	162,281	162,281	.0	162,281	.0
GRF	054-200	Maintenance	44,600	39,852	25,705	33,938	33,938	.0	33,938	.0
GRF	054-300	Equipment	2,439	2,238	0	1,856	1,856	.0	1,856	.0
GRF	054-401	Ombudsman	306,943	291,247	291,247	291,247	291,247	.0	291,247	.0
TOTAL General Revenue Fund			**596,503**	**550,668**	**499,799**	**489,322**	**489,322**	**.0**	**489,322**	**.0**
416	054-601	Gifts and Donations	26,982	0	0	1,352	1,352	.0	1,352	.0
5M0	054-610	Settlements	261,797	49,487	129,694	75,000	75,000	.0	75,000	.0
524	054-608	Traumatic Brain Injury	107,344	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**396,123**	**49,487**	**129,694**	**76,352**	**76,352**	**.0**	**76,352**	**.0**
3AG	054-613	Protection/Advcacy-Voter Accessblty	0	0	40,909	104,090	114,089	9.6	114,089	.0
3B8	054-603	Protection/Advcacy Mentally Ill	1,116,768	1,049,152	1,118,745	1,018,279	1,059,041	4.0	1,059,041	.0
3N3	054-606	Protection/Advccy-Indiv Rights	494,091	733,754	523,219	507,648	550,283	8.4	550,283	.0
3N9	054-607	Assistive Technology	39,365	47,325	168,732	118,071	141,686	20.0	141,686	.0
3R9	054-604	Family Support Collaborative	262,739	174,672	214,676	125,000	50,000	(60.0)	50,000	.0
3T2	054-609	Client Assistance Program	378,148	407,062	435,594	404,807	400,553	(1.1)	400,553	.0
3X1	054-611	Protect & Advoc/Benefic./Soc Sec	115,817	202,600	247,994	187,784	187,784	.0	187,784	.0
3Z6	054-612	Traumatic Brain Injury	0	17,149	74,742	50,000	65,138	30.3	65,138	.0
305	054-602	Protection & Advocacy-Dev. Disb	1,165,774	1,615,108	1,272,880	1,280,363	1,369,082	6.9	1,369,082	.0
TOTAL Fed Special Revenue Fund Group			**3,572,702**	**4,246,822**	**4,097,491**	**3,796,042**	**3,937,656**	**3.7**	**3,937,656**	**.0**
5AE	054-614	Grants and Contracts	0	0	16,526	140,000	75,000	(46.4)	75,000	.0
TOTAL State Special Revenue Fund Group			**0**	**0**	**16,526**	**140,000**	**75,000**	**(46.4)**	**75,000**	**.0**
TOTAL Legal Rights Service			**4,565,328**	**4,846,977**	**4,743,510**	**4,501,716**	**4,578,330**	**1.7**	**4,578,330**	**.0**

Legislative Service Commission

Role and Overview

The Legislative Service Commission (LSC) consists of 14 members of the Ohio General Assembly. The Speaker of the House and the President of the Senate are members of the commission. The Speaker and President each appoint six additional members; no more than four from each chamber may belong to the same political party. The commission is a nonpartisan agency providing drafting, fiscal, research, training, and other technical and legislative services to the Ohio General Assembly. LSC staff includes attorneys, budget analysts, economists, research associates, and support personnel.

Certain other legislative staffing agencies continue to be funded from appropriations made to the LSC. The Legislative Office of Education Oversight (LOEO) evaluates education and school-related programs in elementary and secondary schools and in state-assisted colleges and universities. The Legislative Information Systems Office (LIS) provides network computer development and services for the General Assembly. The Correctional Institution Inspection Committee (CIIC) is statutorily required to inspect and evaluate Ohio prisons, and may inspect local jails. Per new legislation, the CIIC has additional responsibilities to inspect, evaluate and assist in the development of improvements in the juvenile correctional institutions.

The total number of persons employed within all legislative staffing agencies is approximately as follows:

Legislative Service Commission	164
Legislative Intern Program	24
Legislative Office of Education Oversight	17
Legislative Information Systems Office	18
Correctional Institution Inspection Committee	4

The annual budget is approximately $22 million.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	20,189	18,232	17,311	21,402	23.6	21,483	.4	21,509	.1
General Services Fund Group	117	106	126	177	41.1	177	(.2)	178	.3
State Special Revenue Fund Group	0	100	0	0	.0	0	.0	0	.0
TOTAL	**20,307**	**18,439**	**17,437**	**21,579**	**23.8**	**21,660**	**.4**	**21,687**	**.1**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	13,665	14,423	14,938	18,832	26.1	18,033	(4.2)	18,049	.1
Purchased Services	3,143	1,556	619	0	(100.0)	640	.0	640	.0
Maintenance	2,457	1,851	1,590	2,747	72.7	2,987	8.7	2,998	.4
Equipment	1,042	608	289	0	(100.0)	0	.0	0	.0
TOTAL	**20,307**	**18,439**	**17,437**	**21,579**	**23.8**	**21,660**	**.4**	**21,687**	**.1**

Legislative Service Commission

PROGRAM SERIES 01: Legislative Service Commission

This program series supports the work of the Legislative Service Commission, the Legislative Office of Education Oversight (LOEO), the Legislative Information Systems Office (LIS), and the Correctional Institution Inspection Committee (CIIC).

Program 01.01: Legislative Service Commission

This program enables the effective operation of the Legislative Service Commission, the Legislative Office of Education Oversight (LOEO), the Legislative Information Systems Office (LIS), and the Correctional Institution Inspection Committee (CIIC).

What the Budget Buys:

As required by Section 107.03(B) of the Revised Code, the Governor has made no alterations to the funding requests of agencies of the legislative branch of government. Recommended amounts are as requested by the agency.

- Supports the 164 staff of the Legislative Service Commission responsible to draft legislation, provision of fiscal services, research, and the support of other technical and legislative services to the Ohio General Assembly;
- Funds 24 participants in the Legislative Intern Program, a paid thirteen-month legislative internship designed to provide college graduates with practical experience in the legislative process;
- Provides for continued preparation of evaluations related to education and school-related programs in elementary and secondary schools and in state-assisted colleges and universities;
- Funds network computer services for the General Assembly; and
- Enables fulfillment of the CIIC statutory requirement to inspect, evaluate and assist in the development and operation of correctional institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	035-321	Operating Expense	14,770,000	14,770,000
GRF	GRF	035-402	Legislative Interns	1,012,000	1,012,000
GRF	GRF	035-404	Office of Education Oversight	1,256,427	1,256,427
GRF	GRF	035-405	Correctional Inst Inspect Committee	375,000	390,000
GRF	GRF	035-409	National Associations	445,000	456,000
GRF	GRF	035-410	Legislative Information Systems	3,625,000	3,625,000
GSF	4F6	035-603	Legislative Budget Services	152,000	152,500
GSF	410	035-601	Sale of Publications	25,000	25,000
TOTAL FOR PROGRAM				**21,660,427**	**21,686,927**

LINE ITEM SUMMARY - Legislative Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	035-321	Operating Expense	12,246,566	12,306,856	12,208,373	14,770,000	14,770,000	.0	14,770,000	.0
GRF	035-402	Legislative Interns	810,010	786,907	743,099	990,000	1,012,000	2.2	1,012,000	.0
GRF	035-403	Legislative Budget Office	189,072	0	0	0	0	.0	0	.0
GRF	035-404	Office of Education Oversight	926,548	981,651	848,994	1,256,427	1,256,427	.0	1,256,427	.0
GRF	035-405	Correctional Inst Inspect Committee	2,237	0	148,308	300,000	375,000	25.0	390,000	4.0
GRF	035-406	ATMS Replacements Project	13,132	2,583	0	20,000	0	(100.0)	0	.0
GRF	035-407	Leg Tsk Force on Redistricting	971,856	0	0	0	0	.0	0	.0
GRF	035-409	National Associations	398,406	414,881	416,881	441,000	445,000	.9	456,000	2.5
GRF	035-410	Legislative Information Systems	4,631,481	3,739,528	2,945,564	3,624,200	3,625,000	.0	3,625,000	.0
TOTAL General Revenue Fund			**20,189,308**	**18,232,406**	**17,311,219**	**21,401,627**	**21,483,427**	**.4**	**21,509,427**	**.1**
4F6	035-603	Legislative Budget Services	117,459	106,224	125,660	152,337	152,000	(.2)	152,500	.3
410	035-601	Sale of Publications	0	0	0	25,000	25,000	.0	25,000	.0
TOTAL General Services Fund Group			**117,459**	**106,224**	**125,660**	**177,337**	**177,000**	**(.2)**	**177,500**	**.3**
5V4	035-604	Education Studies	0	100,000	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**0**	**100,000**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Legislative Svcs. Commission			**20,306,767**	**18,438,630**	**17,436,879**	**21,578,964**	**21,660,427**	**.4**	**21,686,927**	**.1**

State Library Board

Role and Overview

The State Library Board (LIB) develops, maintains, provides, and disseminates information, library materials, and services to Ohio's libraries, citizens, and state government. The State Library fulfills this role through research, information, training, and consulting services to state government. The State Library also promotes library and information services by coordinating and facilitating state and local efforts, and through special support efforts for all types of libraries. Three main components allow the State Library to implement its mission: the State Library Board, the State Library itself, and the Ohio Public Information Network (OPLIN).

The State Library of Ohio, established in 1817, is governed by the State Library Board. The five board members are appointed by the State Board of Education and serve five-year terms. The State Library is a reference library established to provide research and information services to state agencies. It is also a depository for Ohio state agency documents and a regional depository for federal documents.

OPLIN is appointed by the State Library Board to administer a computer network and information system to provide equity of access to electronic reference, information services, and the print collections of Ohio public libraries for Ohioans. OPLIN strengthens the services it provides by collaborating with INFOhio and OhioLink.

The day-to-day administration is the responsibility of the State Librarian who serves at the pleasure of the Library Board. The board has 100 employees with an annual budget of approximately $25 million. The State Library is online at: http://winslo.state.oh.us/.

Executive Priorities for the State Library Board

- Lead and partner the development of library services throughout Ohio.
- Promote and enable resource sharing among libraries and library networks.
- Provide access to information for Ohio's state government.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	11,430	9,671	9,081	13,587	49.6	13,005	(4.3)	13,005	.0
General Services Fund Group	7,183	8,790	7,142	3,969	(44.4)	5,479	38.1	5,717	4.3
Fed Special Revenue Fund Group	5,591	5,380	6,431	5,542	(13.8)	5,644	1.8	5,644	.0
TOTAL	**24,203**	**23,841**	**22,654**	**23,098**	**2.0**	**24,128**	**4.5**	**24,366**	**1.0**

State Library Board

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	6,094	5,931	5,907	6,154	4.2	6,162	.1	6,325	2.6
Purchased Services	773	725	349	484	38.9	42	(91.4)	42	.0
Maintenance	7,003	7,438	6,313	7,274	15.2	7,906	8.7	8,081	2.2
Equipment	3,666	3,327	3,060	3,450	12.7	4,439	28.7	4,324	(2.6)
Subsidy	6,666	6,397	7,024	5,732	(18.4)	5,577	(2.7)	5,592	.3
Capital Improvements	0	22	0	0	.0	0	.0	0	.0
Transfer & Other	1	1	1	3	362.1	2	(25.7)	2	.0
TOTAL	**24,203**	**23,841**	**22,654**	**23,098**	**2.0**	**24,128**	**4.5**	**24,366**	**1.0**

PROGRAM SERIES 01: State Library Services

This program series effectively implements and coordinates library services provided at the State Library in Columbus, the Southeast Ohio Library Center in Caldwell, and the Ohio Public Library Information Network in Columbus, to benefit Ohio libraries, citizens, and state government employees. Services are provided statewide.

Program 01.01: State Library Services

This program coordinates library services that 1) train State of Ohio employees to use the Internet/on-line databases; 2) provide work-related research and reference services to state legislators and state employees; 3) circulate materials from the collection and provide genealogy research; 4) coordinate meeting/training room usage by state agencies and library organizations; 5) serve as Ohio's only full regional depository for federal documents as well as for Ohio state agency documents; 6) provide access to databases and unique titles via OhioLink; 7) assist and educate customers on usage of a library collection of more than two million items; 8) provide assistance to Ohio's libraries in the development of library services to customers; 9) serve as the machine lending agency for the Talking Book Program; and 10) provide the necessary administrative (fiscal, facility, technology, human resource, labor relation, and mail) support functions to administer this and other agency programs.

What the Budget Buys:

- Provides access to more than two million library materials on site, more than 300 on-line databases, and nearly eight million titles held by OhioLink;
- Supports the State Library's charge as the regional depository to process approximately 20,000 federal and state documents annually and to make these documents available statewide;
- Maintains the State Library's genealogy collection; and
- Funds nearly 80 staffing positions that implement the State Library's programs, as well as provide information technology, cataloguing, research, and fiscal services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	350-321	Operating Expenses	6,289,416	6,289,416
GSF	139	350-602	Intra-Agency Service Charges	9,000	9,000
GSF	459	350-602	Interlibrary Service Charges	120,300	117,700
FED	313	350-601	LSTA Federal	1,835,330	1,816,112
TOTAL FOR PROGRAM				**8,254,046**	**8,232,228**

Program 01.02: Ohio Public Library Information Network (OPLIN)

This program provides network access to Ohio's 250 public libraries to ensure equity of access to the Internet and electronic information for all Ohio residents; provides in-library and remote access to subscription databases and access to Ohio government services; and provides tools to maintain effective use of the network and subscription databases. Ohio's libraries continue to develop statewide sharing of books and other materials through a variety of consortia and projects using OPLIN. OPLIN collaborates extensively with INFOhio and OhioLink to strengthen services provided.

What the Budget Buys:

- Supports 50 databases that provide access to approximately 10,000 magazines, newspapers, and academic journals to all Ohio residents;
- Finances the ongoing telecommunication and maintenance costs of the network; and
- Funds the seven staff positions that oversee the OPLIN operations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-400	OPLIN	4,230,000	4,230,000
GSF	4S4	350-604	OPLIN Technology	3,000,000	3,000,000
TOTAL FOR PROGRAM				**7,230,000**	**7,230,000**

Program 01.03: Southeast Ohio Consortium

This program coordinates an on-line catalog and circulation system shared by 67 library systems serving more than 150 library buildings. Housed at the Southeast Ohio Library Center in Caldwell, this automated system allows member libraries and their constituents to share materials. Libraries that are members of the Consortium are located in 34 Ohio counties. Revenue to support the on going operating expenses and upgrades are received from the libraries that are members of the Consortium.

What the Budget Buys:

- Supports, through a charge to participating libraries, the administration of a shared catalogue system that circulates over 10 million library materials to approximately 650,000 registered borrowers; and
- Funds the 10 staff positions that operate the consortium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	459	350-602	Interlibrary Service Charges	1,257,625	1,279,992
TOTAL FOR PROGRAM				**1,257,625**	**1,279,992**

Program 01.04: Statewide Resource Sharing

This program coordinates the technology and delivery components of the Moving Ohio Resources Everywhere (MORE) system by enabling patrons to search and request materials from the on-line catalogs of one of the 141 participating public and school libraries in Ohio. It also provides the mechanism to move library materials throughout Ohio. The technology costs are supported by a portion of the Library Services and Technology Act (LSTA) Grant Award, while the delivery costs are paid for by the libraries that receive the services.

What the Budget Buys:

- Provides the software necessary to link more than 140 school and public libraries together to share resources such as books, CDs, and DVDs;
- Maintains, through a charge to participating libraries, the statewide delivery system that provides pickup and delivery service for any Ohio public or school library; and
- Funds the two staff positions that operate the resource sharing system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-321	Operating Expenses	9,261	9,261
GSF	459	350-602	Interlibrary Service Charges	1,092,000	1,310,400
FED	313	350-601	LSTA Federal	583,258	587,532
TOTAL FOR PROGRAM				**1,684,519**	**1,907,193**

Program 01.05: Ohioana Library Lease

This program provides for the payment of rental expenses for the Ohioana Library, which is adjacent to the State Library. While all other operating expenses for the Ohioana Library are paid from the Ohioana Library subsidy line item, the rental expenses are within the State Library budget per Department of Administrative Service-landlord negotiations. Further information about the programs and services of the Ohioana Library is found under the Ohioana Library Association budget recommendation section within this Executive Budget Document.

What the Budget Buys:

- Pays the rental expenses for Ohioana Library to lease over 7,500 square feet that is necessary to house the administrative offices and specialized library collection.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-401	Ohioana Rental Payments	124,816	124,816
TOTAL FOR PROGRAM				**124,816**	**124,816**

PROGRAM SERIES 02: Library Grants

This program series coordinates the grant programs administered by the State Library from all sources of funding (state, federal, and local). These grant programs have an impact on all types (public, school, academic, and special) of libraries throughout Ohio.

Program 02.01: Library Services and Technology Act Grants

This program coordinates the distribution of the federal Library Services and Technology Act (LSTA) dollars from the Institute of Museum and Library Services (IMLS) through a grant program open to all public, school, academic, and special libraries in Ohio. The grant program addresses the LSTA priorities of technological innovation and electronic linkages, and services to underserved populations. Some of the LSTA grant funds are used for special statewide grants such as core electronic databases and 24/7 reference services.

What the Budget Buys:

- Provides approximately 60 grants annually, depending on federal funding levels, that are targeted towards automation of school library collections, improved use of innovative technology, training library personnel, and ensuring library service to underserved populations (such as the blind and physically handicapped).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	313	350-601	LSTA Federal	3,225,317	3,240,261
TOTAL FOR PROGRAM				**3,225,317**	**3,240,261**

Program 02.02: Regional Library Systems

This program partially supports seven Regional Library Systems that provide continuing education and technology support programs to the staff and patrons in 316 public, school, academic, and special libraries in 64 counties throughout Ohio. The seven Regional Library Systems include: 1) Cleveland Area Metropolitan Library System (CAMLS)-Shaker Heights; 2) Greater Cincinnati Library Consortium (GCLC)-Cincinnati; 3) MOLO Regional Library System (MOLO)-Newcomerstown; 4) NOLA Regional Library System (NOLA)-Warren; 5) Northwest Library District (NORWELD)-Bowling Green; 6) Ohio Valley Area Libraries (OVAL)-Wellston; and 7) Southeastern Ohio Library Organization (SOLO)-Caldwell.

What the Budget Buys:

- Subsidizes the Regional Library Systems that work to improve the quality of library services through the coordination of resources and efforts within and among geographic regions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-502	Regional Library Systems	1,010,441	1,010,441
TOTAL FOR PROGRAM				**1,010,441**	**1,010,441**

Program 02.03: Regional Libraries for the Blind and Physically Handicapped

This program provides the reading and information services (recorded and Braille books and magazines and audio-described videos) to blind, visually impaired, and physically handicapped Ohio citizens in the 55 northern counties via the Cleveland Public Library and the 33 southern counties via the Public Library of Cincinnati and Hamilton County. The State Library serves as the machine-lending agency for the Talking Book Program, working in conjunction with the Regional Libraries for the Blind and Physically Handicapped.

What the Budget Buys:

- Serves nearly 6,000 registered blind and physically handicapped readers in the Cincinnati area, where over 300,000 items are circulated per year; and
- Serves over 16,000 registered blind and physically handicapped readers in the Cleveland area, where over 600,000 items are circulated per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	350-501	Library for the Blind - Cincinnati	535,615	535,615
GRF	GRF	350-503	Library for the Blind - Cleveland	805,642	805,642
TOTAL FOR PROGRAM				**1,341,257**	**1,341,257**

LINE ITEM SUMMARY - Library Board

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	350-321	Operating Expenses	7,204,126	6,556,287	6,408,696	6,298,677	6,298,677	.0	6,298,677	.0
GRF	350-400	OPLIN	686,018	0	0	4,700,000	4,230,000	(10.0)	4,230,000	.0
GRF	350-401	Ohioana Rental Payments	120,972	120,972	120,972	124,816	124,816	.0	124,816	.0
GRF	350-501	Library for the Blind - Cincinnati	702,480	615,172	561,037	535,615	535,615	.0	535,615	.0
GRF	350-502	Regional Library Systems	1,659,544	1,453,123	1,146,599	1,122,712	1,010,441	(10.0)	1,010,441	.0
GRF	350-503	Library for the Blind - Cleveland	1,056,668	925,307	843,880	805,642	805,642	.0	805,642	.0
TOTAL General Revenue Fund			**11,429,808**	**9,670,861**	**9,081,184**	**13,587,462**	**13,005,191**	**(4.3)**	**13,005,191**	**.0**
139	350-602	Intra-Agency Service Charges	27,949	15,070	8,538	9,000	9,000	.0	9,000	.0
4S4	350-604	OPLIN Technology	5,744,793	7,001,681	5,128,221	1,000,000	3,000,000	200.0	3,000,000	.0
459	350-602	Interlibrary Service Charges	1,409,768	1,773,469	2,004,893	2,959,661	2,469,925	(16.5)	2,708,092	9.6
TOTAL General Services Fund Group			**7,182,510**	**8,790,220**	**7,141,652**	**3,968,661**	**5,478,925**	**38.1**	**5,717,092**	**4.3**
313	350-601	LSTA Federal	5,590,707	5,379,719	6,430,899	5,541,647	5,643,905	1.8	5,643,905	.0
TOTAL Fed Special Revenue Fund Group			**5,590,707**	**5,379,719**	**6,430,899**	**5,541,647**	**5,643,905**	**1.8**	**5,643,905**	**.0**
TOTAL State Library Board			**24,203,025**	**23,840,800**	**22,653,735**	**23,097,770**	**24,128,021**	**4.5**	**24,366,188**	**1.0**

Liquor Control Commission

Role and Overview

The Liquor Control Commission (LCO) regulates the alcoholic beverage industry by hearing cases and promulgating rules pursuant to chapters 4301 and 4303 of the Ohio Revised Code. LCO is comprised of three members appointed by the Governor for six-year terms. The commission's annual budget of more than $815,000 supports a staff of six in addition to the three commission members. In fiscal year 2004, the commission docketed nearly 2,500 hearings. More information regarding the Liquor Control Commission is available at http://lcc.ohio.gov/.

Executive Priorities for the Liquor Control Commission

- Achieve compliance with liquor laws to protect the liquor industry and the general public.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Liquor Control Fund Group	652	722	676	794	17.5	818	3.0	843	3.0
TOTAL	**652**	**722**	**676**	**794**	**17.5**	**818**	**3.0**	**843**	**3.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	461	517	512	586	14.4	593	1.3	615	3.6
Purchased Services	54	41	20	30	51.4	45	50.6	45	.0
Maintenance	122	132	132	177	33.4	180	1.7	183	1.6
Equipment	15	1	11	2	(81.1)	0	(100.0)	0	.0
Transfer & Other	0	31	1	0	(100.0)	0	.0	0	.0
TOTAL	**652**	**722**	**676**	**794**	**17.5**	**818**	**3.0**	**843**	**3.0**

Liquor Control Commission

PROGRAM SERIES 01: State Liquor Law Hearings

The commission regulates the alcoholic beverage industry in the State of Ohio by hearing cases and promulgating rules.

Program 01.01: Liquor Control Hearings

The Ohio Liquor Control Commission is a neutral, quasi-judicial agency that provides fair and impartial hearings for the protection of the public and liquor permit holders. Hearings stem from alleged violations of Ohio's liquor laws, appeals from orders of the Ohio Department of Commerce, Division of Liquor Control, and unpaid Ohio taxes by liquor permit holders. Rules promulgated by the commission in regards to liquor production, sales restrictions, minimum sale prices, and other matters related to the manufacture, distribution, and sale of beer, wine, and spirituous liquor are also a part of this process.

What the Budget Buys:

- Allows the commission to meet its goal of streamlining the processes leading up to and following hearings, especially ensuring that orders are issued in less than 45 days after the hearing, by maintaining the staffing level of three full-time commissioners and six full-time employees;
- Allows the commission to enhance its Website, including hearing and rule-related information for the public, the liquor industry, and other state agencies; and
- Supports the commission's collaboration in efforts to network the various databases of liquor permit holder information that are housed at the commission, in the Office of the Attorney General, at the Department of Public Safety, and at the Department of Commerce Division of Liquor Control.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
LCF	043	970-321	Operating Expenses	818,219	842,765
TOTAL FOR PROGRAM				**818,219**	**842,765**

LINE ITEM SUMMARY - Liquor Control Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
043	970-321	Operating Expenses	652,155	721,639	676,217	794,387	818,219	3.0	842,765	3.0
TOTAL Liquor Control Fund Group			**652,155**	**721,639**	**676,217**	**794,387**	**818,219**	**3.0**	**842,765**	**3.0**
TOTAL Liquor Control Commission			**652,155**	**721,639**	**676,217**	**794,387**	**818,219**	**3.0**	**842,765**	**3.0**

Ohio Lottery Commission

Role and Overview

The Ohio Lottery Commission (LOT) generates profits for programs benefiting primary, secondary, vocational, and special education through the operation of the state lottery. A nine-member commission appointed by the Governor and confirmed by the Senate governs the Lottery. No more than five members of the commission can be from the same political party. Day-to-day administration of the Lottery is the responsibility of an executive director who is hired by the Governor to oversee a staff of 355. The commission's total fiscal year 2005 annual budget is approximately $446 million.

The commission operates a variety of online and instant ticket games. Online lottery games include Pick 3, Pick 4, Super Lotto Plus, Kicker, Rolling Cash 5 (formerly Buckeye 5), and MegaMillions. Online games generated $988.7 million or 45.9 percent of the Lottery's total sales revenue in fiscal year 2004. There are also a wide variety of instant games, which generated $1.2 billion or 54.1 percent of the Lottery's total sales revenue in fiscal year 2004.

Approximately $284 million (or 63.7%) of the total agency budget supports operating costs, with the balance supporting annuity prize payments. Of the total sales revenues generated in fiscal year 2004 (approximately $2.15 billion), $648.1 million was transferred to the Ohio Department of Education to support primary, secondary, vocational, and special education, with the remainder being awarded to players as prizes, paid to agents as bonuses and commissions, and expended for Lottery operations.

Executive Priorities for the Ohio Lottery Commission

- Provide an estimated $1.3 billion in funding for primary, secondary, vocational, and special education.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Services Fund Group	0	0	0	0	.0	1,200	.0	1,200	.0
State Lottery Fund Group	438,795	374,503	498,624	423,636	(15.0)	415,621	(1.9)	402,900	(3.1)
TOTAL	**438,795**	**374,503**	**498,624**	**423,636**	**(15.0)**	**416,821**	**(1.6)**	**404,100**	**(3.1)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	361,239	294,292	418,445	332,645	(20.5)	320,203	(3.7)	307,700	(3.9)
Purchased Services	41,248	41,311	43,424	45,854	5.6	53,023	15.6	52,516	(1.0)
Maintenance	33,936	36,005	34,635	41,760	20.6	40,633	(2.7)	40,944	.8
Equipment	2,225	2,799	1,806	3,022	67.4	2,608	(13.7)	2,585	(.9)
Subsidy	140	91	47	335	618.9	335	.0	335	.0
Transfer & Other	7	5	268	20	(92.6)	20	.0	20	.0
TOTAL	**438,795**	**374,503**	**498,624**	**423,636**	**(15.0)**	**416,821**	**(1.6)**	**404,100**	**(3.1)**

PROGRAM SERIES 01: Instant and Online Lottery Ticket Sales

The purpose of this program series is to generate profit through the sale of instant and online tickets to be transferred to the Lottery Profits Education Fund for use in programs benefiting Ohio's primary, secondary, vocational, and special education. Administrative costs for the implementation of Lottery programs as well as marketing activities to enhance ticket sales and net profit are found within this program series.

Program 01.01: Instant Ticket Sales

The primary goal of this program is to maximize instant ticket sales and net profits to support the Lottery's transfer of funds for education. In order to reach this goal, the Lottery must provide the product (instant tickets), make prize payments to winners, conduct ticket and machine testing, and warehouse and distribute the tickets.

What the Budget Buys:

- Supports the purchase, warehousing, and distribution of instant tickets, which includes the contracted vendors' commission amounts that are based on a percent of sales;
- Funds the cash and non-cash prize (trips, cars, merchandise) payouts to winners; and
- Makes the annual payment for the annuity prize winnings for winners who have selected to be paid over a period of time rather than in one lump sum.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SLF	044	950-402	Game & Advertising Contracts	25,119,686	25,126,207
SLF	044	950-601	Prizes Bonuses and Commissions	52,884,104	53,346,020
SLF	871	950-602	Annuity Prizes	2,472,628	3,128,627
TOTAL FOR PROGRAM				**80,476,418**	**81,600,854**

Program 01.02: Online Ticket Sales

As with instant ticket sales, the primary goal of this program is to maximize online ticket sales and net profits to support the Lottery's transfer of funds for education. In order to reach this goal, the Lottery enters into contracts for the ticket paper and for the gaming system. Additionally, the Lottery must make prize payments to winners.

What the Budget Buys:

- Supports the purchase of on-line terminal paper to produce the lottery ticket, which includes the contracted vendors' commission amounts that are based on a percent of sales;
- Funds the cash payouts to winners, including winners of the MegaMillions game; and
- Makes the annual payment for the annuity prize winnings for winners who have selected to be paid over a period of time rather than in one lump sum.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SLF	044	950-402	Game & Advertising Contracts	22,812,314	22,305,793
SLF	044	950-601	Prizes Bonuses and Commissions	98,068,362	94,370,266
SLF	871	950-602	Annuity Prizes	146,207,403	135,789,930
TOTAL FOR PROGRAM				**267,088,079**	**252,465,989**

Program 01.03: Marketing

The goal of the marketing program is to increase sales through product promotion to increase consumer awareness. This program supports the creation and placement of advertising for radio, television, signage, billboards, and promotional sponsorships. The resources necessary to produce the Cash Explosion television game show and associated prizes are also provided within this program.

What the Budget Buys:

- Finances the contracts with vendors to purchase creative advertising, TV, radio and print media placement and to produce the Cash Explosion game show;
- Supports the purchase of merchandise and promotional items; and
- Provides resources for 10 staffing positions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SLF	044	950-100	Personal Services	672,911	686,369
SLF	044	950-200	Maintenance	2,079,800	2,079,800
SLF	044	950-402	Game & Advertising Contracts	19,442,000	19,342,000
TOTAL FOR PROGRAM				**22,194,711**	**22,108,169**

Program 01.04: Program Management

This program provides the oversight necessary to deliver a quality product (the instant or online ticket) and service in a cost-efficient manner; supports the sale of tickets; and promotes the maximization of profits from instant and online tickets. More specifically, this program supports the administrative, financial, information technology, sales support, and executive oversight functions of the Lottery Commission.

What the Budget Buys:

- Funds approximately 336 full-time positions that implement and oversee the Lottery's other programs; and
- Provides for the general operational costs that include telecommunications, data processing and systems maintenance, and facility rental and maintenance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SLF	044	950-100	Personal Services	24,247,643	24,724,769
SLF	044	950-200	Maintenance	15,563,094	15,874,356
SLF	044	950-300	Equipment	2,517,533	2,494,718
SLF	044	950-402	Game & Advertising Contracts	3,150,000	3,250,000
TOTAL FOR PROGRAM				**45,478,270**	**46,343,843**

PROGRAM SERIES 02: Problem Gambling Subsidy

This program series supports the Ohio Department of Alcohol and Drug Addiction Services' efforts to administer problem gambling treatment programs in Ohio.

Program 02.01: Problem Gambling Subsidy

The goals of this program are to establish out-patient gambling treatment programs in Ohio for clients with an alcohol and/or drug addiction; increase the identification and referral of problem gamblers to appropriate programs and services; increase awareness of available services for problem gamblers and their families; and establish prevention activities that address problem gambling.

What the Budget Buys:

- Maintains the Lottery's transfer of funding to the Ohio Department of Alcohol and Drug Addiction Services for the administration of problem gambling treatment programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SLF	044	950-100	Personal Services	48,868	45,878
SLF	044	950-500	Problem Gambling Subsidy	335,000	335,000
TOTAL FOR PROGRAM				**383,868**	**380,878**

PROGRAM SERIES 03: Charitable Gaming

In accordance with an agreement with the Ohio Attorney General (AG), the Lottery will perform specific duties delegated by the AG related to oversight of Ohio's charitable gaming activities.

Program 03.01: Licensing and Monitoring

In July 2004, the AG and the Lottery entered into an agreement which requires the Lottery to perform the following duties previously undertaken by the AG: issue gambling licenses to charitable organizations; issue licenses to manufacturers and distributors of gambling products; and provide regulation, investigation, and audits of over 2,000 charitable organizations, manufacturers, and distributors. This program supports the requirements of this agreement. Performance of these new duties requires the Lottery to incur costs associated with the conversion of the existing manual application to an online system in order to license applicants; conduct site visits; complete audits; and standardize reports.

What the Budget Buys:

- Supports approximately 15 full-time positions that will build upon the licensure and monitoring of charitable gaming organizations, which began in fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	231	950-604	Charitable Gaming Oversight	1,200,000	1,200,000
TOTAL FOR PROGRAM				**1,200,000**	**1,200,000**

LINE ITEM SUMMARY - Lottery Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
231	950-604	Charitable Gaming Oversight	0	0	0	0	1,200,000	.0	1,200,000	.0
TOTAL General Services Fund Group			**0**	**0**	**0**	**0**	**1,200,000**	**.0**	**1,200,000**	**.0**
044	950-100	Personal Services	23,718,456	23,835,504	23,119,486	25,783,982	24,969,422	(3.2)	25,457,016	2.0
044	950-200	Maintenance	17,553,777	17,124,488	17,067,866	19,069,772	17,642,894	(7.5)	17,954,156	1.8
044	950-300	Equipment	2,224,887	2,799,342	1,805,985	3,022,375	2,517,533	(16.7)	2,494,718	(.9)
044	950-402	Game & Advertising Contracts	56,659,038	59,279,886	60,007,406	63,240,000	70,524,000	11.5	70,024,000	(.7)
044	950-500	Problem Gambling Subsidy	140,000	91,200	306,600	335,000	335,000	.0	335,000	.0
044	950-601	Prizes Bonuses and Commissions	169,428,927	117,238,055	153,453,617	150,000,000	150,952,466	.6	147,716,286	(2.1)
871	950-602	Annuity Prizes	156,088,753	145,682,058	242,863,357	162,185,260	148,680,031	(8.3)	138,918,557	(6.6)
872	950-603	Unclaimed Prize Awards	12,981,264	8,452,728	0	0	0	.0	0	.0
TOTAL State Lottery Fund Group			**438,795,102**	**374,503,261**	**498,624,317**	**423,636,389**	**415,621,346**	**(1.9)**	**402,899,733**	**(3.1)**
TOTAL Lottery Commission			**438,795,102**	**374,503,261**	**498,624,317**	**423,636,389**	**416,821,346**	**(1.6)**	**404,099,733**	**(3.1)**

Ohio Medical Transportation Board

Role and Overview

The Ohio Medical Transportation Board (OMTB) acts as the regulatory authority for all private, hospital based, and commercial ambulances, wheelchair vans (ambulette), mobile intensive care units, medical helicopters and fixed wing medical aircraft operating within the boundaries of Ohio. The board is responsible for establishing minimum standards for the operation of these entities that include medical equipment, staffing, maintenance, communications, record keeping, sanitation, and roadworthiness. The board requires annual licensing of all regulated organizations and vehicle permits for each vehicle operated in the state. OMTB field inspectors conduct physical inspections of headquarters, satellite locations, and each medical transportation vehicle annually. Throughout the year OMTB field inspectors conduct unannounced inspections of licensed entities, based on a predetermined internal random selection process. The board consists of ten members appointed by the Governor. The board's budget is approximately $400,000 per year, and its staff includes three full-time employees and 24 contract field inspectors.

The Executive Budget proposes to merge the Ohio Medical Transportation Board into the Department of Public Safety, effective July 1, 2006. The board itself will be retained, but consolidation of administrative and licensing activities is expected to occur, resulting in streamlined operations. A task force will determine details of the transition during fiscal year 2006, in order to allow for implementation at the start of fiscal year 2007. Further information regarding the consolidation is available in the combined Professional and Occupational Licensing Boards document.

More information regarding the Ohio Medical Transportation Board is available at http://oal.ohio.gov/.

Executive Priorities for the Ohio Medical Transportation Board

- Ensure safe medical transportation for all Ohioans.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Services Fund Group	193	275	363	406	12.1	388	(4.4)	0	(100.0)
TOTAL	**193**	**275**	**363**	**406**	**12.1**	**388**	**(4.4)**	**0**	**(100.0)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	127	152	192	274	42.8	225	(18.2)	0	(100.0)
Purchased Services	32	34	58	80	38.6	86	7.1	0	(100.0)
Maintenance	31	86	61	48	(21.4)	62	30.1	0	(100.0)
Equipment	2	3	52	4	(92.3)	16	300.0	0	(100.0)
Transfer & Other	0	0	0	0	(100.0)	0	.0	0	.0
TOTAL	**193**	**275**	**363**	**406**	**12.1**	**388**	**(4.4)**	**0**	**(100.0)**

Ohio Medical Transportation Board

PROGRAM SERIES 01: Regulation

This program series supports the board's activities to regulate the medical transportation profession in accordance with Ohio Revised Code Chapter 4766.

Program 01.01: License/Registration/Enforcement

This program ensures that all aspects of the board's regulatory authority are fulfilled as required within the law. The responsibilities include licensing, registration, investigation, and enforcement. The board is ultimately charged with creating minimum standards for all identified modes of medical transportation and ensuring safe medical transportation for the citizens of Ohio.

What the Budget Buys:

- Supports licensure and enforcement activities relevant to all organizations and vehicles regulated by the board, including an increase from approximately 130 organizations and 1,300 vehicles annually to an estimated 1,130 organizations and 11,300 vehicles annually as a result of legislation that expanded the board's jurisdiction.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4N1	915-601	Operating Expenses	388,450	0
TOTAL FOR PROGRAM				**388,450**	**0**

LINE ITEM SUMMARY - MEDICAL TRANSPORTATION BOARD

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4N1	915-601	Operating Expenses	192,508	274,862	362,638	406,354	388,450	(4.4)	0	(100.0)
TOTAL General Services Fund Group			**192,508**	**274,862**	**362,638**	**406,354**	**388,450**	**(4.4)**	**0**	**(100.0)**
TOTAL Medical Transportation Board			**192,508**	**274,862**	**362,638**	**406,354**	**388,450**	**(4.4)**	**0**	**(100.0)**

Department of Mental Health

Role and Overview

The Department of Mental Health (ODMH) ensures that quality mental health care is available in communities for all Ohioans, particularly for individuals with serious mental illness; works with local mental health boards to ensure the provision of mental health services; and ensures that a comprehensive system of care exists between state behavioral health care organizations and community service providers.

The Governor appoints the director of the department. The department employs about 2,900 people and has an annual budget of approximately $940 million. Seventy-five percent of the department's fiscal year 2005 General Revenue funds go to local alcohol/drug/mental health boards. Under the Mental Health Act of 1988 (Sub. S.B. 156) boards are responsible for planning and managing all public mental health care and are accountable to the Ohio Department of Mental Health. Each board represents either large single counties or a group of two or more smaller counties. There are 43 combined boards of Alcohol, Drug Addiction, and Mental Health Services (ADAMHS). In seven counties with a population of over 250,000, there are two local boards, one to deal with alcohol and drug abuse services (ADAS) and another to deal with community mental health services (CMH). The boards develop plans for the use of the moneys, and then contract with local service providers to provide the community mental health services. The boards also use local alcohol, drug abuse, and mental health levy moneys to support community mental health services.

State-operated behavioral health care organizations (ODMH hospitals), known as BHOs, admit approximately 6,500 individuals each year. In fiscal year 2005 the average daily resident population of the hospitals is approximately 1,050. Currently, about 385 full-time staff members provide Community Support Network (CSN) services to over 3,700 individuals. Over 500 community agencies provide services to more than 180,000 adults and 75,000 youth annually. Of the adults, approximately 64,500 are considered severely mentally disabled and of the youth about 42,000 are considered to have a serious emotional disturbance. To ensure that quality services are provided for clients of the mental health system, the department evaluates approximately 89 licensure applications from private psychiatric hospitals, 125 licensure applications from residential facilities, and 165 certification applications from community mental health agencies.

The department licenses and regulates private psychiatric hospitals, residential facilities, and community mental health agencies; approves local boards' service plans; provides technical assistance to the boards; conducts research concerning the causes and prevention of mental illness; and deploys state staff to community settings to provide community mental health services. Additional information on the agency can be found at http://www.mh.state.oh.us.

Executive Priorities for the Department of Mental Health

- Maintain current level of essential community services and current inpatient capacity.
- Focus mental health care to improve public safety and reduce crime and criminal recidivism.
- Improve mental health services for Ohio's children and youth.

Department of Mental Health

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	511,275	518,515	529,884	538,665	1.7	556,679	3.3	573,117	3.0
General Services Fund Group	101,937	109,422	103,210	111,015	7.6	115,277	3.8	119,571	3.7
Fed Special Revenue Fund Group	229,637	252,007	270,546	298,743	10.4	311,132	4.1	329,461	5.9
State Special Revenue Fund Group	6,833	4,993	5,458	10,651	95.1	6,041	(43.3)	6,041	.0
TOTAL	**849,682**	**884,937**	**909,097**	**959,074**	**5.5**	**989,130**	**3.1**	**1,028,191**	**3.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	191,084	192,516	192,574	186,418	(3.2)	211,554	13.5	220,221	4.1
Purchased Services	8,540	8,226	8,506	11,613	36.5	10,379	(10.6)	10,575	1.9
Maintenance	47,026	46,474	48,553	44,955	(7.4)	54,169	20.5	55,423	2.3
Equipment	3,467	2,075	2,431	1,671	(31.2)	3,510	110.0	3,498	(.3)
Subsidy	501,023	538,841	558,551	582,614	4.3	604,329	3.7	628,636	4.0
Goods For Resale	69,605	70,040	72,845	77,025	5.7	81,509	5.8	85,620	5.0
Capital Improvements	1,007	411	200	250	25.0	100	(60.0)	100	.0
Transfer & Other	27,930	26,354	25,438	54,527	114.3	23,580	(56.8)	24,118	2.3
TOTAL	**849,682**	**884,937**	**909,097**	**959,074**	**5.5**	**989,130**	**3.1**	**1,028,191**	**3.9**

PROGRAM SERIES 01: Hospital and Community Services

This program series consists of five programs that support and provide inpatient care and community mental health services, community medication, and forensic services. One of these programs includes Medicaid covered mental health services for Medicaid eligible consumers. This program series also funds an initiative for behavioral healthcare for children.

Program 01.01: 408 Hospital and Community

This program supports two systems that are linked in providing complete care for persons with severe and persistent mental illness, the inpatient system, and the community mental health system. The inpatient system known as the Integrated Behavioral Healthcare System, is made up of five regional Behavioral Healthcare Organizations. Inpatient care is provided at nine sites and community-based services are available at seven of these sites. To support the community system, this program provides fund to 50 Alcohol, Drug Addiction, and Mental Health Services/Community Mental Health boards that purchase mental health services for consumers, including children and families.

Department of Mental Health

What the Budget Buys:

- Maintains current inpatient capacity at nine hospital sites with 49 inpatient treatment units and provides care to 6,500 individuals admitted per year with an average daily resident population of approximately 1,050;
- Provides emergency relief to communities in local crises with needs such as medication treatment, temporary housing, consumer-to-consumer supports, and emergency outpatient care; and
- Provides essential community mental health services such as community support services, counseling/psychotherapy, crisis intervention, and medication management.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	334-408	Community & Hospital Mental Health Services	390,424,545	400,324,545
GSF	149	334-609	Hospital Rotary-Operating Expenses	24,408,053	24,408,053
GSF	150	334-620	Special Education	120,930	120,930
FED	3A6	334-608	Federal Letter of Credit	586,224	586,224
FED	3A8	334-613	Federal Letter of Credit for Human Services	200,000	200,000
FED	3B0	334-617	Elementary and Secondary Education	171,930	178,807
FED	3B1	334-635	Hospital Medicaid Expansion	2,000,000	2,000,000
FED	324	334-605	Medicaid/Medicare	11,764,280	11,873,408
SSR	485	334-632	Mental Health Operating	2,476,297	2,476,297
TOTAL FOR PROGRAM				**432,152,259**	**442,168,264**

Program 01.02: Community

This program supports community programs and mental health services. Funds distributed to county boards are used for crisis intervention, hospital prescreening, counseling-psychotherapy, community support program services (CSP), diagnostic assessment, consultation and education, and residential-housing. Services provided are consistent with their Community Plan/Mutual System Performance Agreement approved by the department.

What the Budget Buys:

- Continues support for community mental health services;
- Supports community mental health services for adults with severe mental disabilities and children with severe emotional disturbances;
- Supports improvements to service delivery including promotion of recovery, resiliency and systems of care, school success, employment, evidence based practices, quality improvement, and cross-system collaboration;
- Increases funding by $6.4 million in FY 2006 and $7.4 million in FY 2007 for behavioral health care services for children and their families; and
- Provides a subsidy of $20,000 per county for administrative support for local Family and Children First Councils. This line item was previously funded through the Department of Education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	334-506	Court Costs	976,652	976,652
GRF	GRF	335-404	Behavioral Health Services-Children	6,365,265	7,365,265
GRF	GRF	335-405	Family & Children First	1,760,000	1,760,000
GRF	GRF	335-505	Local Mental Health Systems of Care	94,687,868	99,687,868
GSF	4P9	335-604	Community Mental Health Projects	250,000	250,000
FED	3A6	335-608	Federal Miscellaneous	1,089,699	678,699
FED	3A7	335-612	Social Services Block Grant	8,657,288	8,657,288
FED	3A8	335-613	Fed Grant-Community Mental Health Subsidy	2,407,040	2,407,040
FED	3A9	335-614	Mental Health Block Grant	14,969,400	14,969,400
SSR	632	335-616	Community Capital Replacement	350,000	350,000
SSR	692	334-636	Community Mental Health Board Risk Fund	80,000	80,000
TOTAL FOR PROGRAM				**131,593,212**	**137,182,212**

Program 01.03: Community Medication

This program provides necessary psychotropic medications to indigent citizens in the community to reduce unnecessary hospitalization due to lack of medication and to improve their overall quality of life.

What the Budget Buys:

- Continues the distribution of medications to indigent mentally ill citizens in the community to reduce unnecessary hospitalizations due to lack of medications;
- Funds a patient counseling hotline and phone consultations with mental health agencies and providers; and
- Provides drug information services and education programs where necessary.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	335-419	Community Medication Subsidy	7,959,798	7,959,798
TOTAL FOR PROGRAM				**7,959,798**	**7,959,798**

Program 01.04: Community Medicaid

This program reflects the federal financial participation for the community mental health Medicaid program. Covered community mental health Medicaid services include diagnostic assessment, partial hospitalization, crisis intervention, counseling and psychotherapy, medication somatic services, and the community support program.

What the Budget Buys:

- Provides Medicaid-covered mental health services for over 160,000 Medicaid-eligible persons.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3B1	335-635	Community Medicaid Expansion	264,088,404	282,807,902
TOTAL FOR PROGRAM				**264,088,404**	**282,807,902**

Program 01.05: Forensic Services

This program provides forensic and second opinion evaluations through Community Forensic Psychiatry Centers. It also provides mental health diversion re-entry alternatives to jails and prisons. These funds support community forensic monitoring as well as a forensic fellowship program.

What the Budget Buys:

- Provides forensic second opinion evaluations to determine competency for standing trial;
- Supports a uniform tracking and monitoring program to serve people on conditional release who have been found Not Guilty by Reason of Insanity and Incompetent to Stand Trial-Unrestorable;
- Funds mental health diversion re-entry alternatives to jails and prisons; and
- Funds training for forensic psychiatrists at the University of Cincinnati and Case Western University.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	332-401	Forensic Services	4,338,858	4,338,858
TOTAL FOR PROGRAM				**4,338,858**	**4,338,858**

PROGRAM SERIES 02: Office of Support Services

This program series provides auxiliary purchasing services to state facilities and select community agencies.

Program 02.01: Office of Support Services

To capture economies of scale, this program purchases raw and prepared bulk food items, wholesale pharmaceuticals, pharmacy dispensing, and transportation services on behalf of state facilities and select community agencies. Consultation in the areas of dietary training, cycle menu planning, pharmacy standards, and drug information service is also available. The Office of Support Services receives revenue to operate by billing state departments and agencies for its services; participating state agencies include the Department of Rehabilitation and Correction, Department of Youth Services, and the Department of Mental Retardation and Developmental Disabilities.

What the Budget Buys:

- Funds the Office of Support Services, which supplies food and pharmacy related goods and services to a customer base of over 50,000 individuals through numerous state agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	151	235-601	Office of Support Services	89,614,180	93,898,713
TOTAL FOR PROGRAM				**89,614,180**	**93,898,713**

PROGRAM SERIES 03: Oversight and Quality

This program series provides oversight and quality controls for the Integrated Behavioral Healthcare System (IBHS) including hospital chief clinical officers, as well as program and policy development for 50 community mental health boards.

Program 03.01: Medical Director and Quality Assurance

The Medical Director is responsible for decisions relating to medical diagnosis, treatment, rehabilitation, and quality assurance. The Office of Quality Assurance exercises clinical supervision of the Hospital Chief Clinical Officers, provides clinical oversight of ODMH policies, procedures, guidelines, and research projects, and provides oversight of the ODMH residency program and best practice initiatives. In addition, the Medical Director is responsible for the clinical aspects of the department's licensure and certification process for community mental health services.

What the Budget Buys:

- Funds staff to support clinical supervision of hospital clinical staff and oversight of department policies and research projects;
- Funds Ohio colleges and universities to educate mental health professionals; and
- Funds continued quality improvement practices evidenced by improved reporting mechanisms through the Mental Health Board Clinical Leadership Group.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	333-321	Central Administration	1,849,739	1,852,425
GRF	GRF	333-402	Resident Trainees	1,364,919	1,364,919
GSF	149	333-609	Central Office Rotary-Operating	47,494	46,087
FED	3B1	333-635	Community Medicaid Expansion	43,176	41,897
TOTAL FOR PROGRAM				**3,305,328**	**3,305,328**

Program 03.02: Integrated Behavioral Healthcare System Oversight (IBHS)

This program develops, administers, and oversees the administration, budget, and services of the inpatient Behavioral Healthcare Organizations, known as BHOs. The IBHS is organized into four areas including: Intensive and Specialized Services; Community Support Network; Forensic; and Culture, Family, and Community Services. The program provides support to Behavior Health Organizations to ensure compliance with federal, state, and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) mandates as well as other accrediting standards.

What the Budget Buys:

- Funds staff to support the oversight of inpatient Behavioral Healthcare Organizations;
- Ensures JCAHO accreditation and Medicaid certification of state psychiatric hospitals; and
- Ensures quality standards of clinical priorities of patient care.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	333-321	Central Administration	230,739	242,648
GSF	149	333-609	Central Office Rotary-Operating	5,367	5,311
FED	3A8	333-613	Federal Grant-Administration	11,803	0
FED	3B1	333-635	Community Medicaid Expansion	4,879	4,828
TOTAL FOR PROGRAM				**252,788**	**252,787**

Program 03.03: Program and Policy Development

This program provides overall management of the 50 community mental health boards and promotes the local development of a comprehensive community support system of mental health services. Currently, five area directors act as liaisons to coordinate ODMH's relationship with the boards in five regions within the state. This program is also responsible for Systems Development, Children's Services and Prevention, and Consumer Services.

What the Budget Buys:

- Funds staff and operational needs of the Division of Program and Policy Development, Office of System Development, Office of Consumer Services, and Office of Children's Services and Prevention; and
- In addition to oversight, this division provides liaisons to the 50 community mental health boards and promotes the local development of a comprehensive community support system of mental health.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	333-321	Central Administration	2,481,903	2,538,413
GSF	149	333-609	Central Office Rotary-Operating	63,086	69,162
FED	3A6	333-608	Community & Hospital Services	65,000	0
FED	3A8	333-613	Federal Grant-Administration	550,614	512,417
FED	3A9	333-614	Mental Health Block Grant	230,597	230,250
FED	3B1	333-635	Community Medicaid Expansion	57,351	62,874
TOTAL FOR PROGRAM				**3,448,551**	**3,413,116**

PROGRAM SERIES 04: Program Management

This program series includes the central office of the Department of Mental Health, which is responsible for the total operation of the department, including, but not limited to, establishing the overall mission and direction, coordination, monitoring, and policy formulation related to ensuring the development of a comprehensive, statewide mental health services system.

Program 04.01: Program Management

This program includes central office staff members who provide technical assistance and support for all components of the mental health system such as boards, agencies, family groups, consumer groups, state, and private hospitals as well as oversight of the day-to-day operation of the department. Offices or subprograms under the area of central office administration include: the Director's Office, Human Resources, Fiscal Administration, Office of Information Services, Legal Services, Consumer Services, Licensure and Certification, Capital Development, Program Evaluation and Research, and the Office of Forensic Services.

What the Budget Buys:

- Funds staff and operational requirements of the central office needed for budget control and coordination, human resources administration, oversight of Medicaid mental health services, research and program evaluation, facility planning and management, information systems, and legal/regulatory services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	333-321	Central Administration	19,291,288	19,220,183
GRF	GRF	333-403	Pre-Admission Screening Expenses	650,135	650,135
GRF	GRF	333-416	Research Program Evaluation	1,001,551	1,001,551
GSF	149	333-609	Central Office Rotary-Operating	767,826	773,226
FED	3A9	333-614	Mental Health Block Grant	518,143	518,220
FED	3B1	333-635	Community Medicaid Expansion	3,566,131	3,582,084
FED	324	333-605	Medicaid/Medicare	150,000	150,000
SSR	4X5	333-607	Behavioral Health Medicaid Services	3,000,634	3,000,634
SSR	485	333-632	Mental Health Operating	134,233	134,233
TOTAL FOR PROGRAM				**29,079,941**	**29,030,266**

Program 04.02: Debt Service

This program reflects payments made by the department for debt service retirement to the Ohio Public Facilities Commission for mental health facilities.

What the Budget Buys:

- Fully funds debt service payments for mental health facilities to the Ohio Public Facilities Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	333-415	Lease Rental Payments	23,296,200	23,833,600
TOTAL FOR PROGRAM				**23,296,200**	**23,833,600**

Department of Mental Health

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Notes

Behavioral Health Services – Children/404: This line item provides flexible funding to local communities for behavioral health services for children and their families. For additional information, please refer to program 01.02 Community.

Family and Children First/405: This line item provides administrative support to local Family and Children First Councils (FCF) in all 88 counties and was previously funded through the Department of Education. For additional information, please refer to program 01.02 Community.

Behavioral Healthcare/615: This line item is replaced by Behavioral Health Services/404 and Family and Children First/405. For additional information, please refer to program 01.02 Community

LINE ITEM SUMMARY - Mental Health

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	332-401	Forensic Services	4,152,291	4,341,823	4,389,409	4,338,858	4,338,858	.0	4,338,858	.0
GRF	333-100	Personal Svcs-Central Admin	17,124,762	16,777,940	0	0	0	.0	0	.0
GRF	333-200	Maintenance-Central Admin	2,278,226	2,146,438	966	0	0	.0	0	.0
GRF	333-300	Equipment-Central Admin	385,935	312,583	20,223	0	0	.0	0	.0
GRF	333-321	Central Administration	0	0	22,276,780	23,853,669	23,853,669	.0	23,853,669	.0
GRF	333-402	Resident Trainees	1,551,633	1,431,575	1,356,488	1,364,919	1,364,919	.0	1,364,919	.0
GRF	333-403	Pre-Admin Screening Expenses	638,246	650,135	650,135	650,135	650,135	.0	650,135	.0
GRF	333-415	Lease Rental Payments	24,581,264	25,127,891	24,102,718	23,206,750	23,296,200	.4	23,833,600	2.3
GRF	333-416	Research Program Evaluation	810,289	939,318	1,058,012	1,001,551	1,001,551	.0	1,001,551	.0
GRF	333-701	Cambridge Env Improvement	95,263	0	0	0	0	.0	0	.0
GRF	334-408	Community & Hosp MH Svcs	356,719,170	370,130,056	376,637,527	385,624,545	390,424,545	1.2	400,324,545	2.5
GRF	334-506	Court Costs	926,461	965,334	944,666	976,652	976,652	.0	976,652	.0
GRF	335-404	Behavioral Health Services-Children	0	0	0	0	6,365,265	**	7,365,265	15.7
GRF	335-405	Family & Children First	0	0	0	0	1,760,000	**	1,760,000	.0
GRF	335-419	Community Medication Subsidy	7,682,295	7,701,549	7,711,092	7,959,798	7,959,798	.0	7,959,798	.0
GRF	335-502	Community MH Programs	36,612,580	31,145,262	367,749	0	0	.0	0	.0
GRF	335-505	Local MH Systems of Care	0	0	88,541,757	89,687,868	94,687,868	5.6	99,687,868	5.3
GRF	335-508	Svcs for Sev. Ment. Disabled	57,716,586	56,845,128	1,826,042	0	0	.0	0	.0
TOTAL General Revenue Fund			**511,275,001**	**518,515,032**	**529,883,564**	**538,664,745**	**556,679,460**	**3.3**	**573,116,860**	**3.0**
149	333-609	Cent Office Rotary-Operating	2,513,951	1,565,159	606,318	1,103,578	883,773	(19.9)	893,786	1.1
149	334-609	Hospital Rotary-Operatng Exp	17,698,110	25,144,532	21,550,859	24,408,053	24,408,053	.0	24,408,053	.0
150	334-620	Special Education	120,558	101,429	103,007	120,930	120,930	.0	120,930	.0
151	235-601	Office of Support Services	77,350,308	77,528,873	80,749,834	85,181,973	89,614,180	5.2	93,898,713	4.8
4N8	335-606	Family Stability Incentive	4,054,295	5,082,463	0	0	0	.0	0	.0
4P9	335-604	Community Mental Health Prjcts	200,000	0	200,000	200,000	250,000	25.0	250,000	.0
TOTAL General Services Fund Group			**101,937,222**	**109,422,456**	**103,210,018**	**111,014,534**	**115,276,936**	**3.8**	**119,571,482**	**3.7**
3A6	333-608	Community & Hospital Services	0	1,650	22,550	134,112	65,000	(51.5)	0	(100.0)
3A6	334-608	Federal Letter of Credit	0	0	0	386,224	586,224	51.8	586,224	.0
3A6	335-608	Federal Misc	0	0	432,022	839,699	1,089,699	29.8	678,699	(37.7)
3A7	333-612	Social Services Block Grant	0	0	24,874	0	0	.0	0	.0
3A7	335-612	Social Services Block Grant	7,076,735	9,228,401	8,315,991	9,314,108	8,657,288	(7.1)	8,657,288	.0
3A8	333-613	Federal Grant-Administration	75,946	17,092	158,951	312,417	562,417	80.0	512,417	(8.9)
3A8	334-613	Federal Letter of Credit HS	0	0	0	0	200,000	.0	200,000	.0
3A8	335-613	Fed Grant-Commnty MH Brd Sbsdy	1,663,741	1,896,062	1,646,646	1,717,040	2,407,040	40.2	2,407,040	.0
3A9	333-614	Mental Health Block Grant	933,787	818,369	746,966	835,636	748,740	(10.4)	748,470	.0
3A9	335-614	Mental Health Block Grant	16,554,473	14,375,990	14,166,497	17,056,090	14,969,400	(12.2)	14,969,400	.0
3B0	334-617	Elem & Secondary Educ Act	152,391	163,519	195,360	251,866	171,930	(31.7)	178,807	4.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Mental Health

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
3B1	333-635	Community Medicaid Expansion	5,119,310	6,780,696	4,053,297	4,145,222	3,671,537	(11.4)	3,691,683	.5
3B1	334-635	Hospital Medicaid Expansion	4,534,931	0	634,582	2,000,000	2,000,000	.0	2,000,000	.0
3B1	335-635	Community Medicaid Expansion	181,611,451	207,516,569	229,539,045	250,318,938	264,088,404	5.5	282,807,902	7.1
324	333-605	Medicaid/Medicare	507,661	504,967	623,929	514,923	150,000	(70.9)	150,000	.0
324	334-605	Medicaid/Medicare	11,406,737	10,703,493	9,984,857	10,916,925	11,764,280	7.8	11,873,408	.9
TOTAL Fed Special Revenue Fund Group			**229,637,163**	**252,006,808**	**270,545,567**	**298,743,200**	**311,131,959**	**4.1**	**329,461,338**	**5.9**
4X5	333-607	Behav. Health Medicaid Svcs	2,562,848	2,828,385	2,913,327	3,000,634	3,000,634	.0	3,000,634	.0
485	333-632	Mental Health Operating	25,612	0	280	134,233	134,233	.0	134,233	.0
485	334-632	Mental Health Operating	2,973,866	1,314,009	1,943,381	2,476,297	2,476,297	.0	2,476,297	.0
5AU	335-615	Behavioral Healthcare	0	0	0	4,690,000	0	**	0	**
5L2	334-619	Health Foundation/Greatr Cincinnati	187,054	119,095	51,008	0	0	.0	0	.0
5M2	333-602	PWLC Campus Improvement	911,895	410,795	200,000	0	0	.0	0	.0
632	335-616	Community Capital Replacement	171,619	320,291	250,000	250,000	350,000	40.0	350,000	.0
692	334-636	Community MH Board Risk Fund	0	0	100,000	100,000	80,000	(20.0)	80,000	.0
TOTAL State Special Revenue Fund Group			**6,832,894**	**4,992,575**	**5,457,996**	**10,651,164**	**6,041,164**	**(43.3)**	**6,041,164**	**.0**
TOTAL Department of Mental Health			**849,682,280**	**884,936,871**	**909,097,145**	**959,073,643**	**989,129,519**	**3.1**	**1028,190,844**	**3.9**

**** Please see the Appropriation Line Item analysis for further detail.**

Department of Mental Retardation and Developmental Disabilities

Role and Overview

The Department of Mental Retardation and Developmental Disabilities (ODMR/DD) seeks to improve the quality of life for Ohio's citizens with mental retardation or developmental disabilities and their families by ensuring the availability of programs, services, and support and by promoting their health and safety. The director of the department is appointed by the Governor, and oversees approximately 3,500 employees and an annual budget of approximately $1.2 billion.

The department distributes funds to Ohio's 88 county boards of mental retardation and developmental disabilities for services and support for individuals with MR/DD. These services include, but are not limited to, residential support, early intervention, family support, adult vocational, habilitation, community employment services, facilitating self-support, and the administration of services and support. The department also provides funding for three waiver programs that enable people to live and receive services in community residential settings.

The department operates 12 developmental centers that provide a full range of medical and daily living services to assist residents in achieving their fullest potential in life. The department will be closing two developmental centers, Springview in June 2005 and Apple Creek in June 2006.

Executive Priorities for the Department of Mental Retardation and Developmental Disabilities

- Protect the health and safety of consumers throughout the MR/DD system.
- Ensure the availability of programs, services, and support for persons with MR/DD.
- Assist persons with MR/DD to live the life they choose.
- Ensure all state and federal regulations are met through licensing and monitoring of Ohio's MR/DD system.
- Provide funding to county boards for programs that serve adults and children with MR/DD.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	341,126	346,315	343,388	353,039	2.8	353,129	.0	353,666	.2
General Services Fund Group	5,753	5,279	4,596	3,937	(14.3)	2,487	(36.8)	2,237	(10.1)
Fed Special Revenue Fund Group	463,093	576,548	588,761	736,373	25.1	652,728	(11.4)	630,577	(3.4)
State Special Revenue Fund Group	24,648	21,720	51,444	70,150	36.4	114,301	62.9	114,301	.0
TOTAL	**834,620**	**949,862**	**988,189**	**1,163,500**	**17.7**	**1,122,644**	**(3.5)**	**1,100,781**	**(1.9)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	215,603	220,384	216,795	245,665	13.3	226,458	(7.8)	225,231	(.5)
Purchased Services	6,134	5,895	8,440	8,491	.6	9,136	7.6	9,142	.1
Maintenance	28,058	27,875	24,429	26,294	7.6	30,806	17.2	30,398	(1.3)
Equipment	1,139	960	1,062	1,401	31.9	6,553	367.9	6,553	.0
Subsidy	554,071	666,737	706,556	848,647	20.1	817,116	(3.7)	800,974	(2.0)
Capital Improvements	579	402	0	0	.0	0	.0	0	.0
Transfer & Other	29,036	27,610	30,907	33,001	6.8	32,574	(1.3)	28,483	(12.6)
TOTAL	**834,620**	**949,862**	**988,189**	**1,163,500**	**17.7**	**1,122,644**	**(3.5)**	**1,100,781**	**(1.9)**

PROGRAM SERIES 01: Early Intervention Services

This program series targets wraparound services that identify children, birth through age two, who are at risk of or are diagnosed with a developmental delay. Once identified, service providers and the family work together to develop an Individual Family Services Plan (IFSP) that includes services related to the needs of the child and the family.

Program 01.01: CAFS-Early Intervention

The Community Alternative Funding System (CAFS) enables county boards of MR/DD, school districts, and others to access federal Medicaid matching dollars for certain habilitative services provided to Medicaid-eligible children and adults with MR/DD. Eligible services include day treatment services for adults who either live in an intermediate care facility for the mentally retarded (ICF/MR) or who receive waiver services; professional services for children and adults including physical therapy, occupational therapy, nursing, psychology, social work/counseling, and speech language and pathology; and transportation. The original purpose of this program was to maximize local funds by pulling in the federal Medicaid reimbursement and passing it back to the county boards or school districts that paid the initial claim for services.

The Centers for Medicare and Medicaid Services (CMS) have determined that CAFS is non-compliant with federal requirements and are requiring that the state take down this program by June 30, 2005. This will result in lost federal revenue to county boards of MR/DD and schools. Some services currently provided through CAFS may be transferred to waiver services; others may be migrated to Medicaid card services, which are funded by the state through the Department of Job and Family Services' (JFS) general revenue fund line item 600-525, Health Care-Medicaid. ODMR/DD and JFS continue to work to on preserving as much of the federal financial participation as possible in order to maintain services for individuals currently receiving CAFS services, but at the time of this writing, agreement with CMS has not been reached.

What the Budget Buys:

- Provides the federal Medicaid reimbursement to county boards, school districts and others for CAFS services provided prior to June 30, 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
FED	3M7	322-650	CAFS Medicaid	41,536,235	34,591,243
FED	325	322-608	Grants Infants Families w/Disabilities	17,365	17,955
TOTAL FOR PROGRAM				**41,553,600**	**34,609,198**

Program 01.02: Early Intervention

This program provides training, technical assistance, mediation, and facilitation regarding the provision of services to children ages birth through age two with/or at risk for developmental delays or disabilities.

What the Budget Buys:

- Funds seven employees who provide training, technical assistance, mediation, and facilitation to local Help Me Grow programs and to county boards of MR/DD that provide services to over 7,000 infants and toddlers with or at risk for developmental delays or disabilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	245,223	247,293
FED	3A4	320-605	Administrative Support	395,077	395,611
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
FED	325	322-608	Grants Infants Families w/Disabilities	524,569	536,298
TOTAL FOR PROGRAM				**1,168,283**	**1,182,806**

Program 01.03: MR/DD County Board Subsidies

This program provides subsidies to the county boards of MR/DD to provide early childhood services to children with developmental delays.

What the Budget Buys:

- Supports a weighted subsidy for approximately 7,700 children; and
- Supports nine employees who administer the distribution of the subsidies and provide training and technical assistance to the county boards of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	193,126	194,997
GRF	GRF	322-501	County Boards Subsidies	7,307,934	7,307,934
FED	3A4	320-605	Administrative Support	397,021	397,569
FED	3G6	322-639	Medicaid Waiver	3,414	15,798
TOTAL FOR PROGRAM				**7,901,495**	**7,916,298**

PROGRAM SERIES 02: Education and Related Services

Programs in this program series target children ages three through 21 with MR/DD who are eligible for a free and appropriate education through Ohio's public school system.

Program 02.01: CAFS-Education

The Community Alternative Funding System (CAFS) enables county boards of MR/DD, school districts, and others to access federal Medicaid matching dollars for certain habilitative services provided to Medicaid-eligible children and adults with MR/DD. Eligible services include day treatment services for adults who either live in an ICF/MR or who receive waiver services; professional services for children and adults including physical therapy, occupational therapy, nursing, psychology, social work/counseling, and speech language and pathology; and transportation. The original purpose of this program was to maximize local funds by pulling in the federal Medicaid reimbursement and passing it back to the county boards or school districts that paid the initial claim for services.

The Centers for Medicare and Medicaid Services (CMS) have determined that CAFS is non-compliant with federal requirements and are requiring that the state take down this program by June 30, 2005. This will result in lost federal revenue to county boards of MR/DD and schools. Some services currently provided through CAFS may be transferred to waiver services; others may be migrated to Medicaid card services, which are funded by the state through the Department of Job and Family Services' (JFS) general revenue fund line item 600-525, Health Care-Medicaid. ODMR/DD and JFS continue to work to on preserving as much of the federal financial participation as possible in order to maintain services for individuals currently receiving CAFS services, but at the time of this writing, agreement with CMS has not been reached.

What the Budget Buys:

- Provides the federal Medicaid reimbursement to county boards, school districts and others for CAFS services provided prior to June 30, 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3M7	322-650	CAFS Medicaid	41,548,407	34,591,243
FED	325	322-608	Grants Infants Families w/Disabilities	17,365	17,955
TOTAL FOR PROGRAM				**41,565,772**	**34,609,198**

Program 02.02: Office of Family and Children First

This program is a partnership of government agencies and community organizations committed to improving the well-being of children and families by streamlining and coordinating services. ODMR/DD is the fiscal agent for the state Office of Family and Children First.

What the Budget Buys:

- Funds six staff members who work to streamline services to children by coordinating the efforts of state and local entities;
- Develops and assesses the state's progress in its commitment to children; and
- Makes recommendations to the Governor and General Assembly regarding the provision of services to children.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	177,609	179,371
GSF	4V1	322-611	Family and Children First	625,000	625,000
FED	3A4	320-605	Administrative Support	29,949	30,823
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
TOTAL FOR PROGRAM				**835,972**	**838,798**

Program 02.03: Foster Grandparent Services

Federal funds are used to pay volunteers who are income-eligible and are at least 60 years of age to provide individualized support in various educational settings to children with special and exceptional needs, including those with mental retardation and other developmental disabilities.

What the Budget Buys:

- Funds individualized educational support services for 450 children from 125 foster grandparents at 50 volunteer stations in nine counties; and
- Provides stipends for foster grandparents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	154,640	155,956
FED	3A4	320-605	Administrative Support	395,080	395,614
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
FED	325	323-608	Foster Grandparent Program	575,000	575,000
SSR	5S2	590-622	Medicaid Administration & Oversight	38,566	39,625
TOTAL FOR PROGRAM				**1,166,700**	**1,169,799**

PROGRAM SERIES 03: Employment and Skills Development Services and Supports

This program series focuses on non-residential services for individuals with MR/DD, ages 16 and older, who require skill development or support in order to gain meaningful, competitive employment or to live independently in a safe and healthy environment.

Program 03.01: CAFS-Adult Habilitation

The Community Alternative Funding System (CAFS) enables county boards of MR/DD, school districts, and others to access federal Medicaid matching dollars for certain habilitative services provided to Medicaid-eligible children and adults with MR/DD. Eligible services include day treatment services for adults who either live in an ICF/MR or who receive waiver services; professional services for children and adults including physical therapy, occupational therapy, nursing, psychology, social work/counseling, and speech language and pathology; and transportation. The original purpose of this program was to maximize local funds by pulling in the federal Medicaid reimbursement and passing it back to the county boards or school districts that paid the initial claim for services.

The Centers for Medicare and Medicaid Services (CMS) have determined that CAFS is non-compliant with federal requirements and are requiring that the state take down this program by June 30, 2005. This will result in lost federal revenue to county boards of MR/DD and schools. Some services currently provided through CAFS may be transferred to waiver services; others may be migrated to Medicaid card services, which are funded by the state through the Department of Job and Family Services' (JFS) general revenue fund line item 600-525, Health Care-Medicaid. ODMR/DD and JFS continue to work to on preserving as much of the federal financial participation as possible in order to maintain services for individuals currently receiving CAFS services, but at the time of this writing, agreement with CMS has not been reached.

What the Budget Buys:

- Provides the federal Medicaid reimbursement to county boards, school districts and others for CAFS services provided prior to June 30, 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3M7	322-650	CAFS Medicaid	42,839,657	34,591,244
FED	325	322-608	Grants Infants Families w/Disabilities	44,810	45,457
TOTAL FOR PROGRAM				**42,884,467**	**34,636,701**

Program 03.02: MR/DD County Board Subsidies

This program provides subsidies to county boards of MR/DD to provide services to adults including: habilitation, prevocational and vocational skill development, job coaching, job development, supported employment, vocational assessment, employment in enclaves, and sheltered workshops.

What the Budget Buys:

- Supports a weighted subsidy for approximately 31,000 adults served by a county board of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	214,659	217,358
GRF	GRF	322-501	County Boards Subsidies	24,885,608	24,885,608
FED	3A4	320-605	Administrative Support	395,080	395,614
FED	3G6	322-639	Medicaid Waiver	75,334	92,270
FED	325	322-608	Grants Infants Families w/Disabilities	27,445	27,502
SSR	5S2	590-622	Medicaid Administration & Oversight	93,966	97,631
TOTAL FOR PROGRAM				**25,692,092**	**25,715,983**

Program 03.03: Tax Equity

This program equalizes local tax levy revenues to assure that home and community based waiver services, habilitation, and targeted case management services are equitably matched in each of Ohio's 88 counties. These funds ensure that the state meets the federal Medicaid requirements of statewideness, reasonable access, comparable services, and free choice of providers.

What the Budget Buys:

- Provides additional funds to low-wealth counties that need assistance in meeting Medicaid requirements.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	153,822	155,161
GRF	GRF	322-503	Tax Equity	14,500,000	14,500,000
FED	3A4	320-605	Administrative Support	395,080	395,614
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
TOTAL FOR PROGRAM				**15,052,316**	**15,054,379**

Program 03.04: Social Services Block Grant (Title XX)

This program provides individualized services to adults and children to promote self-support and self-sufficiency; prevent neglect, abuse, or exploitation; and avoid inappropriate community care or obtain institutional care.

What the Budget Buys:

- Provides counseling, daycare for adults and children, education and training, employment, home health, home based services, information and referral, protective services for adults, recreational programs, and transportation services to more than 10,500 individuals with MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	235,812	238,913
FED	3A4	320-605	Administrative Support	395,080	395,614
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
FED	325	322-608	Grants Infants Families w/Disabilities	108,529	112,219
FED	325	322-612	Community Social Services Program	11,500,000	11,500,000
SSR	5S2	590-622	Medicaid Administration & Oversight	17,458	17,468
TOTAL FOR PROGRAM				**12,260,293**	**12,267,818**

Program 03.05: Community Mental Retardation and Developmental Disabilities Trust Fund

This program is used to provide temporary funding to MR/DD boards for behavioral or short term interventions to enable people with MR/DD to remain in the community; emergency respite care services; family resource services; supported living; staff training for county boards or providers of residential services; short term provision of early childhood services, adult services, or case management services when local monies are insufficient to meet the need due to three or more levy failures within a two year period.

What the Budget Buys:

- Supports temporary funding to country boards of MR/DD based on the recommendation of the Director of ODMR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	142,663	143,893
GSF	4U4	322-606	Community MR and DD Trust	300,000	50,000
FED	3A4	320-605	Administrative Support	395,083	395,614
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
TOTAL FOR PROGRAM				**841,160**	**593,111**

PROGRAM SERIES 04: Residential Services and Supports

This program series provides residential and related supports to individuals of all ages who reside in a variety of settings including: licensed facilities, supported living arrangements, their own homes, or with family.

Program 04.01: Developmental Centers

This program provides an institutional level of care to individuals at 12 developmental centers located around the state. After the Springview and Apple Creek developmental centers close (in June 2005 and June 2006 respectively), the total number of residents housed in a developmental center will be less than 1,700. Residents are provided with around the clock care, which includes medical services, skills development (e.g. dressing, grooming, feeding, basic home care), behavior support (psychological services), therapy (e.g. physical, occupational, speech), and residential support (e.g. dining services, housekeeping).

What the Budget Buys:

- Provides around the clock care to 1,756 residents in FY 2006 and 1,661 in FY 2007 in the developmental centers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	569,675	588,151
GRF	GRF	323-321	Residential Facilities Operations	101,764,366	100,457,600
GSF	152	323-609	Residential Facilities Support	912,177	912,177
FED	3A4	320-605	Administrative Support	3,496,715	3,583,917
FED	3A4	323-605	DC Operation Expenses	120,000,000	120,000,000
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
SSR	489	323-632	DC Direct Care Support	12,125,628	12,125,628
SSR	5S2	590-622	Medicaid Administration & Oversight	11,878	12,017
TOTAL FOR PROGRAM				**238,883,853**	**237,683,094**

Program 04.02: Family Support Services

This program provides respite services, home modifications, adaptive equipment, special diets, parent education/counseling, and other specialized supports, all of which enable individuals with MR/DD to continue to live at home.

What the Budget Buys:

- Provides support services to a total of nearly 20,000 families;
- Provides respite services to 13,000 families;
- Provides adaptive equipment to 5,000 families;
- Provides home modifications to 200 families; and
- Provides counseling, training, or education to 800 families.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	149,825	151,108
GRF	GRF	322-451	Family Support Services	6,938,898	6,938,898
FED	3A4	320-605	Administrative Support	449,933	450,500
FED	3G6	322-639	Medicaid Waiver	3,614	3,805
TOTAL FOR PROGRAM				**7,542,270**	**7,544,311**

Program 04.03: Supported Living

This program provides a subsidy to county boards of MR/DD to provide community-based residential services and support for individuals with MR/DD so they can continue to live in their homes. Services are based on individual need and may include home accessibility adaptations, assistive equipment, room and board subsidies, and staff support.

What the Budget Buys:

- Enables 3,600 individuals to remain in their own homes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	149,525	151,108
GRF	GRF	322-417	Supported Living	43,160,198	43,160,198
FED	3A4	320-605	Administrative Support	445,080	445,614
FED	3G6	322-639	Medicaid Waiver	3,614	3,805
TOTAL FOR PROGRAM				**43,758,417**	**43,760,725**

Program 04.04: Residential Facilities Waiver

The Residential Facilities Waiver (RFW) program provides community-based residential supports to individuals with MR/DD who need an ICF/MR level of care. RFW services are less restrictive and more cost effective than placement in an ICF/MR facility. Services that can be provided through the waiver include direct supervision, skill development, transportation, adaptive equipment, and supported employment. Federal approval of the RFW waiver will expire on June 30, 2005. Due to concerns raised by the Centers for Medicare and Medicaid Services (CMS), the state has agreed to not seek a renewal of this waiver. Unlike other waiver programs, RFW waiver "slots" are tied to a licensed bed and not an individual, so an individual receiving services under a RFW waiver could not move from his or her facility without losing waiver benefits. This program was closed to new enrollment on February 1, 2005, and current recipients will be transferred to the Individual Options (IO) waiver program.

What the Budget Buys:

- Provides IO waiver services for approximately 2,700 individuals with MR/DD who are currently served through the RFW waiver.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	430,711	412,654
GRF	GRF	322-416	Waiver State Match	69,034,337	69,909,871
FED	3A4	320-605	Administrative Support	489,386	490,245
FED	3G6	322-639	Medicaid Waiver	89,709,827	89,710,079
FED	325	322-608	Grants Infants Families w/Disabilities	17,365	17,955
SSR	5S2	590-622	Medicaid Administration & Oversight	1,794,413	1,751,549
TOTAL FOR PROGRAM				**161,476,039**	**162,292,353**

Program 04.05: Individual Options Waiver

The Individual Options (IO) Waiver is a Medicaid program designed to provide community based supports in a setting chosen by the individual. IO waiver services include homemaker/personal care, respite care, supported employment services, environmental accessibility adaptations, transportation, specialized services, assistive equipment, social work, interpreting services, nutrition and home delivered meals for individuals with MR/DD who otherwise would need more expensive, institutional (ICF/MR) services.

What the Budget Buys:

- Provides waiver services for approximately 10,000 individuals with MR/DD; and
- Funds 16 employees who administer the wavier and provide technical support and training to the county boards of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	450,699	432,919
GRF	GRF	322-416	Waiver State Match	34,019,944	34,451,176
GSF	4B5	320-640	Conference/Training	225,000	225,000
GSF	488	322-603	Provider Audit Refunds	350,000	350,000
FED	3A4	320-605	Administrative Support	657,386	490,245
FED	3A4	322-605	Community Program Support	1,500,000	1,500,000
FED	3G6	322-639	Medicaid Waiver	265,453,514	265,238,365
FED	325	322-608	Grants Infants Families w/Disabilities	47,063	47,784
SSR	4K8	322-604	Waiver-Match	12,000,000	12,000,000
SSR	5S2	590-622	Medicaid Administration & Oversight	1,878,574	1,860,869
SSR	5Z1	322-624	County Board Waiver Match	61,000,000	61,000,000
TOTAL FOR PROGRAM				**377,582,180**	**377,596,358**

Program 04.06: Level One Waiver

The Level One Waiver is a Medicaid program designed to provide community based supports to individuals with MR/DD who continue to reside with a family member. Services include homemaker/personal care, transportation, and specialized medical equipment and supplies. Each benefit package is limited to $5,000 per year.

What the Budget Buys:

- Provides waiver services for approximately 700 individuals with MR/DD; and
- Supports 14 employees to administer the waiver and provide technical support and training to the county boards of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	458,870	440,561
GRF	GRF	322-416	Waiver State Match	36,457	36,457
FED	3A4	320-605	Administrative Support	445,060	445,593
FED	3G6	322-639	Medicaid Waiver	15,179,400	15,227,996
FED	325	322-608	Grants Infants Families w/Disabilities	19,535	20,199
SSR	5S2	590-622	Medicaid Administration & Oversight	1,877,724	1,839,049
SSR	5Z1	322-624	County Board Waiver Match	21,000,000	21,000,000
TOTAL FOR PROGRAM				**39,017,046**	**39,009,855**

Program 04.07: Miscellaneous Residential Supports

This program provides small subsidy payments to county boards to subsidize administration costs for individuals enrolling on an IO waiver, subsidize room and board payments for individuals who transferred from the old OBRA waiver to the IO waiver and for members of the SERMAK class on the IO waiver, and to pay for psychological testing for individuals prior to admission to a nursing facility.

What the Budget Buys:

- Provides administrative funding for individuals enrolling in IO waiver services; and
- Provides funding for psychological evaluations for individuals with MR/DD seeking admission to nursing homes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	165,755	167,271
GRF	GRF	322-413	Residential & Support Services	7,423,021	7,423,021
FED	3A4	320-605	Administrative Support	485,280	486,083
FED	3G6	322-639	Medicaid Waiver	3,614	3,806
SSR	221	322-620	Supplement Service Trust	150,000	150,000
SSR	5H0	322-619	Medicaid Repayment	25,000	25,000
TOTAL FOR PROGRAM				**8,252,670**	**8,255,181**

Program 04.08: Debt Service

Debt service is the principal and interest payment for past and present capital expenditures on ODMR/DD-owned facilities.

What the Budget Buys:

- Fully funds debt service payments for MRDD facilities to the Ohio Public Facilities Commission.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-415	Lease Rental Payments	23,296,200	23,833,600
TOTAL FOR PROGRAM				**23,296,200**	**23,833,600**

PROGRAM SERIES 05: Constituent Supports/Advocacy

This program series supports advocacy and protective services for individuals with MR/DD of all ages.

Program 05.01: Protective Services

Through this program, the department contracts with Advocacy and Protective Services, Inc. (APSI) for protective services for individuals with MR/DD including guardianships, limited guardianships, financial management, and protector services. The local probate courts refer individuals, who the courts have ruled as unable to manage their own finances or advocate on their own behalf, to this program.

What the Budget Buys:

- Funds guardian services to over 4,000 individuals with MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	164,023	165,581
GRF	GRF	320-412	Protective Services	2,463,000	2,463,000
FED	3A4	320-605	Administrative Support	59,929	60,802
FED	3G6	322-639	Medicaid Waiver	2,466,414	2,466,604
FED	325	320-634	Protective Services	100,000	100,000
TOTAL FOR PROGRAM				**5,253,366**	**5,255,987**

Program 05.02: Employment and Training for Persons with Severe Disabilities

This program supports the State Use Committee that oversees the procurement set-aside program. The State Use Program provides vocational training and employment to individuals with severe disabilities through the sale of their products and services to state and local governments. The program employs people who work 1.3 million hours per year producing 900 products or services and has annual sales that exceed $30 million.

What the Budget Buys:

- Regulates the Procurement Set Aside program composed of more than 100 community rehabilitation programs and the central non-profit corporation, Ohio Industries for the Handicapped (OIH);
- Assures that community rehabilitation programs meet certification requirements and that goods sold are priced appropriately; and
- Provides funding to oversee the employers of 29,793 workers with severe disabilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	149,789	151,071
GRF	GRF	322-405	State Use Program	268,040	268,040
FED	3A4	320-605	Administrative Support	87,408	95,831
FED	3G6	322-639	Medicaid Waiver	3,414	3,604
TOTAL FOR PROGRAM				**508,651**	**518,546**

Program 05.03: Independence Plus Initiative Grant

This grant is targeted toward promoting systemic changes that enable children and adults with long-term care needs to live in the integrated community setting most appropriate to their needs and to exercise meaningful choices about their living environment. This grant will be used for the development of ongoing quality improvement strategies and to promote self directed community-based waiver programs.

What the Budget Buys:

- Provides model-waiver services to approximately 200 individuals with MR/DD; and
- Supports the continued development of a self-directed Home and Community Based Services Waiver.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	161,127	162,905
FED	3A4	320-605	Administrative Support	395,062	391,978
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
FED	325	322-608	Grants Infants Families w/Disabilities	438,452	418,889
TOTAL FOR PROGRAM				**998,056**	**977,377**

Program 05.04: Ohio Developmental Disabilities Council

The Ohio Developmental Disabilities Council is an independent planning and advocacy body that works to create new and responsive ways to improve independence, productivity, and inclusion for people with developmental disabilities and their families in community life. Activities include expanding innovative approaches for supporting persons with disabilities; educating policymakers and the public about the needs and the abilities of persons with developmental disabilities; and empowering persons with developmental disabilities to make their own lifestyle choices. ODMR/DD is the fiscal agent for the council.

What the Budget Buys:

- Supports 15 staff members who are engaged in 30 projects to determine how to improve the MR/DD system, the lives of people with MR/DD, service mediums, and the education of children with MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	149,827	151,109
FED	3A4	320-605	Administrative Support	28,849	29,708
FED	3A5	320-613	DD Council Operating Expenses	895,440	895,440
FED	3A5	322-613	DD Council Grants	3,204,240	3,204,240
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
FED	325	322-608	Grants Infants Families w/Disabilities	67,358	67,500
TOTAL FOR PROGRAM				**4,349,129**	**4,351,602**

PROGRAM SERIES 06: Compliance and Quality Improvement

This program series provides oversight of the MR/DD service system, monitors the health and welfare of individuals with MR/DD, and assures continued compliance with regulations and continuous quality improvement.

Program 06.01: Service and Support Administration

The activities of this program provide for a single point of accountability at the local level for individuals with developmental disabilities. Service and support administration replaces case management and is a significant component of ensuring health and safety for individuals with MR/DD enrolled in waiver services. The service and support administrator assists individuals and their families to develop an individual service plan that identifies the services, supports, and resources needed to address health and safety needs and to achieve the individual's desired outcomes.

What the Budget Buys:

- Subsidizes the county administration of waiver programs, and the cost of service and support administration provided by county boards;
- Ensures that baseline services and supports exist within each county to respond to the requests of the 68,000 Ohioans who are supported by the ODMR/DD system; and
- Provides training and technical assistance to county boards of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	166,702	168,447
GRF	GRF	322-452	Service and Support Administration	8,672,730	8,672,730
FED	3A4	320-605	Administrative Support	395,065	395,599
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
SSR	5S2	590-622	Medicaid Administration & Oversight	22,237	22,384
TOTAL FOR PROGRAM				**9,260,149**	**9,262,765**

Program 06.02: Quality Assurance and Quality Improvement in Home and Community-Based Services Grant

This grant will be used to improve and integrate data to identify areas for improvement in service deliviery and supports to individuals with MR/DD.

What the Budget Buys:

- Provides funding for five counties to participate in a pilot project designed to coordinate the collection of quality assurance and quality improvement data.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	627,385	560,785
FED	3A4	320-605	Administrative Support	487,809	547,653
FED	3G6	322-639	Medicaid Waiver	789,734	921,019
FED	325	322-608	Grants Infants Families w/Disabilities	433,309	433,452
SSR	5S2	590-622	Medicaid Administration & Oversight	421,121	432,530
TOTAL FOR PROGRAM				**2,759,358**	**2,895,439**

Program 06.03: Major Unusual Incidents

This program ensures the safety of individuals with MR/DD by managing the Abuser Registry and hotline, conducting conflict investigations, conducting certification training for county board investigative agents, providing training and technical assistance on health and safety issues, and conducting reviews of protection from harm systems for county boards and providers to ensure that each has prevention plans as well as immediate action plans to address incidents.

What the Budget Buys:

- Reviews over 17,000 initial incident reports per year;
- Conducts annual assessments of each county board and developmental center to ensure health, safety, and quality;
- Funds special technical assistance reviews with county boards and developmental centers; and
- Funds investigations to ensure that appropriate activities are occurring to ensure the health and safety of persons with MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	1,875,216	1,932,947
GSF	4B5	320-640	Conference/Training	75,000	75,000
FED	3A4	320-605	Administrative Support	487,609	489,079
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
TOTAL FOR PROGRAM				**2,441,240**	**2,500,631**

Program 06.04: Provider Certification

This program certifies individuals and/or agencies that provide home and community based services, waiver, and supported living services. Provider certification is the focal point for evaluating providers to determine if they meet the standards that govern the waiver and supported living programs.

What the Budget Buys:

- Funds the certification of approximately 2,700 entities providing supported living and waiver services annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	954,896	983,718
FED	3A4	320-605	Administrative Support	426,355	427,217
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
SSR	5S2	590-622	Medicaid Administration & Oversight	149,979	158,808
TOTAL FOR PROGRAM				**1,534,645**	**1,573,348**

Program 06.05: Licensure

This program licenses all residential facilities including ICF/MRs. Licensed providers are monitored and reviewed on a regular basis to ensure compliance with licensure standards. Guidance and technical assistance are provided to help providers improve service delivery and ensure the health and safety of the residents.

What the Budget Buys:

- Funds annual on-site surveys of approximately 1,300 licensed facilities to ensure compliance with required standards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	1,058,981	1,046,016
FED	3A4	320-605	Administrative Support	1,503,121	1,605,109
FED	3G6	322-639	Medicaid Waiver	36,533	38,805
SSR	5S2	590-622	Medicaid Administration & Oversight	388,360	397,503
TOTAL FOR PROGRAM				**2,986,995**	**3,087,433**

Program 06.06: Accreditation

This program performs compliance reviews on the overall administration and programs of the county boards of MR/DD to ensure that the legal and human rights of peoples with disabilities are protected and to ensure compliance with applicable state and federal laws and regulations. Levels of accreditation awarded range from one to five years.

What the Budget Buys:

- Funds the accreditation of all 88 county boards of MR/DD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	320-321	Central Administration	157,317	158,581
FED	3A4	320-605	Administrative Support	355,395	255,646
FED	3G6	322-639	Medicaid Waiver	3,415	3,605
SSR	5S2	590-622	Medicaid Administration & Oversight	1,305,724	1,370,567
TOTAL FOR PROGRAM				**1,821,851**	**1,788,399**

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Notes

Residential & Support Services/413: The OBRA room and board subsidy is being moved from this line item to Supported Living/417.

Intersystem Services for Children/645: This program is being transferred from ODMR/DD to the Department of Mental Health.

County Board Waiver Match/624: To better account for county funds used to pay waiver match, this appropriation includes what counties might pledge from their GRF subsidy funds as well as local funds remitted to the state for waiver match obligations. In the past, spending in this line item only represented funds sent to the state by the counties to cover waiver match obligations.

LINE ITEM SUMMARY - Mental Retardation and Dev. Disabilities

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	320-321	Central Administration	9,899,611	7,333,527	9,036,650	9,357,878	9,357,877	.0	9,357,874	.0
GRF	320-411	Special Olympics	200,000	0	0	0	0	.0	0	.0
GRF	320-412	Protective Services	1,499,991	1,449,298	1,919,257	2,008,330	2,463,000	22.6	2,463,000	.0
GRF	320-415	Lease Rental Payments	24,581,264	25,127,891	24,102,718	23,206,750	23,296,200	.4	23,833,600	2.3
GRF	322-405	State Use Program	242,004	261,282	261,700	268,040	268,040	.0	268,040	.0
GRF	322-413	Residential & Support Services	137,669,440	154,235,070	7,746,079	8,450,787	7,423,021	**	7,423,021	.0
GRF	322-416	Waiver State Match	0	0	90,590,348	100,019,747	103,090,738	3.1	104,397,504	1.3
GRF	322-417	Supported Living	0	0	47,488,680	42,316,121	43,160,198	**	43,160,198	.0
GRF	322-451	Family Support Services	7,975,870	6,975,870	5,711,492	6,836,353	6,938,898	1.5	6,938,898	.0
GRF	322-452	Service and Support Administration	8,849,707	8,849,724	8,761,227	8,672,730	8,672,730	.0	8,672,730	.0
GRF	322-501	County Boards Subsidies	49,708,303	41,416,400	31,176,572	31,296,087	32,193,542	2.9	32,193,542	.0
GRF	322-503	Tax Equity	0	0	13,010,615	14,000,000	14,500,000	3.6	14,500,000	.0
GRF	323-321	Residential Facilities Operations	100,499,356	100,666,372	103,582,397	106,606,338	101,764,366	(4.5)	100,457,600	(1.3)
TOTAL General Revenue Fund			**341,125,546**	**346,315,434**	**343,387,735**	**353,039,161**	**353,128,610**	**.0**	**353,666,007**	**.2**
152	323-609	Residential Facilities Support	606,526	810,465	863,048	912,177	912,177	.0	912,177	.0
4B5	320-640	Conference/Training	17,887	24,866	21,888	100,000	300,000	200.0	300,000	.0
4J6	322-607	Intersystems Services-Youth	1,809,528	466,989	0	0	0	.0	0	.0
4J6	322-645	Intersystem Services for Children	1,409,198	3,200,117	3,201,032	2,000,000	0	**	0	**
4U4	322-606	Community MR and DD Trust	0	0	0	0	300,000	.0	50,000	(83.3)
4V1	322-611	Family and Children First	981,855	776,016	510,218	625,000	625,000	.0	625,000	.0
488	322-603	Provider Audit Refunds	928,265	322	0	300,000	350,000	16.7	350,000	.0
TOTAL General Services Fund Group			**5,753,259**	**5,278,775**	**4,596,186**	**3,937,177**	**2,487,177**	**(36.8)**	**2,237,177**	**(10.1)**
3A4	320-605	Administrative Support	3,863,733	6,873,753	9,105,888	8,250,000	13,492,892	63.6	13,492,892	.0
3A4	322-605	Community Program Support	657,994	0	359,860	427,606	1,500,000	250.8	1,500,000	.0
3A4	322-610	Community Residential Support	0	0	0	500,000	0	(100.0)	0	.0
3A4	323-605	DC Operation Expenses	106,580,995	111,680,440	102,480,028	128,831,708	120,000,000	(6.9)	120,000,000	.0
3A5	320-613	DD Council Operating Expenses	905,322	839,507	841,359	861,000	895,440	4.0	895,440	.0
3A5	322-613	DD Council Grants	2,153,524	2,007,402	2,138,403	3,472,327	3,204,240	(7.7)	3,204,240	.0
3G6	322-639	Medicaid Waiver	145,491,897	228,378,979	270,052,678	313,014,342	373,772,814	19.4	373,772,814	.0
3M7	322-650	CAFS Medicaid	191,543,590	217,477,018	189,898,794	267,668,087	125,924,299	(53.0)	103,773,730	(17.6)
325	320-634	Protective Services	150,000	75,000	100,000	100,000	100,000	.0	100,000	.0
325	322-608	Grants Infants Families w/Disabilit	1,065,281	876,046	683,746	1,833,816	1,763,165	(3.9)	1,763,165	.0
325	322-612	Community Social Services Program	9,982,234	7,565,273	12,385,961	10,330,830	11,500,000	11.3	11,500,000	.0
325	322-617	Education Grants - Operating	8,439	8,028	4,820	75,500	0	(100.0)	0	.0
325	323-608	Foster Grandparent Program	333,765	396,179	426,428	582,809	575,000	(1.3)	575,000	.0
325	323-617	Education Grnts - Residntl Facil	356,299	370,642	282,912	425,000	0	(100.0)	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Mental Retardation and Dev. Disabilities

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
TOTAL Fed Special Revenue Fund Group			**463,093,073**	**576,548,267**	**588,760,877**	**736,373,025**	**652,727,850**	**(11.4)**	**630,577,281**	**(3.4)**
221	322-620	Supplement Service Trust	0	0	0	125,375	150,000	19.6	150,000	.0
4K8	322-604	Waiver-Match	13,183,009	9,727,561	18,972,244	12,000,000	12,000,000	.0	12,000,000	.0
489	323-632	DC Direct Care Support	11,465,024	8,993,683	10,222,586	8,000,000	12,125,628	51.6	12,125,628	.0
5H0	322-619	Medicaid Repayment	0	0	0	25,000	25,000	.0	25,000	.0
5S2	590-622	Medicaid Administration & Oversight	0	2,998,303	4,983,474	8,000,000	8,000,000	.0	8,000,000	.0
5Z1	322-624	County Board Waiver Match	0	0	17,265,859	42,000,000	82,000,000	**	82,000,000	**
TOTAL State Special Revenue Fund Group			**24,648,033**	**21,719,547**	**51,444,163**	**70,150,375**	**114,300,628**	**62.9**	**114,300,628**	**.0**
TOTAL Dept of Mental Retardation/DD			**834,619,911**	**949,862,023**	**988,188,961**	**1163,499,738**	**1122,644,265**	**(3.5)**	**1100,781,093**	**(1.9)**

**** Please see the Appropriation Line Item analysis for further detail.**

Commission on Minority Health

Role and Overview

The Commission on Minority Health (MIH) promotes health awareness and prevents diseases among members of economically disadvantaged minority populations by providing demonstration grants to community-based organizations.

The commission has an 18-member board that sets policy for the administration of the agency and grants. The Governor appoints nine members to the board, and the Speaker of the House of Representatives and the President of the Senate each appoint two members. Board members also include the directors of the Departments of Health, Job and Family Services, Mental Health, Mental Retardation and Developmental Disabilities, and the Superintendent of Public Instruction, or their designees.

The commission awards grants to community-based programs and monitors program implementation. The commission funds approximately 120 projects each year. Most projects are implemented in April, which is designated as Minority Health Month. The projects use culturally specific approaches to prevent and alleviate six diseases and conditions that cause premature deaths among economically disadvantaged minority groups. The six diseases and conditions are cardiovascular disease, diabetes, cancer, infant mortality, substance abuse, and violence. Additionally, the commission provides grants for support activities for systemic lupus erythematosus (SLE).

In addition to these funds, the commission is currently in its sixth and final year of a grant from the U.S. Department of Health and Human Services/Office of Minority Health. This grant is a State and Territorial Minority HIV/AIDS Demonstration Grant Program that is designed to build capacity and infrastructure within the seven metropolitan coalitions established by the commission.

Executive Priorities for the Commission on Minority Health

- Reduce the incidence and severity of diseases or conditions that are responsible for excess morbidity and mortality in minority populations.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	1,524	1,489	1,427	1,346	(5.6)	1,346	.0	1,346	.0
Fed Special Revenue Fund Group	157	239	141	361	156.0	150	(58.4)	150	.0
State Special Revenue Fund Group	219	139	40	150	273.3	250	66.7	150	(40.0)
TOTAL	**1,901**	**1,867**	**1,608**	**1,857**	**15.5**	**1,746**	**(6.0)**	**1,646**	**(5.7)**

Commission on Minority Health

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	407	469	502	588	17.2	629	6.9	637	1.2
Purchased Services	138	151	50	65	29.5	121	86.8	54	(55.3)
Maintenance	113	180	105	338	223.1	141	(58.2)	98	(30.5)
Equipment	21	0	0	2	290.6	0	(100.0)	0	.0
Subsidy	1,222	1,066	951	865	(9.1)	855	(1.1)	857	.3
Transfer & Other	0	1	0	0	.0	0	.0	0	.0
TOTAL	**1,901**	**1,867**	**1,608**	**1,857**	**15.5**	**1,746**	**(6.0)**	**1,646**	**(5.7)**

PROGRAM SERIES 01: Grant Programs

This program series promotes health and disease prevention in minority populations through grant awards to community-based agencies and organizations.

Program 01.01: Demonstration Grants

This program funds innovative and culturally specific projects that address a specific community with a methodology that yields measurable outcomes for behavior change. Grants must identify one or more of the six diseases and conditions, or risk factors responsible for excessive, premature deaths in the community. This program seeks to institutionalize culturally appropriate projects into the healthcare delivery system.

What the Budget Buys:

- Funds five grants that focus on changing life styles and behaviors of minority population at risk of contracting one or more of the targeted diseases; and
- Provides funding for 80 percent of MIH's administrative expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	149-321	Operating Expenses	431,455	431,455
GRF	GRF	149-501	Minority Health Grants	500,000	500,000
TOTAL FOR PROGRAM				**931,455**	**931,455**

Program 01.02: Lupus Grants

This program provides grants for lupus programs for patient, public, and professional education. In addition, lupus grants can be used to encourage and develop local centers, which gather lupus information, provide screenings, and provide outreach to women of color.

What the Budget Buys:

- Funds grants of up to $13,000 per year to local entities focused on the treatment of Lupus.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	149-321	Operating Expenses	53,932	53,932
GRF	GRF	149-502	Lupus Program	136,126	136,126
TOTAL FOR PROGRAM				**190,058**	**190,058**

Commission on Minority Health

Program 01.03: HIV Grants

This grant program is funded by the U.S. Department of Health and Human Services, Office of Minority Health. This is a six-year infrastructure and capacity building grant with coalition sites in Ohio's seven metropolitan areas.

What the Budget Buys:

- Funds one grant to a minority agency in seven metropolitan areas to provide infrastructure and build capacity for the HIV community; and
- Provides funding for one staff member.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3J9	149-602	Federal Grants	150,000	150,000
TOTAL FOR PROGRAM				**150,000**	**150,000**

Program 01.04: Minority Health Grants

This program is a high visibility wellness campaign, conducted throughout the state during the month of April each year.

What the Budget Buys:

- Provides individual grants, not exceeding $2,000 per applicant, throughout the state to help publicize Minority Health Month activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	149-321	Operating Expenses	53,932	53,932
GRF	GRF	149-501	Minority Health Grants	170,965	170,965
TOTAL FOR PROGRAM				**224,897**	**224,897**

PROGRAM SERIES 02: Capacity Building and Education

This program series increases service and performance of community-based agencies, increases skill performance of health providers, improves measurable behavior changes of community groups, and institutionalizes systems change.

Program 02.01: Minority Health Conferences

This program develops culturally relevant conferences, symposiums, etc. to build capacity for service delivery in communities of color. Typically, these activities focus on new bodies of scientific information, modalities for culturally competent service delivery, etc. Program activities may be disease specific or be designed to address statewide needs of racial/ethnic/geographic populations.

What the Budget Buys:

- Provides funds for culturally relevant conferences; and
- Provides $100,000 in fiscal year 2006 for a statewide health disparities conference.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4C2	149-601	Minority Health Conference	250,000	150,000
TOTAL FOR PROGRAM				**250,000**	**150,000**

LINE ITEM SUMMARY - Minority Health

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	149-321	Operating Expenses	539,317	560,505	532,035	539,318	539,319	.0	539,319	.0
GRF	149-501	Minority Health Grants	840,231	776,162	756,642	670,966	670,965	.0	670,965	.0
GRF	149-502	Lupus Program	144,485	152,339	137,856	136,126	136,126	.0	136,126	.0
TOTAL General Revenue Fund			**1,524,033**	**1,489,006**	**1,426,533**	**1,346,410**	**1,346,410**	**.0**	**1,346,410**	**.0**
3J9	149-602	Federal Grants	157,240	238,977	140,920	360,800	150,000	(58.4)	150,000	.0
TOTAL Fed Special Revenue Fund Group			**157,240**	**238,977**	**140,920**	**360,800**	**150,000**	**(58.4)**	**150,000**	**.0**
4C2	149-601	Minority Health Conference	219,294	138,608	40,187	150,000	250,000	66.7	150,000	(40.0)
TOTAL State Special Revenue Fund Group			**219,294**	**138,608**	**40,187**	**150,000**	**250,000**	**66.7**	**150,000**	**(40.0)**
TOTAL Comm on Minority Health			**1,900,567**	**1,866,591**	**1,607,640**	**1,857,210**	**1,746,410**	**(6.0)**	**1,646,410**	**(5.7)**

Department of Natural Resources

Role and Overview

The Ohio Department of Natural Resources (DNR), through a variety of management, planning, regulatory, and research strategies, strives to ensure a balance between conservation and wise use of Ohio's natural resources. The department does this through conservation activities, planning, delivery of services, and the collection and dissemination of information useful for environmental protection, economic development, and natural resource stewardship decisions. DNR's director is appointed by the Governor. The agency employs approximately 3,200 permanent and seasonal staff and has a total annual operating budget of approximately $332 million.

The department's 12 statutory divisions are strategically focused on outdoor recreation, land stewardship, water stewardship, Lake Erie, and wildlife and plant communities. Operations and facilities are present in each of the state's 88 counties where DNR owns or manages more than 590,000 acres of land, including 120 state wildlife areas, 74 state parks, 20 state forests, 127 nature preserves, and 11 scenic rivers. DNR also has jurisdiction over more than 120,000 acres of inland waters, as well as Ohio's portions of Lake Erie and the Ohio River. Among its other responsibilities, the department regulates oil, gas, and mineral industries in Ohio, manages the state's water resources, coordinates activities of county soil and water conservation districts, and supports local recycling and litter prevention programs. More information regarding the Department of Natural Resources is available at http://www.dnr.state.oh.us.

Executive Priorities for the Department of Natural Resources

- Provide and promote safe, enjoyable, accessible, and diverse outdoor recreational opportunities.
- Improve natural resource stewardship through conservation practices and watershed management.
- Improve water resources for sustainable use, recreation, and economic vitality.
- Protect, conserve, and improve Lake Erie and its coastal resources to nurture a healthy ecosystem.
- Improve ecosystems to conserve and protect fish, wildlife, woodland, wetland, and plant communities.
- Promote a conservation ethic in Ohio based on understanding and appreciation of natural resources.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	114,627	111,119	113,066	124,597	10.2	122,236	(1.9)	123,059	.7
General Services Fund Group	28,841	27,898	25,525	28,568	11.9	24,182	(15.4)	23,902	(1.2)
Fed Special Revenue Fund Group	18,224	17,407	28,814	31,226	8.4	30,964	(.8)	31,396	1.4
State Special Revenue Fund Group	54,749	57,053	56,083	62,678	11.8	66,291	5.8	66,066	(.3)
Waterways Safety Fund Group	16,552	17,666	18,991	23,982	26.3	27,953	16.6	26,012	(6.9)
Wildlife Fund Group	43,239	47,250	46,257	57,884	25.1	56,705	(2.0)	57,705	1.8
Accrued Leave Liability Fund Grp	14	20	14	21	52.3	21	.0	21	.0
Holding Acct Redist Fund Group	1,623	1,108	1,389	2,716	95.5	2,874	5.8	1,874	(34.8)
Clean Ohio Fund Group	72	84	149	155	3.8	155	.0	155	.0
TOTAL	**277,939**	**279,606**	**290,288**	**331,827**	**14.3**	**331,381**	**(.1)**	**330,189**	**(.4)**

Department of Natural Resources

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	142,874	141,233	134,449	146,388	8.9	152,834	4.4	153,602	.5
Purchased Services	2,536	2,324	1,727	3,792	119.6	1,470	(61.2)	1,496	1.7
Maintenance	47,398	48,766	52,587	68,406	30.1	67,323	(1.6)	67,887	.8
Equipment	5,414	6,828	6,663	9,160	37.5	6,685	(27.0)	7,251	8.5
Subsidy	32,266	34,944	38,182	42,093	10.2	42,343	.6	41,099	(2.9)
Goods For Resale	1,546	1,503	1,587	1,823	14.9	1,766	(3.1)	1,766	.0
Capital Improvements	3,388	3,118	10,346	9,159	(11.5)	9,048	(1.2)	8,359	(7.6)
Transfer & Other	42,518	40,890	44,747	51,007	14.0	49,913	(2.1)	48,731	(2.4)
TOTAL	**277,939**	**279,606**	**290,288**	**331,827**	**14.3**	**331,381**	**(.1)**	**330,189**	**(.4)**

PROGRAM SERIES 01: Forestry

This program series provides technical assistance for the management and protection of Ohio's 7,500,000 acres of rural and urban forests (30 percent of total land area of the state). It manages 20 state forests and the Marietta State Tree Nursery, which grows tree seedlings for public purchase. In addition, the Division of Forestry monitors and assists forest protection concerns such as wildfire, insects, and disease.

Program 01.01: Reforestation

This program is responsible for raising seedling stock for conservation purposes, including reforestation, reclamation, soil stabilization, wildlife habitat development and educational study. The division operates a nursery in Marietta, producing more than 42 different species of quality hardwoods and conifers. Approximately three million seedlings are provided for conservation planting each year. The Reforestation Program develops and produces genetically improved seeds for selected species.

What the Budget Buys:

- Operates nursery in Marietta, Ohio, which sells over 3 million seedlings a year to private businesses, state agencies, and small woodlot owners to promote long-term sustainable forest ecosystems; and
- Assists landowners who are eligible for Ohio Forest Tax law and federal farm cost share programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	727-321	Division of Forestry	899,270	934,978
SSR	509	725-602	State Forest	534,149	525,908
TOTAL FOR PROGRAM				**1,433,419**	**1,460,886**

Program 01.02: Forestry Assistance

This program provides professional forestry expertise and technical assistance for the management and use of rural and urban forests. Service foresters work with more than 330,000 private forest landowners in developing forest management (stewardship) plans, which promote the best forestry practices to achieve maximum benefit for both the landowner and the environment. Technical assistance also is provided to landowners desiring to participate in federal cost-share programs available through the U.S. Department of Agriculture. Urban foresters work with Ohio communities to develop their urban forest resources.

What the Budget Buys:

- Provides technical assistance to Ohio communities concerning urban forest management and tree care programs;
- Provides forestry assistance to landowners of Ohio's 7.3 million acres of private forests and assists in creating forest stewardship plans;
- Identifies, reports, and monitors on pest and disease suppression, infestation, and prevention; and
- Certifies qualified Ohio municipalities with Tree City USA status.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	727-321	Division of Forestry	2,796,326	2,908,179
FED	328	725-603	Forestry - Federal	624,068	781,926
SSR	509	725-602	State Forest	436,107	436,107
TOTAL FOR PROGRAM				**3,856,501**	**4,126,212**

Program 01.03: State Forest Management

This program exists to manage Ohio's 20 state forests to demonstrate proper, long-term forest management and to produce a profitable growth of timber for Ohio's economy. Revenues generated from forest management support local school districts, townships and county governments. Forest management projects also contribute significant game and endangered species habitat improvement as well as provide for multiple recreational activities. Staff also provide wildfire assistance and training to local volunteer fire departments.

What the Budget Buys:

- Manages and supports over 186,000 acres of public forestland in 20 state forests;
- Shares revenue from timber sales with counties, townships, and local school districts with the "Trees to Textbooks" program;
- Furnishes local volunteer fire departments with equipment and supplies; and
- Maintains and develops trails within forested state lands for hiking, backpacking, and mountain biking.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	727-321	Division of Forestry	4,845,915	4,698,354
GSF	510	725-631	Maintenance - State Owned Residences	20,000	20,000
FED	328	725-603	Forestry - Federal	1,189,759	1,446,155
SSR	4M7	725-631	Wildfire Suppression	100,000	100,000
SSR	509	725-602	State Forest	1,321,408	1,629,649
090	R17	725-659	Performance Cash Bond Refunds	200,000	200,000
090	R43	725-624	Forestry	2,500,000	1,500,000
TOTAL FOR PROGRAM				**10,177,082**	**9,594,158**

PROGRAM SERIES 02: Geological Survey

This program series is responsible for defining the geologic framework of the state in support of resource development, property protection, public safety, and environmental security. It produces maps and reports on geologic formations, mineral resources, fossil fuels, coastal processes, and geologic hazards. It also reviews applications and proposals where geology plays a role.

Program 02.01: Geological Investigations and Mapping

This program maps and analyzes subsurface geologic structures to support petroleum-resource exploration and economic development, characterizes subsurface rock formations, maps and characterizes surficial materials in support of sustainable and environmentally responsible development, maps groundwater resources, conducts investigations to define coastal-erosion areas and mitigate property losses, and reviews permit applications to ensure that proposed construction activities are suitable with the geologic conditions.

What the Budget Buys:

- Collects and develops data concerning the geologic features of Ohio;
- Assists local governments, private developers, and landowners to maximize the economic benefit of geologic resources, protect water supplies, and improve the coastal resources of Lake Erie;
- Reviews 401/404 permit applications, construction plans for major public-works projects, and Class-1 injection-well permit applications to ensure proposed activities are consistent with geologic conditions; and
- Monitors and maintains the seismic record of Ohio, providing advice to emergency management professionals and the media.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	728-321	Division of Geological Survey	1,051,063	1,051,063
GRF	GRF	731-321	Office of Coastal Management	259,707	259,707
GSF	155	725-601	Departmental Projects	121,194	121,194
FED	3P1	725-632	Geological Survey-Federal	472,424	472,424
SSR	4J2	725-628	Injection Well Review	62,560	62,560
SSR	511	725-646	Ohio Geologic Mapping	549,310	549,310
TOTAL FOR PROGRAM				**2,516,258**	**2,516,258**

Program 02.02: Geological Records and Publications

This program provides cartographic preparation of geologic maps and reports for public distribution based on geologic information compiled by the Geological Investigations and Mapping program. The program also distributes USGS topographical maps and information for public use.

What the Budget Buys:

- Provides information and assistance to the minerals extraction industry to support economic development such as petroleum-resource exploration and development as well as information concerning the expansion of Ohio's transportation infrastructure; and
- Develops educational programs for presentation at public, professional, and trade association meetings.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	728-321	Division of Geological Survey	578,937	578,937
GSF	508	725-684	Natural Resources Publication Center	82,280	82,280
FED	3P1	725-632	Geological Survey-Federal	7,227	7,227
TOTAL FOR PROGRAM				**668,444**	**668,444**

PROGRAM SERIES 03: Parks and Recreation

This program series provides multiple outdoor recreational services at 74 state parks on over 180,000 acres including 8 resort lodges, 6 golf courses, 91 campgrounds with 9,178 sites, over 500 cabins, 38 nature centers, 79 beaches and 18 swimming pools. It also provides access to 62,161 acres of inland lakes and rivers with 188 boat ramps and over 7,700 public boat docks. Additionally, the Division of Parks operates 145 water systems, 149 sewer systems and provides law enforcement to allow over 55 million enjoyable visitor occasions at Ohio's state parks. Together these serve to significantly enhance local economies and the quality of life for all Ohioans.

Program 03.01: Parks of Statewide and/or national interest

This program provides for the operation and maintenance of state parks that have national interest and attract a broad, statewide group of users. These parks are the most popular parks with the highest visitation. They have considerable development (lodges, cottages, large campgrounds), highly attractive natural resources and generate the majority of the division's revenue. All aspects of park operations are part of the program including operating facilities, collecting revenue, maintenance, law enforcement, supervision, and administration.

What the Budget Buys:

- Operates basic facilities in the 30 most visited state parks which provide multiple outdoor recreational services;
- Maintains 1,648 structures located in those parks;
- Provides interpretive and educational programming; and
- Operates campgrounds, and lodges for overnight visits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	730-321	Division of Parks and Recreation	24,570,239	24,560,741
GSF	510	725-631	Maintenance - State Owned Residences	88,600	88,600
SSR	512	725-605	State Parks Operations	21,758,240	21,758,636
SSR	512	725-680	Parks Facilities Maintenance	2,125,910	2,125,910
WSF	086	725-414	Waterways Improvement	2,362,156	2,362,156
ALF	4M8	725-675	FOP Contract	12,406	12,406
090	R17	725-659	Performance Cash Bond Refunds	12,500	12,500
TOTAL FOR PROGRAM				**50,930,051**	**50,920,949**

Program 03.02: Parks of Regional and/or Limited Statewide Interest

This program provides for the operation and maintenance of state parks that primarily attract regional use and some statewide users. These parks are generally less well known than larger parks, have less use, and generate less revenue. Facility development includes some cottages, campgrounds, and limited ancillary facilities. All aspects of park operations are part of the program including operating facilities, collecting revenue, maintenance, law enforcement supervision, and administration.

What the Budget Buys:

- Operates 15 large parks that attract regional visitors and provide multiple outdoor recreational services;
- Maintains 458 structures located in those parks;
- Provides law enforcement patrols at parks; and
- Maintains recreational grounds and facilities such as trails, beaches, boat ramps and marinas within state parks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	730-321	Division of Parks and Recreation	6,670,200	6,667,702
GSF	510	725-631	Maintenance - State Owned Residences	25,125	25,125
SSR	512	725-605	State Parks Operations	5,241,886	5,240,625
SSR	512	725-680	Parks Facilities Maintenance	338,330	338,330
WSF	086	725-414	Waterways Improvement	1,430,187	1,430,187
090	R17	725-659	Performance Cash Bond Refunds	2,000	2,000
TOTAL FOR PROGRAM				**13,707,728**	**13,703,969**

Program 03.03: Parks of Local and/or Limited Regional Interest

This program provides for the operation and maintenance of state parks that are of interest to the local community and have limited regional users. These parks are generally the smaller, less visited ones that generate the least amount of revenue. All aspects of park operations are part of the program including operating facilities, collecting revenue, maintenance, law enforcement, supervision, and administration.

What the Budget Buys:

- Operates 29 parks that attract local visitors and provide multiple outdoor recreational services;
- Maintains 449 structures located in those parks; and
- Provides access to 20,000 acres of land and access to the Maumee River and Lake Erie.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	730-321	Division of Parks and Recreation	3,609,402	3,621,398
GSF	510	725-631	Maintenance - State Owned Residences	18,513	18,513
SSR	512	725-605	State Parks Operations	2,814,162	2,815,027
SSR	512	725-680	Parks Facilities Maintenance	112,000	112,000
090	R17	725-659	Performance Cash Bond Refunds	500	500
TOTAL FOR PROGRAM				**6,554,577**	**6,567,438**

PROGRAM SERIES 04: Coastal Management

This program series provides education, coordination, and assistance on a broad range of issues concerning the Lake Erie coastal resources including identifying coastal erosion and flood hazards, and protecting shipwrecks and underwater cultural resources. Additionally, the program manages federal grants for state and local participation.

Program 04.01: Coastal Management

This program implements the Ohio Coastal Management Program and provides assistance to local agencies and non-profits through grants in the Lake Erie coastal area. Implementation of the program enables grants to be awarded to the state from the federal government and requires state actions to be consistent with the federal program. The Ohio Coastal Management Program Document guides the activities of the Office of Coastal Management to protect, preserve, and improve Lake Erie and its coastal resources.

What the Budget Buys:

- Coordinates and guides activities to protect, preserve and improve Lake Erie and its coastal resources;
- Provides assistance to local agencies and non-profit organizations through grants and counsel; and
- Ensures that state coastal activities are consistent with federal requirements in order to maximize federal grants, improve coastal ecosystems, and guide quality development through the Ohio Coastal Management Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	697	725-670	Submerged Lands	542,011	542,011
FED	3P3	725-650	Coastal Management-Federal	1,592,923	1,607,686
SSR	514	725-606	Lake Erie Shoreline	587,075	632,113
TOTAL FOR PROGRAM				**2,722,009**	**2,781,810**

PROGRAM SERIES 05: Water Planning and Management

This program series provides research, regulation and planning services concerning all of the state's water resources. It collects hydraulic data, including water well logs; develops ground water resources, pollution potential, and other maps; issues permits for construction of dams, dikes, and levees; inspects existing dams; administers the state's floodplain management program; and conducts water supply studies.

Program 05.01: Canals/Hydraulic Operations

This program operates and maintains the remaining watered sections of the Miami & Erie and Ohio & Erie Canals. Operation of the canals and canal reservoirs provides drainage and flood control for local residents, farmers, and municipalities along the corridor and provides linear recreation corridors and greenways. The canal program also helps to ensure the historical integrity of the canal structures.

What the Budget Buys:

- Maintains the remaining watered sections of Ohio's historic canal systems; and
- Provides real estate services for the transfer, leasing and sales of canal lands that often include transfers to local government entities for public purposes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-456	Canal Lands	332,859	332,859
GRF	GRF	733-321	Division of Water	50,000	50,000
GSF	430	725-671	Canal Lands	627,582	677,582
TOTAL FOR PROGRAM				**1,010,441**	**1,060,441**

Program 05.02: Dam Safety

This Program benefits the owners of dams and residents in downstream areas through permitting the construction of new dams, dikes, and levees, approval of construction repair for existing dams, periodic inspection of existing dams, and responds to dam safety emergencies.

What the Budget Buys:

- Regulates and inspects man-made dams to protect downstream inhabitants;
- Issues permits for the constructions of new dams;
- Provide technical assistance in emergency situations; and
- Provides information on maintenance and operational procedures to dam owners.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	733-321	Division of Water	1,006,800	1,050,512
GSF	4S9	725-622	NatureWorks Personnel	35,571	35,571
SSR	615	725-661	Dam Safety	408,223	408,223
TOTAL FOR PROGRAM				**1,450,594**	**1,494,306**

Program 05.03: Floodplain Management

This program provides leadership toward the cooperative management of Ohio's floodplain areas to reduce the potential of flood damage and to promote the natural benefit of the floodplain as a resource. The program is built upon a combination of floodplain management strategies designed to address the identified flood risks, ensure wise use of the floodplain, and balance the need for development with the actual risk of flooding. The focus of the program is to build the management capacity of local floodplain managers. The program also coordinates the National Flood Insurance Program throughout Ohio.

What the Budget Buys:

- Manages floodplains in an effort to reduce flood damage;
- Provides flood mitigation support to Ohio Emergency Management Agency and local officials for developing hazard mitigation plans and/or projects, and to individuals for specific properties;
- Ensures wise use of the floodplain in order to maximize the benefits of floodplains as both a natural and economic resource;
- Balances the need for development with the actual risk of flooding for purposes of economic development; and
- Coordinates the National Flood Insurance Program, a national initiative to reduce flood loss and disaster assistance costs by providing technical assistance, public awareness and education concerning flood risk, and development of recommended protection standards. Over 300 communities were assisted in FY 2004.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	733-321	Division of Water	785,369	817,673
FED	3P4	725-660	Water-Federal	419,766	420,525
TOTAL FOR PROGRAM				**1,205,135**	**1,238,198**

Program 05.04: Groundwater Resources

This program collects, maintains, and interprets information on the ground water resources and well logs to foster the development of ground water as a viable and sustainable water supply. The program develops ground water availability maps, detailed glacial and bedrock aquifer maps, ground water potentiometric surface maps, and ground water pollution potential maps. Every year the program conducts technical investigations of ground water supplies and performs in-house evaluations for potential impacts of proposed housing developments, large industrial and municipal water supplies, coal mining operations, and large farms and feedlots.

What the Budget Buys:

- Provides well owners with assistance in resolving disputes over ground water use;
- Assists well owners with difficult technical problems such as determining ground water flow direction, sustainable aquifer yield, and aquifer recharge;
- Conducts technical investigations per year of ground water supplies to support resolution of use conflicts;
- Creates Ground Water Pollution Potential reports/maps, which show the susceptibility of ground water to contamination from surface sources; and
- Performs 80 to 100 in-house evaluations for potential impacts of proposed housing developments, large industrial and municipal water supplies, coal mining operations, and large farms and feedlots.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	733-321	Division of Water	469,614	388,596
GSF	155	725-601	Departmental Projects	246,542	321,809
GSF	508	725-684	Natural Resources Publication Center	10,000	10,000
SSR	4J2	725-628	Injection Well Review	20,000	6,000
TOTAL FOR PROGRAM				**746,156**	**726,405**

Program 05.05: Water Inventory

This program administers activities designed to characterize changing water supply conditions across the state and provide the information necessary to build a foundation for planning and developing reliable, long-term water supplies. The program collects, compiles, analyzes, and disseminates hydrologic and climatological data and information concerning all aspects of the hydrologic cycle, operates the statewide ground water observation well network, and administers the Division of Water's cooperative agreements with the U. S. Geological Survey for stream gauging and other water resource projects.

What the Budget Buys:

- Maintains records of groundwater aquifers, reservoirs, and watersheds;
- Operates and maintains the only statewide network of 125 ground water observation wells;
- Publishes *The Monthly Water Inventory Report*, a technical publication;
- Maintains and updates quarterly the data and information listed on the Department of Natural Resources web site, which receives approximately 1,200 hits per month; and
- Coordinates between the Ohio Department of Transportation and the U.S. Geological Survey, the Crest State Gauge network, which is designed to obtain high flow data needed to support the full-time statewide stream gauge network.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-423	Stream & Ground Water Gauging	311,910	311,910
GRF	GRF	733-321	Division of Water	454,328	455,103
TOTAL FOR PROGRAM				**766,238**	**767,013**

Program 05.06: Water Planning

This program prepares community water supply plans, advises on local stream modification and watershed management projects, coordinates planning for interstate issues involving the Great Lakes and Ohio River, and provides technical assistance to local governments and private citizens concerning water supply development and water rights.

What the Budget Buys:

- Provides technical expertise and direction for production of reports and other technical materials about Ohio's streams and their drainage basins;
- Registers water users with the capacity to withdraw more than 100,000 gallons of water per day. Registered facilities report actual withdrawals to the division annually and these are summarized in *The Ohio Water Withdrawal Registration Program* annual report;
- Administers Project WET (Water Education for Teachers) in Ohio and undertakes other environmental education activities related to water;
- Aids in the development and improvement of public water supply sources; and
- Executes contracts for the sale or lease of state-owned water supplies in federal, state, and local reservoirs, and in the Miami & Erie and Ohio & Erie Canal systems.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	733-321	Division of Water	441,508	445,735
GSF	516	725-620	Water Management	2,442,956	2,459,120
SSR	514	725-606	Lake Erie Shoreline	25,000	25,000
TOTAL FOR PROGRAM				**2,909,464**	**2,929,855**

PROGRAM SERIES 06: Soil and Water Conservation

This program series provides technical, educational, and financial assistance to Ohio citizens through 88 county soil and water conservation districts (SWCDs). It works with other governmental agencies on programs of soil inventory and evaluation, non-point source pollution control, environmental education, storm water management, and erosion control.

Program 06.01: Conservation Engineering and Technical Assistance

This program provides training and assistance to soil and water conservation districts in planning, designing, and constructing conservation practices to reduce soil erosion and protect or improve Ohio's water resources.

What the Budget Buys:

- Provides engineering and technical training to over 125 newer or less-experienced technical specialists employed by SWCDs;
- Assists over 250 SWCD technical specialists with design and installation of individual best management practices (BMPs) for water quality protection as called for in local watershed plans, including livestock manure management BMPs; and
- Assists SWCDs and Division of Soil and Water staff in planning facilities to abate pollution as necessary to resolve complaints relating to agricultural pollution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	737-321	Division of Soil and Water	721,630	744,923
TOTAL FOR PROGRAM				**721,630**	**744,923**

Program 06.02: Environmental Education

This program provides educational programs and resources to help Ohio citizens make informed decisions and take responsible actions to conserve and protect Ohio's natural resources. Additionally, it promotes the use of departmental education programs to improve natural resource conservation and stewardship awareness.

What the Budget Buys:

- Conducts professional development workshops for SWCD staff members;
- Prepares and disseminates educational programs and materials to SWCDs dealing with the broad range of natural resource issues facing the SWCDs, cooperating landowners, and others; and
- Provides professional development for K-12 teachers and education specialists throughout the state with events like the Ohio Envirothon.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	737-321	Division of Soil and Water	259,570	259,570
GSF	155	725-601	Departmental Projects	138,859	139,748
TOTAL FOR PROGRAM				**398,429**	**399,318**

Program 06.03: Resource Management

This program provides financial and technical assistance to Ohio's landowners through soil and water conservation districts to install and maintain practices that reduce soil erosion and eliminate pollution from livestock waste and agricultural or urban sediment runoff.

What the Budget Buys:

- Implements and regulates statewide agricultural, urban, and nonpoint source water pollution control programs;
- Assists Ohio's 88 SWDCs in implementing nonpoint source pollution control programs locally; and
- Investigates agricultural sediment, livestock waste, and silvicultural complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	737-321	Division of Soil and Water	628,497	649,757
TOTAL FOR PROGRAM				**628,497**	**649,757**

Program 06.04: Soil and Water Conservation Districts

This program assists county soil and water conservation districts to ensure that land users and other agencies properly manage soil, water, and related resources in each of the state's 88 counties.

What the Budget Buys:

- Coordinates and provides assistance to Ohio's 88 county soil and water conservation districts for planning, designing, and constructing conservation practices to reduce soil erosion and protect Ohio's water resources. This state support motivates counties to make significant matching investments in these vital conservation programs;
- Supports approximately 30 local watershed coordinators in planning and implementing programs to protect local water resources;
- Assists 6 counties in helping local communities comply with storm water regulations that protect streams and wetlands; and
- Provides technical assistance with agricultural and urban conservation issues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-502	Soil and Water Districts	9,836,436	9,836,436
GRF	GRF	737-321	Division of Soil and Water	1,132,078	1,146,689
TOTAL FOR PROGRAM				**10,968,514**	**10,983,125**

Program 06.05: Soil Inventory and Evaluation

This program maintains information collected during inventories of the soils of Ohio. The program updates, refines, interprets, and disseminates the soil inventory information for the citizens of Ohio who are faced with land-use decisions. Soil maps are prepared and updated for each county and made available in digital formats.

What the Budget Buys:

- Supports a statewide soils information and evaluation program which provides information to landowners and other decision makers concerning land use and management goals;
- Continues a six-year initiative to complete digitization of all 88 counties in the Statewide Digital Soils Information Project (SDSI); and
- Trains many groups of local and state agency staffs, including SWCDs, county health departments, and consulting engineers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	730-321	Division of Parks and Recreation	25,000	25,000
GRF	GRF	737-321	Division of Soil and Water	706,514	720,324
GSF	155	725-601	Departmental Projects	445,870	445,870
TOTAL FOR PROGRAM				**1,177,384**	**1,191,194**

Program 06.06: Watershed Management

This program works with local soil and water conservation districts and watershed groups to implement programs and practices that will protect and improve Ohio's water resources.

What the Budget Buys:

- Partners with SWCDs as well as many other local, state, and federal agencies and organizations to implement statewide efforts for nonpoint source pollution control, watershed management, stream protection, urban storm water management, and Lake Erie protection;
- Implements the Lake Erie Conservation Reserve Enhancement Program (CREP), designed to improve water quality in Lake Erie and its tributaries.
- Provides funding to approximately 30 local watershed planning projects; and
- Provides technical, administrative, and financial assistance to help develop local plans to protect and improve water resources.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-407	Conservation Reserve Enhancement	1,000,000	1,000,000
GRF	GRF	737-321	Division of Soil and Water	626,499	553,525
GSF	155	725-601	Departmental Projects	754,683	554,432
TOTAL FOR PROGRAM				**2,381,182**	**2,107,957**

PROGRAM SERIES 07: Real Estate and Land Management

This program series coordinates the department's master planning and participates in capital improvements. The Division of Real Estate and Land Management coordinates department-wide environmental review and the state's trail network. It serves as the department's agent in buying, selling, and trading real estate for recreation and conservation needs, and provides resource analysis mapping and administers various grant programs.

Program 07.01: Real Estate Services

This program provides real estate management services for the Department's landholding divisions. The land is bought, sold, and leased to promote wildlife management, outdoor recreation, forest management, and natural area protection.

What the Budget Buys:

- Provides real estate management services and environmental reviews for the department's land holding divisions that own and manage over 780,000 acres of land; and
- Performs an average of 50 acquisition or lease transactions per year that results in the addition of approximately 3,500 acres per year to DNR's land inventory.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	738-321	Division of Real Estate & Land Management	978,132	978,132
GSF	155	725-601	Departmental Projects	87,704	87,704
GSF	207	725-690	Real Estate Services	64,000	64,000
GSF	4S9	725-622	NatureWorks Personnel	37,077	37,077
GSF	430	725-671	Canal Lands	170,000	170,000
GSF	635	725-664	Fountain Square Facilities Mgt.	22,207	22,207
090	R17	725-659	Performance Cash Bond Refunds	10,000	10,000
TOTAL FOR PROGRAM				**1,369,120**	**1,369,120**

Program 07.02: Outdoor Recreation Services

This program administers four major grant programs: the federal Land and Water Conservation Grant, the federal Recreational Trails Program, the state NatureWorks Grants, and the state Clean Ohio Trails Grants. These programs provide financial assistance to public agencies for acquisition and development of parks and trails and other recreational and natural resources-related projects.

What the Budget Buys:

- Administers four major grant programs that make significant funds available to local governments to promote park development and recreational trail opportunities; and
- Administers distribution of legislative earmarks.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	738-321	Division of Real Estate & Land Management	730,253	730,253
GSF	635	725-664	Fountain Square Facilities Management	94,182	94,182
FED	3B6	725-653	Federal Land & Water Conservation Grants	5,000,000	5,000,000
FED	3Z5	725-657	REALM Federal	1,436,120	1,436,120
SSR	521	725-627	Off-Road Vehicle Trails	283,490	283,490
CLF	061	725-405	Clean Ohio Operating	155,000	155,000
TOTAL FOR PROGRAM				**7,699,045**	**7,699,045**

Program 07.03: Geographic Information Mapping Services

This program compiles and maintains technical information and creates and provides geographically referenced maps to state and local agencies to assist them in managing Ohio's natural resources and recreational facilities. Geographic Information Management System (GIMS) technology has become an essential tool for enhancing the decision-making capabilities of federal, state, and local officials in regards to land-based programs.

What the Budget Buys:

- Provides geographic information mapping services to state and local officials to enhance the management of natural resources and recreational activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	738-321	Division of Real Estate & Land Management	404,189	404,189
GSF	155	725-601	Departmental Projects	54,601	54,601
FED	3Z5	725-657	Real Estate and Land Management Federal	142,751	142,751
TOTAL FOR PROGRAM				**601,541**	**601,541**

Program 07.04: Facilities Management Services

This program maintains the 10 buildings and 23 acres of the department's Fountain Square Complex including: mailroom, fleet management, records management, warehouse services, and housekeeping. Additionally, Facilities Management maintains the natural resources area at the Ohio State Fairgrounds.

What the Budget Buys:

- Provides mail, fleet, records, warehouse, groundskeeping, and housekeeping services for the 20 offices/divisions and approximately 700 employees at the Department of Natural Resources Fountain Square Complex.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	206	725-689	Real Estate and Land Management Support Services	475,000	475,000
GSF	635	725-664	Fountain Square Facilities Management	2,534,574	2,534,574
TOTAL FOR PROGRAM				**3,009,574**	**3,009,574**

Program 07.05: Environmental Review/Compliance

This program coordinates environmental matters concerning the department and state as necessary to comply with the National Environmental Policy Act of 1969, the Intergovernmental Cooperation Act of 1968, and the federal Water Pollution Control Act of 1977. Annually the program receives more than 300 projects for review. Additional responsibilities include: Mitigation Review Bank Team participation, ensuring environmental compliance on departmental projects, and providing technical assistance on environmental regulations and issues.

What the Budget Buys:

- Coordinates DNR's environmental review program and plans for possible expansion of DNR's stream mitigation program; and
- Reviews approximately 300 projects annually for compliance with environmental regulations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	738-321	Division of Real Estate & Land Management	179,300	179,300
TOTAL FOR PROGRAM				**179,300**	**179,300**

PROGRAM SERIES 08: Watercraft

This program series administers boat registration and titling programs and enforces all laws regarding identification, numbering, titling, use, and operation of watercraft on Ohio's waterways. Boating safety education and various grant programs are also provided yearly.

Program 08.01: Watercraft Registration

This program seeks to ensure that all watercraft used in state waters are registered appropriately and enforces all laws relative to the identification, numbering, titling, and operation of vessels operated on Ohio's 120,000 acres of inland lakes, 481 miles of the Ohio River and 23 million acres of Lake Erie.

What the Budget Buys:

- Issues new and renewal permits and collect appropriate fees;
- Provides boat information to registered boaters, new boat owners, watercraft sales agents, law enforcement organizations, boat dealers, other states, and other agencies; and
- Conducts inspections, researches, and assigns Hull Identification Numbers (HINs) as required by the newly adopted HIN program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WSF	086	739-401	Division of Watercraft	1,560,000	1,560,000
TOTAL FOR PROGRAM				**1,560,000**	**1,560,000**

Program 08.02: Watercraft Operations, Safety, Education, and Enforcement

This program seeks to enhance the safe use of Ohio's waterways for the boating public, and to ensure, through education and enforcement that watercraft operators abide by the laws, rules, and regulations governing the proper use and operation of watercraft.

What the Budget Buys:

- Educates the public and promotes the safe use of Ohio's lakes and waterways through boating education and skills courses;
- Provides boating safety education grants, marine patrol grants, and grants and loans to public and private entities that offer recreational boating access and opportunities throughout Ohio;
- Performs on-the-water law enforcement patrols and conducts vessel safety inspections;
- Provides maritime homeland security as well as emergency flood response throughout the state; and
- Allows an expansion of services in the form of additional officers, which will relieve local and state park patrol officers in parks with inland lakes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WSF	086	725-418	Buoy Placement	52,182	52,182
WSF	086	725-501	Waterway Safety Grants	137,867	137,867
WSF	086	725-506	Watercraft Marine Patrol	576,153	576,153
WSF	086	725-513	Watercraft Educational Grants	366,643	366,643
WSF	086	739-401	Division of Watercraft	18,467,909	18,526,681
WSF	5AW	725-682	Watercraft Revolving Loans	3,000,000	1,000,000
TOTAL FOR PROGRAM				**22,600,754**	**20,659,526**

PROGRAM SERIES 09: Wildlife

This program series manages and maintains over 376,000 acres for wildlife habitat and public access at 120 wildlife areas and lands under agreement. These lands provide opportunities for hunting, fishing, and wildlife viewing. Programs within the program series are responsible for wildlife and fish management, information, education, and law enforcement. Special emphasis is placed on endangered species, wetlands, and other critical habitats for wildlife diversity. The division operates 7 district offices, 4 fish and wildlife research stations, 6 fish hatcheries, and wildlife areas for public hunting and fishing.

Program 09.01: Fish Management and Research

This program maintains the aquatic resources of the state. Biologists and other fisheries personnel manage water areas by improving spawning habitat and fishing access, recommending regulations, monitoring fish populations and angler harvest, stocking, and conducting research. The program operates six state fish hatcheries located throughout the state.

What the Budget Buys:

- Operates six state fish hatcheries providing over 25 million fish for stocking in Ohio's public waters with special emphasis on metropolitan and other areas with underserved publics;
- Maintains 66 public access sites for boat and shore fishing access;
- Manages aquatic resources on 481 miles of the Ohio River, 23 million acres of Lake Erie and 61,500 miles of rivers and streams;
- Conducts studies to improve fish populations and aquatic wildlife diversity; and
- Coordinates Ohio's State Management Plan for aquatic nuisance species.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-425	Wildlife License Reimbursement	323,160	323,160
GSF	508	725-684	Natural Resources Publication Center	6,000	6,000
GSF	510	725-631	Maintenance - State Owned Residences	14,936	14,936
SSR	5P2	725-634	Wildlife Boater Angler Administration	4,200,000	3,500,000
WLF	015	740-401	Division of Wildlife	11,178,147	11,368,942
WLF	817	725-655	Wildlife Conservation Check-off Fund	975,000	975,000
WLF	818	725-629	Cooperative Fisheries Research	988,582	988,582
WLF	819	725-685	Ohio River Management	128,584	128,584
TOTAL FOR PROGRAM				**17,814,409**	**17,305,204**

Program 09.02: Wildlife Management and Research

This program is responsible for managing all wildlife, assisting landowners with habitat improvements, managing land for wildlife and wildlife-oriented recreation, and conducting research to be used in improving wildlife populations. The program owns and maintains 120 wildlife areas throughout the state and provides for approximately 1 million visitor use days per year. Additionally, it owns and maintains the Old Woman Creek National Estuarine Research Reserve on Lake Erie.

What the Budget Buys:

- Manages Ohio's terrestrial wildlife resources and their habitats;
- Provides professional assistance to landowners for habitat improvement and management for wildlife-oriented recreation;
- Provides responsible recreational hunting and trapping opportunities to Ohio sportsmen and women;
- Monitors, prevents, and controls the spread of wildlife diseases that could threaten the health of Ohioans and the state's wildlife resources; and
- Owns and maintains Old Woman Creek National Estuarine Research Reserve, which is one of 26 estuarine research reserves established nationwide as living laboratories for long-term scientific research and estuarine education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-425	Wildlife License Reimbursement	323,159	323,159
GSF	510	725-631	Maintenance - State Owned Residences	63,675	63,675
WLF	015	740-401	Division of Wildlife	16,518,146	16,788,942
WLF	815	725-636	Cooperative Management Projects	120,449	120,449
WLF	816	725-649	Wetlands Habitat	956,885	956,885
WLF	817	725-655	Wildlife Conservation Check-off Fund	3,275,000	3,275,000
TOTAL FOR PROGRAM				**21,257,314**	**21,528,110**

Program 09.03: Wildlife Law Enforcement

This program uses law enforcement as a fish and wildlife management tool to protect Ohio's wildlife resources and ensure fair and equitable use. Law enforcement personnel enforce laws, rules, and regulations concerning the taking, possessing, and protection of wildlife resources. While the program protects state and some private property, it enforces pollution and litter statutes as well. Approximately 165 enforcement personnel are employed statewide to enforce wildlife rules in coordination with local and federal officials. The program issues all types of hunting and fishing licenses including routine inspections of license agents and subagents.

What the Budget Buys:

- Issues hunting and fishing licenses and performs inspections of license agents and vendors;
- Enforces Lake Erie commercial fishing regulations;
- Investigates stream litter, pollution induced fish kills, and hunting incidents; and
- Makes wildlife informational presentations to a variety of organizations such as schools, service clubs, and conservation groups.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WLF	015	740-401	Division of Wildlife	12,545,559	12,933,173
WLF	817	725-655	Wildlife Conservation Check-off Fund	225,000	225,000
ALF	4M8	725-675	FOP Contract	8,438	8,438
TOTAL FOR PROGRAM				**12,778,997**	**13,166,611**

Program 09.04: Information and Education

This program provides information and education to Ohio citizens about wildlife programs and issues. It employs a comprehensive array of media to disseminate wildlife information to schools, local communities, and the general public.

What the Budget Buys:

- Administers hunter education program using 1,800 certified instructors to train 23,000 to 25,000 hunter education students annually;
- Administers an angler education program that provides fishing and aquatic education experiences to over 100,000 people annually;
- Implements projects to encourage participation in wildlife-related activities by underserved publics such as women and minorities (e.g., Becoming an Outdoors Woman and Hooked on Fishing Not on Drugs);
- Operates and maintains five Class A shooting ranges for public use; and
- Creates and distributes wildlife education material linked to state science standards, coordinates efforts of 117 Project WILD facilitators, certifies WILD school sites, and provides an e-newsletter for environmental educators.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WLF	015	740-401	Division of Wildlife	9,258,148	9,408,943
WLF	816	725-649	Wetlands Habitat	10,000	10,000
WLF	817	725-655	Wildlife Conservation Check-off Fund	525,000	525,000
TOTAL FOR PROGRAM				**9,793,148**	**9,943,943**

PROGRAM SERIES 10: Natural Areas and Preserves

This program series is responsible for the management, acquisition, and protection of Ohio's most pristine areas. These natural areas characterize the state's natural landscape, flora, geology, and provide habitat for rare and endangered species. Additionally, it maintains the heritage database of all endangered species and conducts botanical research and environmental impact analysis.

Program 10.01: Natural Areas and Preserves

This program administers a statewide system of nature preserves and acquires, dedicates and accepts donations of public and privately owned lands as nature preserves. Nature preserves are legally protected lands that have scientific, historical, or ecological significance and represent the finest examples of Ohio's original landscape. Currently, Ohio has 127 state nature preserves and natural areas of which the Division of Natural Areas and Preserves manages 82 sites.

What the Budget Buys:

- Protects nearly 15,000 acres of unique and endangered sites throughout Ohio through habitat management;
- Coordinates and conducts interpretive programming;
- Allows preserve managers to receive annual in-service training for fire regulations, law enforcement, and herbicide application; and
- Provides facility management, maintenance, and grounds keeping services by preserve managers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	741-321	Division of Natural Areas & Preserves	1,884,821	1,869,576
GSF	155	725-601	Departmental Projects	83,515	81,482
GSF	508	725-684	Natural Resources Publication Center	10,000	10,000
GSF	510	725-631	Maintenance - State Owned Residences	30,000	30,000
FED	3P0	725-630	Natural Areas & Preserves-Federal	64,691	64,691
SSR	522	725-656	Natural Areas Check-off Funds	1,534,149	1,534,149
TOTAL FOR PROGRAM				**3,607,176**	**3,589,898**

Program 10.02: Ohio Scenic Rivers

This program is responsible for administering Ohio's Scenic Rivers Program. The program protects for future generations Ohio's remaining high quality streams. Scenic river designation is a cooperative venture among state and local governments, citizen's groups, and local communities within a watershed. Today, Ohio has 11 state designated streams encompassing over 700 river miles and 20 stream segments.

What the Budget Buys:

- Manages over 700 miles of specially designated scenic rivers and streams, working closely with local governments and conservation groups;
- Reviews public projects and local zoning cases that may impact river resources;
- Implements the Stream Quality Monitoring Project;
- Provides assistance on technical issues to landowners and local officials; and
- Works with local municipalities to improve watershed protection through the designation of green space, litter clean-ups, stream bank restoration project, and non-point pollution reduction plans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	741-321	Division of Natural Areas & Pres.	576,374	584,172
GSF	155	725-601	Departmental Projects	20,000	20,000
FED	3P0	725-630	Natural Areas & Preserves-Fed	205,556	205,556
SSR	4U6	725-668	Scenic Rivers Protection	407,100	407,100
TOTAL FOR PROGRAM				**1,209,030**	**1,216,828**

Program 10.03: Ohio Natural Heritage

This program is the most comprehensive source of information on rare and endangered plants and animals, outstanding natural communities, and special geological features in the state. This information is easily accessible in manual and computer files that are cross-referenced to provide a flexible information system known as the heritage database. Additionally, the program prepares and maintains surveys and inventories of both natural areas and rare species. The program adopts criteria for listing and compiles the official list of plants that are threatened or endangered in Ohio.

What the Budget Buys:

- Maintains the official record of rare and endangered plants and animals, outstanding natural communities, and special geologic features in the state;
- Provides technical assistance on habitat management issues;
- Conducts environmental reviews; and
- Provides data to planners, developers, researchers, and governmental officials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	741-321	Division of Natural Areas & Pres.	548,310	555,757
GSF	155	725-601	Departmental Projects	118,669	120,702
FED	3P0	725-630	Natural Areas & Preserves-Fed	44,753	44,753
SSR	522	725-656	Natural Areas Check off Funds	16,521	16,521
TOTAL FOR PROGRAM				**728,253**	**737,733**

PROGRAM SERIES 11: Mineral Resources Management

This program series regulates oil and gas production, surface, and underground mining of coal and industrial minerals, and reclamation activities. It plugs abandoned oil and gas wells and restores abandoned mine lands, enforces mining safety laws, ensures protection of freshwater resources, and maintains a database of oil and gas well owners.

Program 11.01: Coal Regulation

This program reviews and makes decisions on issuance of mining permits and conducts inspections of mine sites to determine if mining and reclamation activities are being done in accordance with the approved permit as well as federal and state regulations. Administers the coal mining Lands Unsuitable for Mining Program and federal Small Operators Assistance Program (SOAP), as well as maintaining the bonding required to ensure reclamation is completed on the active mine sites.

What the Budget Buys:

- Regulates surface and underground coal mining and reclamation activities;
- Conducts inspections to ensure activities conform to permitting rules;
- Reviews and processes mining permit applications; and
- Collects fees and maintains bonds to ensure reclamation of the affected land is completed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	744-321	Division of Mineral Resource Mgmt	139,298	139,298
GSF	508	725-684	Natural Resources Publication Center	1,000	1,000
FED	3B7	725-654	Reclamation - Regulatory	2,053,761	2,058,047
SSR	4J2	725-628	Injection Well Review	11,397	11,397
SSR	526	725-610	Strip Mining Admin. Fees	1,881,315	1,870,086
090	R17	725-659	Performance Cash Bond Refunds	149,263	149,263
TOTAL FOR PROGRAM				**4,236,034**	**4,229,091**

Program 11.02: Industrial Mineral Regulation

This program reviews applications for new permits and amendments to existing permits for the mining of industrial minerals. Permits are conditioned on compliance with law, rule, and policy directives relating to hydrology, geology, engineering, blasting evaluations, and administrative requirements. The program collects fees and bonds needed to ensure reclamation is completed on the affected land. Additionally, staff oversees active mining operations to determine if the mining and reclamation activities are conducted in accordance with the approved permit.

What the Budget Buys:

- Regulates mining activities for industrial minerals such as gravel, limestone, clay, shale, gypsum, and dolomite;
- Conducts inspections to ensure activities conform to permitting rules;
- Reviews and processes mining permit applications; and
- Collects fees and maintains bonds to ensure reclamation of the affected land is completed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	508	725-684	Natural Resources Publication Center	1,000	1,000
SSR	527	725-637	Surface Mining Administration	2,106,362	2,117,716
TOTAL FOR PROGRAM				**2,107,362**	**2,118,716**

Program 11.03: Abandoned Mine Lands

This program maintains an inventory and reclaims public health, safety, and environmental problem areas associated with mining activity on mine sites abandoned prior to August 1977 and on regulated sites where the performance bond has been forfeited. The program administers the State Abandoned Mined Lands and the Federal Abandoned Mine Land programs. It focuses on engineering, geotechnical environmental, wildlife enhancement, reforestation, and archeological aspects of reclamation.

What the Budget Buys:

- Administers the federal and state abandoned mine lands programs ensuring that old mine sites are reclaimed back to a condition that ensures public safety, protects the environment, provides habitat for wildlife, and restores watersheds adversely effected by acid mine drainage;
- Develops, designs, and oversees reclamation projects; and
- Responds to citizen complaints and requests for information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3B5	725-645	Federal Abandoned Mine Lands	14,310,497	14,307,666
FED	3R5	725-673	Acid Mine Drainage Abatement/Treatment	2,225,000	2,225,000
SSR	529	725-639	Unreclaimed Land Fund	623,356	631,257
SSR	531	725-648	Reclamation Forfeiture	2,061,861	2,062,237
TOTAL FOR PROGRAM				**19,220,714**	**19,226,160**

Program 11.04: Mine Safety

This program enforces surface and underground mine worker safety regulations. It provides mine safety training, emergency rescue services, and air quality analysis. It also monitors oil and gas well plugging in coal bearing townships.

What the Budget Buys:

- Inspects surface and underground mines to provide safety consultations and enforce worker safety laws;
- Provides mine safety and emergency rescue training;
- Maintains three rescue stations; and
- Provides air quality analyses to protect underground miners.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	744-321	Division of Mineral Resource Management	2,342,454	2,342,620
GSF	508	725-684	Natural Resources Publication Center	1,000	1,000
FED	332	725-669	Federal Mine Safety Grant	258,102	258,102
SSR	5B3	725-674	Mining Regulation	28,850	28,850
SSR	527	725-637	Surface Mining Administration	149,947	150,588
TOTAL FOR PROGRAM				**2,780,353**	**2,781,160**

Program 11.05: Oil And Gas Well Plugging

This program administers the issuance of permits to drill and plug oil and gas wells, inspects the drilling operation, plugging, and restoration of Oil and Gas well sites to verify that statutory standards are met to protect public health, safety, and the environment, and maintains the bonding required for the active well operations in Ohio.

What the Budget Buys:

- Regulates oil and gas well operations in Ohio providing permits, safety inspections and training, and environmental protection oversight at Ohio's 60,000 oil and gas wells;
- Provides technical assistance to investigate groundwater and soils contamination complaints and remediation;
- Plugs abandoned oil and gas wells to protect drinking water supplies, public health, and the environment; and
- Collects fees and maintains bonds to ensure reclamation of the affected land is completed.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	744-321	Division of Mineral Resource Management	586,415	586,249
FED	3P2	725-642	Oil and Gas-Federal	362,933	367,912
SSR	518	725-643	Oil and Gas Permit Fees	2,565,976	2,564,766
SSR	518	725-677	Oil & Gas Well Plugging	1,200,000	1,200,000
TOTAL FOR PROGRAM				**4,715,324**	**4,718,927**

Program 11.06: Reclamation Commission

This program serves as an appellate body for appeals to the chief of the Division of Mineral Resources Management's orders and decisions as provided by the Ohio Revised Code. The commission consists of eight members, appointed by the Governor. The members represent various interests and concerns relevant to mining and reclamation. Local courts hear appeals of decisions by the commission.

What the Budget Buys:

- Conducts hearings and renders decisions on appeals brought by mine operators, landowners, citizen groups, governmental units, or other interested parties.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3B7	725-654	Reclamation - Regulatory	53,531	49,244
SSR	518	725-643	Oil and Gas Permit Fees	8,401	9,612
SSR	526	725-610	Strip Mining Admin. Fees	51,177	62,406
SSR	527	725-637	Surface Mining Administration	56,506	54,398
TOTAL FOR PROGRAM				**169,615**	**175,660**

PROGRAM SERIES 12: Recycling and Litter Protection

This program series actively fosters economic development by working to expand private manufacturing facilities that utilize recycled content material, pursuing recycling market development research, and informing the public of the environmental and economical benefits of recycling programs. The programs within the series assist in implementing Ohio's Solid Waste Management Plan and encourage Ohioans to reduce waste, recycle materials, and buy recycled content products. The division also administers several grant programs.

Program 12.01: Community Assistance

This program distributes about $7 million annually throughout Ohio. The funds go to counties, solid waste districts, and cities with populations above 50,000. General recycling and litter prevention grants are managed at the local level and are provided annually. The Scrap Tire grant program awards grants to support the development of Ohio markets for scrap tires and other waste materials collected for recycling in Ohio. These grants are awarded to establish or expand private manufacturing facilities utilizing recycled-content material, or to foster recycling market development research.

What the Budget Buys:

- Awards approximately $7 million in operating grants to counties, solid waste districts, and large cities to implement recycling programs; and
- Awards approximately $2 million each fiscal year in grants to promote market development for scrap tires and other collected waste material.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	532	725-644	Litter Control and Recycling	9,103,081	9,200,590
SSR	586	725-633	Scrap Tire Program	1,000,000	1,000,000
TOTAL FOR PROGRAM				**10,103,081**	**10,200,590**

Program 12.02: Communication Services

This program develops, coordinates and implements statewide awareness and educational activities and campaigns that serve to promote recycling, litter prevention, waste reduction, and the use of recycled content products. This program is designed to encourage and strengthen participation in activities or take action that will lead to the enhancement or establishment of sustainable community driven litter prevention programs, increased participation in recycling, aggressive purchasing of recycled content products, and employment of effective waste management practices.

What the Budget Buys:

- Coordinates statewide awareness campaigns and educational activities to establish sustainable community-driven litter prevention programs; and
- Provides technical assistance to developing local programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	532	725-644	Litter Control and Recycling	1,400,474	1,415,475
TOTAL FOR PROGRAM				**1,400,474**	**1,415,475**

Program 12.03: Research Information and Market Services

This program compiles information on Ohio recycling-related activities and services and makes this information available to customers and the public, as well as providing technical assistance and information to state agencies, colleges and universities, and the general public to support planning and provide baseline information for measuring program results. This program provides technical assistance and conducts research to support efficient and effective recycling, market development, and source reduction and litter prevention.

What the Budget Buys:

- Implements statewide waste reduction, recycling, recycling market development, and litter prevention programs;
- Provides technical assistance and information to state agencies, colleges and universities, and the general public to support program planning and provides baseline information for measuring program results; and
- Conducts research to support efficient and effective recycling, market development, and source reduction and litter prevention.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4D5	725-618	Recycled Materials	50,000	50,000
SSR	532	725-644	Litter Control and Recycling	1,167,062	1,179,563
TOTAL FOR PROGRAM				**1,217,062**	**1,229,563**

PROGRAM SERIES 13: Program Management

This program series is comprised of the administrative and technical service offices of the Department of Natural Resources including the director's executive staff and the Division of Engineering. These offices ensure that the department operates in accordance with the Governor's direction and Ohio law, and embraces the core values of stewardship, customer service, and performance excellence.

Program 13.01: Program Support

This program includes the Office of the Director, who is appointed by the governor and is a member of the governor's cabinet. It also includes the Offices of Budget and Finance, Communications, Human Resources, Information and Technology, Legal Counsel, and Legislative Services. These offices provide leadership, direction, and administrative services to the Department's programs to facilitate overall strategic and operational success.

What the Budget Buys:

- Provides active management of all division activities;
- Allows program to continue active involvement in problem resolution, legislative initiatives, customer service, and the implementation of new systems; and
- Supports General Revenue Fund debt service appropriations for the Parks and Recreation capital program, the Parks and Natural Resources (NatureWorks) capital program, and for the purchase of the Fountain Square facility.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	725-404	Fountain Square Rental Payments-OBA	1,025,300	1,092,000
GRF	GRF	725-413	OPFC Rental Payments	18,699,100	20,962,800
GRF	GRF	725-903	Natural Resources G.O. Debt Service	25,866,000	24,359,100
GRF	GRF	729-321	Office of Information Technology	440,895	440,895
GSF	155	725-601	Departmental Projects	64,184	64,184
GSF	157	725-651	Central Support Indirect	6,448,675	6,448,675
GSF	204	725-687	Information Services	4,676,627	4,676,627
GSF	4X8	725-662	Water Resources Council	125,000	125,000
GSF	508	725-684	Natural Resources Publication Center	6,512	6,512
FED	3B3	725-640	Federal Forest Pass-Thru	150,000	150,000
FED	3B4	725-641	Federal Flood Pass-Thru	350,000	350,000
TOTAL FOR PROGRAM				**57,852,293**	**58,675,793**

Program 13.02: Engineering

This program provides all aspects of the department's construction projects and capital improvements program. The Office of Engineering has the lead role in preparing and managing the department's six-year capital improvements plan and biennial capital budget request. It also provides technical support for facility and water/wastewater system operations.

What the Budget Buys:

- Provides a variety of technical and administrative services such as engineering and architectural design, management of consultant and construction contracts, land surveying, capital improvement program planning, and facility technical support for operations/maintenance projects and utility infrastructure;
- Coordinates review of county petition ditch projects; and
- Manages the Ohio Department of Transportation/Department of Natural Resources Roadway Maintenance Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	736-321	Division of Engineering	3,118,703	3,118,703
GSF	227	725-406	Parks Projects Personnel	175,000	110,000
GSF	4S9	725-622	NatureWorks Personnel	400,000	235,000
GSF	508	725-684	Natural Resources Publication Center	40,000	40,000
TOTAL FOR PROGRAM				**3,733,703**	**3,503,703**

Program 13.03: Law Enforcement

This program coordinates all aspects of the department's law enforcement responsibilities including the security of the Fountain Square Complex. The program is responsible for the agency's management and operation of the Multi-Agency Radio and Communications System (MARCS) and manages the agency's response to disasters and Homeland Security activities.

Department of Natural Resources

What the Budget Buys:

- Coordinates comprehensive law enforcement programs throughout the state in each DNR division;
- Provides 24-hours a day, 7 days a week dispatching services;
- Implements and administers MARCS; and
- Coordinates with the Ohio Department of Public Safety Emergency Management Agency for emergencies, disasters and other life or property threatening occurrences.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	157	725-651	Central Support Indirect	80,000	80,000
GSF	223	725-665	Law Enforcement Administration	2,096,225	2,096,225
GSF	635	725-664	Fountain Square Facilities Mgt.	531,260	539,260
TOTAL FOR PROGRAM				**2,707,485**	**2,715,485**

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Parks and Recreation reserves 10% of the division's revenue in a depreciation account (fund 161) to ensure funds are available to repair and maintain facilities. This fund is eliminated along with Parks Facilities Maintenance/635, and Parks Depreciation Reserve/680 is created in fund 512 to maintain the depreciation funds and streamline activities supported by fund 512.

To illustrate changes in funding levels due to this restructuring, estimated FY 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**%Change**	**FY 2007**	**%Change**
512	725-680	Parks Depreciation Reserve	2,576,240	3,076,240	19.4%	3,076,240	0.0%

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	725-401	Wildlife-GRF Central Support	258,177	0	0	0	0	.0	0	.0
GRF	725-404	Fountain Sq Rental Pymnts-OBA	1,081,029	1,078,696	1,083,217	1,094,800	1,025,300	(6.3)	1,092,000	6.5
GRF	725-407	Conservation Reserve Enhancement	1,778,098	1,567,659	1,118,022	1,145,625	1,000,000	(12.7)	1,000,000	.0
GRF	725-412	Reclamation Commission	32,359	31,866	55,599	54,458	0	(100.0)	0	.0
GRF	725-413	OPFC Rental Payments	15,409,855	13,534,590	13,510,930	17,709,500	18,699,100	5.6	20,962,800	12.1
GRF	725-415	Mine Examining Board	18,000	0	0	0	0	.0	0	.0
GRF	725-423	Stream & Ground Water Gauging	410,315	400,383	324,814	311,910	311,910	.0	311,910	.0
GRF	725-425	Wildlife License Reimbursement	925,900	816,319	716,319	646,319	646,319	.0	646,319	.0
GRF	725-456	Canal Lands	368,333	287,279	302,859	332,859	332,859	.0	332,859	.0
GRF	725-502	Soil and Water Districts	10,762,445	10,768,305	11,182,024	10,654,572	9,836,436	(7.7)	9,836,436	.0
GRF	725-903	Natural Resources G.O. Debt Service	17,650,055	18,690,506	20,522,600	26,914,300	25,866,000	(3.9)	24,359,100	(5.8)
GRF	727-321	Division of Forestry	9,452,210	9,153,515	8,765,922	8,541,511	8,541,511	.0	8,541,511	.0
GRF	728-321	Division of Geological Survey	1,968,935	1,969,117	1,708,870	1,630,000	1,630,000	.0	1,630,000	.0
GRF	729-321	Office of Information Technology	764,564	999,819	476,319	440,895	440,895	.0	440,895	.0
GRF	730-321	Division of Parks and Recreation	33,005,733	32,267,369	34,044,043	35,850,223	34,874,841	(2.7)	34,874,841	.0
GRF	731-321	Office of Coastal Management	0	0	217,271	259,707	259,707	.0	259,707	.0
GRF	733-321	Division of Water	3,732,219	3,542,715	3,280,933	3,207,619	3,207,619	.0	3,207,619	.0
GRF	736-321	Division of Engineering	3,479,663	3,326,967	3,165,458	3,218,703	3,118,703	(3.1)	3,118,703	.0
GRF	737-321	Division of Soil and Water	4,363,326	4,001,553	4,143,226	4,214,788	4,074,788	(3.3)	4,074,788	.0
GRF	738-321	Division of Real Estate & Land Mgt	2,481,335	2,453,495	2,196,134	2,291,875	2,291,874	.0	2,291,874	.0
GRF	741-321	Division of Natural Areas & Pres.	3,203,240	3,050,244	3,088,421	3,009,505	3,009,505	.0	3,009,505	.0
GRF	743-321	Division of Civilian Conservation	134,120	0	0	0	0	.0	0	.0
GRF	744-321	Division of Mineral Resource Mgmt	3,346,891	3,178,705	3,163,249	3,068,167	3,068,167	.0	3,068,167	.0
TOTAL General Revenue Fund			**114,626,802**	**111,119,102**	**113,066,230**	**124,597,336**	**122,235,534**	**(1.9)**	**123,059,034**	**.7**
155	725-601	Departmental Projects	2,128,597	2,969,501	2,838,308	2,931,336	2,135,821	(27.1)	2,011,726	(5.8)
157	725-651	Central Support Indirect	7,276,625	7,095,211	7,571,893	8,423,094	6,528,675	(22.5)	6,528,675	.0
158	725-604	Natural Resources Publication Ctr	68,135	8,200	0	0	0	.0	0	.0
161	725-635	Parks Facilities Maintenance	1,607,447	1,295,732	1,527,205	2,576,240	0	**	0	.0
162	725-625	CCC Operations	7,548,817	6,436,845	270,958	0	0	.0	0	.0
204	725-687	Information Services	2,203,905	3,130,489	2,953,775	3,476,627	4,676,627	34.5	4,676,627	.0
206	725-689	REALM Support Services	489,481	370,105	358,001	475,000	475,000	.0	475,000	.0
207	725-690	Real Estate Services	31,568	49,945	52,575	54,000	64,000	18.5	64,000	.0
223	725-665	Law Enforcement Administration	0	0	707,943	2,116,595	2,096,225	(1.0)	2,096,225	.0
227	725-406	Parks Projects Personnel	0	0	0	0	175,000	.0	110,000	(37.1)
4D5	725-618	Recycled Materials	10,836	19,279	7,117	50,000	50,000	.0	50,000	.0
4S9	725-622	NatureWorks Personnel	727,648	618,524	571,676	583,103	472,648	(18.9)	307,648	(34.9)
4X8	725-662	Water Resources Council	55,280	39,414	51,080	282,524	125,000	(55.8)	125,000	.0
430	725-671	Canal Lands	1,000,173	876,363	974,278	1,059,056	797,582	(24.7)	847,582	6.3

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5F9	725-663	Flood Reimbursement	85,729	0	0	0	0	.0	0	.0
508	725-684	Natural Resources Publication Ctr	131,341	158,632	184,219	290,187	157,792	(45.6)	157,792	.0
510	725-631	Maint- State Owned Residences	243,705	151,238	203,518	260,849	260,849	.0	260,849	.0
516	725-620	Water Management	2,062,358	1,933,928	4,117,212	2,342,814	2,442,956	4.3	2,459,120	.7
519	725-623	Burr Oak Water Plant	1,167	0	0	0	0	.0	0	.0
635	725-664	Fountain Square Facilities Mgt.	2,601,258	2,402,810	2,726,339	3,104,199	3,182,223	2.5	3,190,223	.3
697	725-670	Submerged Lands	566,750	341,910	408,643	542,011	542,011	.0	542,011	.0
TOTAL General Services Fund Group			**28,840,820**	**27,898,126**	**25,524,740**	**28,567,635**	**24,182,409**	**(15.4)**	**23,902,478**	**(1.2)**
3B3	725-640	Federal Forest Pass-Thru	59,169	73,867	104,960	150,000	150,000	.0	150,000	.0
3B4	725-641	Federal Flood Pass-Thru	238,802	313,540	321,013	345,000	350,000	1.4	350,000	.0
3B5	725-645	Federal Abandoned Mine Lands	8,989,159	8,367,187	9,500,908	11,843,866	14,310,497	20.8	14,307,666	.0
3B6	725-653	Fed Land & Water Conservation Grnts	772	519,239	6,914,339	5,000,000	5,000,000	.0	5,000,000	.0
3B7	725-654	Reclamation - Regulatory	1,688,821	1,894,202	2,122,653	2,168,413	2,107,292	(2.8)	2,107,291	.0
3P0	725-630	Natural Areas & Preserves-Fed	605,253	590,688	559,706	552,480	315,000	(43.0)	315,000	.0
3P1	725-632	Geological Survey-Federal	496,993	616,912	671,066	1,182,912	479,651	(59.5)	479,651	.0
3P2	725-642	Oil and Gas-Federal	177,780	190,289	224,402	232,964	362,933	55.8	367,912	1.4
3P3	725-650	Coastal Management-Federal	3,740,458	2,506,145	1,288,456	2,357,000	1,592,923	(32.4)	1,607,686	.9
3P4	725-660	Water-Federal	252,348	339,058	313,373	257,000	419,766	63.3	420,525	.2
3R5	725-673	Acid Mine Drainage Abatement/Trtmnt	314,684	571,386	1,412,728	2,000,000	2,225,000	11.3	2,225,000	.0
3Z5	725-657	REALM Federal	0	0	3,385,332	1,578,871	1,578,871	.0	1,578,871	.0
328	725-603	Forestry - Federal	1,295,041	1,201,937	1,708,968	3,299,547	1,813,827	(45.0)	2,228,081	22.8
332	725-669	Federal Mine Safety Grant	364,404	223,005	286,119	258,103	258,102	.0	258,102	.0
TOTAL Fed Special Revenue Fund Group			**18,223,684**	**17,407,455**	**28,814,023**	**31,226,156**	**30,963,862**	**(.8)**	**31,395,785**	**1.4**
4J2	725-628	Injection Well Review	56,997	82,261	84,345	81,188	93,957	15.7	79,957	(14.9)
4M7	725-631	Wildfire Suppression	95,225	64,325	46,241	100,000	100,000	.0	100,000	.0
4U6	725-668	Scenic Rivers Protection	155,415	141,031	559,466	617,100	407,100	(34.0)	407,100	.0
5B3	725-674	Mining Regulation	1	0	1,310	35,000	28,850	(17.6)	28,850	.0
5K1	725-626	Urban Forestry Grant	273,710	301,345	545,561	287,007	0	(100.0)	0	.0
5P2	725-634	Wildlife Boater Angler Admin.	25,800	378,163	831,342	2,125,287	4,200,000	97.6	3,500,000	(16.7)
509	725-602	State Forest	1,623,330	1,137,971	797,862	1,827,117	2,291,664	25.4	2,591,664	13.1
511	725-646	Ohio Geologic Mapping	801,938	748,248	512,866	550,000	549,310	(.1)	549,310	.0
512	725-605	State Parks Operations	28,367,700	29,302,180	28,358,218	29,915,146	29,814,288	(.3)	29,814,288	.0
512	725-680	Parks Facilities Maintenance	0	0	0	0	2,576,240	**	2,576,240	.0
514	725-606	Lake Erie Shoreline	924,463	770,090	732,554	936,254	612,075	(34.6)	657,113	7.4
518	725-643	Oil and Gas Permit Fees	1,421,025	1,622,105	2,184,847	2,399,580	2,574,377	7.3	2,574,378	.0
518	725-677	Oil & Gas Well Plugging	625,215	997,549	747,919	1,000,000	1,200,000	20.0	1,200,000	.0
521	725-627	Off-Road Vehicle Trails	22,112	59,169	55,050	223,490	283,490	26.8	283,490	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
522	725-656	Natural Areas Checkoff Funds	537,819	1,113,851	463,257	1,550,670	1,550,670	.0	1,550,670	.0
526	725-610	Strip Mining Admin. Fees	1,700,288	1,834,991	2,006,450	1,449,459	1,932,492	33.3	1,932,492	.0
527	725-637	Surface Mining Administration	2,278,576	1,923,036	2,707,386	1,870,881	2,312,815	23.6	2,322,702	.4
529	725-639	Unreclaimed Land Fund	2,055,094	798,313	645,438	771,097	623,356	(19.2)	631,257	1.3
531	725-648	Reclamation Forfeiture	1,420,911	2,056,431	1,538,551	2,374,087	2,061,861	(13.2)	2,062,237	.0
532	725-644	Litter Control and Recycling	12,052,649	11,941,234	11,798,826	12,544,686	11,670,617	(7.0)	11,795,628	1.1
586	725-633	Scrap Tire Program	37,528	1,541,383	1,209,179	1,612,000	1,000,000	(38.0)	1,000,000	.0
615	725-661	Dam Safety	267,616	237,973	256,820	408,223	408,223	.0	408,223	.0
655	725-667	Lake Katherine Management	5,304	1,526	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**54,748,716**	**57,053,175**	**56,083,488**	**62,678,272**	**66,291,385**	**5.8**	**66,065,599**	**(.3)**
086	725-414	Waterways Improvement	3,003,478	3,149,967	3,742,799	4,140,186	3,792,343	(8.4)	3,792,343	.0
086	725-416	Natural Areas Marine Patrol	7,383	0	0	0	0	.0	0	.0
086	725-417	Parks Marine Patrol	21,122	0	0	0	0	.0	0	.0
086	725-418	Buoy Placement	22,508	24,402	51,853	42,182	52,182	23.7	52,182	.0
086	725-501	Waterway Safety Grants	69,518	68,660	65,580	137,867	137,867	.0	137,867	.0
086	725-506	Watercraft Marine Patrol	562,000	554,731	523,396	576,153	576,153	.0	576,153	.0
086	725-513	Watercraft Educational Grants	340,254	366,643	364,994	366,643	366,643	.0	366,643	.0
086	739-401	Division of Watercraft	12,525,369	13,501,594	14,242,489	18,718,847	20,027,909	7.0	20,086,681	.3
5AW	725-682	Watercraft Revolving Loans	0	0	0	0	3,000,000	.0	1,000,000	(66.7)
TOTAL Waterways Safety Fund Group			**16,551,632**	**17,665,997**	**18,991,111**	**23,981,878**	**27,953,097**	**16.6**	**26,011,869**	**(6.9)**
015	740-401	Division of Wildlife	39,096,133	42,798,182	41,813,672	49,879,541	49,500,000	(.8)	50,500,000	2.0
81A	725-612	Wildlife Education	201	0	0	0	0	.0	0	.0
815	725-636	Cooperative Management Projects	187,828	86,132	105,698	170,449	120,449	(29.3)	120,449	.0
816	725-649	Wetlands Habitat	1,022,511	542,214	785,161	1,716,885	966,885	(43.7)	966,885	.0
817	725-655	Wildlife Conservation Checkoff Fund	2,196,733	2,904,971	2,559,141	5,000,000	5,000,000	.0	5,000,000	.0
818	725-629	Cooperative Fisheries Research	703,199	867,660	954,566	988,582	988,582	.0	988,582	.0
819	725-685	Ohio River Management	31,936	50,402	38,529	128,584	128,584	.0	128,584	.0
TOTAL Wildlife Fund Group			**43,238,541**	**47,249,561**	**46,256,767**	**57,884,041**	**56,704,500**	**(2.0)**	**57,704,500**	**1.8**
4M8	725-675	FOP Contract	13,621	20,228	13,682	20,844	20,844	.0	20,844	.0
TOTAL Accrued Leave Liability Fund Grp			**13,621**	**20,228**	**13,682**	**20,844**	**20,844**	**.0**	**20,844**	**.0**
R17	725-659	Performance Cash Bond Refunds	175,238	86,157	422,386	565,500	374,263	(33.8)	374,263	.0
R43	725-624	Forestry	1,448,160	1,021,983	966,454	2,150,000	2,500,000	16.3	1,500,000	(40.0)

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Natural Resources

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
TOTAL Holdng Acct Redist Fund Group			**1,623,398**	**1,108,140**	**1,388,840**	**2,715,500**	**2,874,263**	**5.8**	**1,874,263**	**(34.8)**
061	725-405	Clean Ohio Operating	72,268	84,363	149,292	155,000	155,000	.0	155,000	.0
TOTAL Clean Ohio Fund Group			**72,268**	**84,363**	**149,292**	**155,000**	**155,000**	**.0**	**155,000**	**.0**
TOTAL Dept of Natural Resources			**277,939,482**	**279,606,147**	**290,288,173**	**331,826,662**	**331,380,894**	**(.1)**	**330,189,372**	**(.4)**

**** Please see the Appropriation Line Item analysis for further detail.**

Ohioana Library Association

Role and Overview

The Ohioana Library Association (OLA) recognizes and encourages the creative accomplishments of Ohioans, preserves and expands a permanent archive of books, sheet music, manuscripts and other materials by Ohioans and about Ohio, and disseminates information about the work of Ohio writers, musicians, and other artists to researchers, schools, and the general public.

The Ohioana Library Association was established in 1929 and is governed by a 28-member board that includes four appointees of the Governor and the Governor's spouse. The Ohioana collection consists of more than 45,000 volumes written by Ohioans, or about Ohio or Ohioans, and includes fiction, non-fiction, poetry, and children's literature. The library holds biographical files and scrapbook materials on more than 20,000 Ohio authors, musicians, artists, entertainers, and other Ohioans of significance. The library also maintains collections of sheet music, photos, letters, original illustrations and artwork, original manuscripts, and many personal items of historical and cultural significance.

The association has a four-member staff. The state support provided in fiscal year 2005 was $202,134. The association also generates an additional 20 percent in contributions.

Executive Priorities for the Ohioana Library Association

- Collect and preserve the creative accomplishments by Ohioans.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	225	221	206	202	(2.1)	202	.0	202	.0
TOTAL	**225**	**221**	**206**	**202**	**(2.1)**	**202**	**.0**	**202**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Subsidy	225	221	206	202	(2.1)	202	.0	202	.0
TOTAL	**225**	**221**	**206**	**202**	**(2.1)**	**202**	**.0**	**202**	**.0**

Ohioana Library Association

PROGRAM SERIES 01: Ohioana Library

This program series consists of three interdependent initiatives. When combined, these initiatives allow Ohioana to serve as the collector and caretaker of Ohio's literary heritage in a cost-effective way and allow Ohioana to generate independent funds.

Program 01.01: Ohioana Collection

This area includes the development, maintenance, and preservation of the collection, as well as the in-house use of the collection, response to public inquiries, and reference requests. This program is the foundation on which Ohioana's other services are built. The Ohioana Rental Payments line item, within the State Library's budget, supports the rent obligation for housing the Ohioana collection.

What the Budget Buys:

- Subsidizes the staffing costs associated with the collection of additional materials and preservation of the current catalogue of Ohio related literary and musical works; and
- Supports the general operating costs associated with the library, such as liability and property insurance, maintenance, and printing costs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	355-501	Library Subsidy	70,747	70,747
TOTAL FOR PROGRAM				**70,747**	**70,747**

Program 01.02: Ohioana Quarterly

This program includes the production and distribution of the *Ohioana Quarterly* and other educational resource materials for libraries, schools, and the general public. This program is the main source from which Ohioana generates its independent funding. Not including the value of volunteers, independent support provides approximately 25 percent of Ohioana's total operating budget.

What the Budget Buys:

- Subsidizes the production and distribution of more than 2,000 copies of each issue of the *Ohioana Quarterly*.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	355-501	Library Subsidy	64,683	64,683
TOTAL FOR PROGRAM				**64,683**	**64,683**

Program 01.03: Ohioana Awards and Public Recognition

This initiative includes the eight Ohioana awards programs that range from a writing contest for young, unpublished authors to the prestigious Ohioana Career Award. This program supports the regional public recognition of writers in Cincinnati and Central Ohio, as well as Ohioana's involvement in other projects with the Ohio Preservation Council, the Department of Education, and numerous organizations.

What the Budget Buys:

- Provides state support for staffing costs associated with the grant and foundation writing necessary to secure the funds that support the Ohioana awards.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	355-501	Library Subsidy	66,704	66,704
TOTAL FOR PROGRAM				**66,704**	**66,704**

LINE ITEM SUMMARY - Ohioana Library Association

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	355-501	Library Subsidy	225,333	220,549	206,435	202,134	202,134	.0	202,134	.0
TOTAL General Revenue Fund			**225,333**	**220,549**	**206,435**	**202,134**	**202,134**	**.0**	**202,134**	**.0**
TOTAL Ohioana Library Association			**225,333**	**220,549**	**206,435**	**202,134**	**202,134**	**.0**	**202,134**	**.0**

State Personnel Board of Review

Role and Overview

The State Personnel Board of Review (SPBR) hears appeals from classified employees of state agencies, state universities, county agencies, and general health districts. It is also statutorily responsible for monitoring and assisting Ohio's approximately 220 municipal civil service commissions and personnel boards. Individuals and entities primarily benefiting from these activities include classified civil service employees and agencies, attorneys, and members of the public.

The three members of the board are appointed by the Governor, with the advice and consent of the Senate, and serve six-year terms. A staff of eight assists the board, which has an annual budget of approximately $1.1 million. More information regarding the State Personnel Board of Review is available at http://pbr.ohio.gov.

Executive Priorities for the State Personnel Board of Review

- Adjudicate classified employee administrative appeals.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	1,009	1,012	1,030	1,077	4.6	1,116	3.6	1,148	2.9
General Services Fund Group	5	11	20	12	(38.5)	12	.0	15	25.0
TOTAL	**1,014**	**1,023**	**1,049**	**1,089**	**3.8**	**1,128**	**3.6**	**1,163**	**3.1**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	810	867	890	896	.7	935	4.4	951	1.7
Purchased Services	45	20	7	8	7.0	8	.0	11	37.5
Maintenance	151	135	150	182	21.7	178	(2.3)	186	4.5
Equipment	7	0	0	1	.0	5	313.2	13	160.0
Transfer & Other	1	1	2	2	2.5	2	.0	2	.0
TOTAL	**1,014**	**1,023**	**1,049**	**1,089**	**3.8**	**1,128**	**3.6**	**1,163**	**3.1**

State Personnel Board of Review

PROGRAM SERIES 01: Classified Employee Administrative Appeals

This program series provides a quasi-judicial forum for appeals filed by covered employees.

Program 01.01: Classified Employee Administrative Appeals

This program consists of adjudication of civil service appeals from employees of state agencies, state universities, county agencies, and general health districts, as well as monitoring and assisting Ohio's approximately 220 municipal civil service commissions and personnel boards. The agency's constitutional authority is derived from Article XV, Section 10 of the Ohio Constitution. The SPBR's statutory authority is principally provided by Ohio Revised Code sections 124.03, 124.34, 124.40, 124.56, and 4167.13.

What the Budget Buys:

- Allows the board to adjudicate the more than 500 cases per year filed by employees of covered entities who have been displaced by removal, layoff, and reorganization.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	124-321	Operating Expenses	1,116,170	1,148,000
GSF	636	124-601	Transcript and Other	12,000	15,000
TOTAL FOR PROGRAM				**1,128,170**	**1,163,000**

LINE ITEM SUMMARY - Personnel Board of Review

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	124-321	Operating Expenses	1,008,655	1,012,006	1,029,552	1,077,170	1,116,170	3.6	1,148,000	2.9
TOTAL General Revenue Fund			**1,008,655**	**1,012,006**	**1,029,552**	**1,077,170**	**1,116,170**	**3.6**	**1,148,000**	**2.9**
636	124-601	Transcript and Other	5,404	10,759	19,524	12,000	12,000	.0	15,000	25.0
TOTAL General Services Fund Group			**5,404**	**10,759**	**19,524**	**12,000**	**12,000**	**.0**	**15,000**	**25.0**
TOTAL Personnel Board of Review			**1,014,059**	**1,022,765**	**1,049,076**	**1,089,170**	**1,128,170**	**3.6**	**1,163,000**	**3.1**

Professional and Occupational Regulatory Boards

Role and Overview

Ohio has 27 independent professional and occupational licensing boards that set standards for licensure and registration for the members of various professions and occupations and enforce these standards through examination, inspection, investigation, and continuing education. The sizes of these boards range from the State Board of Orthotics, Prosthetics, and Pedorthics with one full-time employee and an annual budget of approximately $100,000 to the State Medical Board with 77 full-time employees and an annual budget of $7.5 million. In fiscal year 2005, the funding for the combined regulatory boards is $32 million and there are over 336 employees with 200 board members or commissioners.

The Taft Administration proposes to streamline the operations and improve the efficiencies of the regulatory functions by grouping the boards within umbrella agencies: the Departments of Commerce, Health, and Public Safety. The goal of this initiative is to ensure management accountability for all the regulatory boards. This also will enable the boards to better meet their goals to enhance the health, safety, and general welfare of the citizens of the state.

Executive Budget Recommendations

The Executive Budget includes funding for fiscal year 2006 for each of the regulatory boards and commissions; however, no appropriations are included for fiscal year 2007. OBM, working together with each of the three receiving agencies, will develop a budget for fiscal year 2007 based upon projected savings as a result of the consolidation. In addition, the Executive Budget contains temporary law establishing a task force to implement the transfer.

Consolidation Strategy

The consolidation of the regulatory boards and commissions will require the involvement of the Departments of Commerce, Health, Public Safety, Administrative Services, the Office of Budget and Management, and the Governor's Office. Representatives from these agencies will meet during fiscal year 2006 to develop a transition plan to ensure that the consolidation progresses smoothly and that there is no lapse in the activities performed by the boards and commissions. Guiding principles for the transition plan are outlined below.

- Actual board and commission members for each regulatory board will be retained and continue to serve in the capacity for which they were appointed.
- The Directors of the Departments of Commerce, Health, and Public Safety, or their designees, will be appointed to serve on each of the boards and commissions consolidated within their agencies.
- Consolidation and streamlining of administrative activities as well as general activities (such as investigations, license/registration issuance, fee collection, testing, and continuing education monitoring) will be undertaken where reasonable and at the direction of the three receiving agencies.
- Current staff will be retained through fiscal year 2006. A hiring freeze will be implemented and an early retirement incentive offered to regulatory board staff. It is expected that these two actions will result in significant staff reductions. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the receiving agencies.

Professional and Occupational Regulatory Boards

The planned transfers are as follows:

Department of Health	Department of Commerce	Department of Public Safety
Chiropractic Board	Accountancy Board	Medical Transportation Board
Chemical Dependency Professionals Board	Board of Examiners of Architects and Landscape Architects	
Counselor, Social Worker, and Marriage and Family Therapist Board	Athletic Commission	
Dental Board	Barber Board	
Board of Dietetics	Board of Cosmetology	
Medical Board	Board of Embalmers and Funeral Directors	
Board of Nursing	Board of Engineers and Surveyors	
Occupational Therapy, Physical Therapy, and Athletic Trainers Board	Manufactured Homes Commission	
Optical Dispensers Board	Board of Motor Vehicle Collision Repair Registration	
Board of Orthotics, Prosthetics, and Pedorthics	Board of Sanitarian Registration	
Board of Optometry		
Board of Pharmacy		
Board of Psychology		
Respiratory Care Board		
Board of Speech-Language Pathology and Audiology		
Veterinary Medical Licensing Board		

Task Force

The consolidations will require the cooperation and coordination of the Departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office. A task force will be appointed with representatives from each of the aforementioned state agencies. The task force will be charged with developing the details of the consolidation, preparing the necessary statutory changes, and working with OBM to develop budgets for the consolidated boards. The task force also may recommend additional regulatory boards to be consolidated as well as modifications to the consolidation proposal.

Legislation

Enabling legislation will be introduced in fiscal year 2006. The bill will provide the necessary appropriation, fund, and line item restructurings needed, statutory changes for the consolidation, authorizing language for directors or their designees to become board and commission members, and employee transfer language.

Professional and Occupational Regulatory Boards

Executive Priorities for the Professional and Occupational Regulatory Boards

- Ensure the health, safety, and general welfare of the citizens of the state through the efficient management and oversight of current board and commission functions. Efficiencies will be realized through a consolidation plan developed by the Office of Budget and Management, Governor's Office and the Departments of Commerce, Health, Public Safety and Administrative Services.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Services Fund Group	26,339	27,981	28,557	32,294	13.1	33,127	2.6	0	(100.0)
TOTAL	**26,339**	**27,981**	**28,557**	**32,294**	**13.1**	**33,127**	**2.6**	**0**	**(100.0)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	19,626	21,148	21,500	24,183	12.5	24,516	1.4	0	(100.0)
Purchased Services	706	663	676	909	34.6	863	(5.1)	0	(100.0)
Maintenance	5,505	5,598	5,693	6,509	14.3	7,139	9.7	0	(100.0)
Equipment	320	429	385	454	17.9	384	(15.5)	0	(100.0)
Subsidy	157	104	265	210	(20.9)	210	.0	0	(100.0)
Transfer & Other	25	39	38	30	(21.7)	17	(44.7)	0	(100.0)
TOTAL	**26,339**	**27,981**	**28,557**	**32,294**	**13.1**	**33,127**	**2.6**	**0**	**(100.0)**

LINE ITEM SUMMARY - Professional and Occupational Licensing

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4A5	887-605	Drug Law Enforcement-PRX	23,152	72,709	72,977	75,550	75,550	.0	0	(100.0)
4J8	889-601	CPA Education Assistance	157,246	103,945	264,921	209,510	209,510	.0	0	(100.0)
4K9	175-609	Operating-Athletic Commission	138,985	134,608	179,668	200,205	248,150	23.9	0	(100.0)
4K9	860-609	Operating-Dietetics Board	262,125	282,506	291,786	329,687	332,495	.9	0	(100.0)
4K9	872-609	Operating-Respiratory Care Board	272,624	295,604	304,435	427,931	441,987	3.3	0	(100.0)
4K9	877-609	Operating-Barber Board	435,728	475,496	464,379	555,037	568,126	2.4	0	(100.0)
4K9	878-609	Operating-Bd of Chiropractic Exam.	488,902	533,209	556,210	591,724	605,278	2.3	0	(100.0)
4K9	879-609	Operating-Board of Cosmetology	2,273,471	2,648,035	2,569,432	2,822,359	2,929,630	3.8	0	(100.0)
4K9	880-609	Operating-Dental Board	1,199,283	1,243,832	1,270,687	1,381,656	1,424,791	3.1	0	(100.0)
4K9	881-609	Operating-Emb and Funeral Dir Board	475,335	505,321	499,150	594,870	598,933	.7	0	(100.0)
4K9	882-609	Operating-Psychology Board	408,910	464,843	435,390	561,525	566,112	.8	0	(100.0)
4K9	884-609	Operating-Nursing Board	4,516,159	4,581,109	4,747,915	5,257,576	5,503,280	4.7	0	(100.0)
4K9	885-609	Operating-Optometry Board	251,435	276,576	296,555	324,391	336,771	3.8	0	(100.0)
4K9	886-609	Operating-Speech Path/Audiology Bd	309,716	365,771	362,287	403,554	408,864	1.3	0	(100.0)
4K9	887-609	Operating-Pharmacy Board	4,183,947	4,472,980	4,409,451	4,914,594	4,950,537	.7	0	(100.0)
4K9	888-609	Operating-Vet Medical Board	256,434	275,910	261,198	453,043	353,691	(21.9)	0	(100.0)
4K9	889-609	Operating-Accountancy Board	880,929	902,454	912,340	1,055,578	1,069,776	1.3	0	(100.0)
4K9	890-609	Operating-Occ/Phy Therapy/Ath Tnrs	730,882	792,367	668,185	801,480	824,057	2.8	0	(100.0)
4K9	891-609	Operating-Architects Board	413,977	384,448	450,337	479,574	489,197	2.0	0	(100.0)
4K9	892-609	Operating-Eng And Surveyors Board	905,628	964,899	1,040,455	1,081,369	1,058,881	(2.1)	0	(100.0)
4K9	893-609	Operating-San Registration Board	107,584	117,535	124,728	125,612	134,279	6.9	0	(100.0)
4K9	894-609	Operating-Optical Dispensers Board	284,642	285,916	243,545	312,656	316,517	1.2	0	(100.0)
4K9	899-609	Operating-Counselor/Soc. Wkrs. Bd	894,660	905,181	956,622	1,044,812	1,058,445	1.3	0	(100.0)
4K9	930-609	Operating-Chemical Dependency Prof	0	0	181,390	450,000	452,976	.7	0	(100.0)
4K9	973-609	Operating-Ortho/Prosth/Pedorth Bd	84,889	86,877	79,253	102,395	99,571	(2.8)	0	(100.0)
4K9	996-609	Operating-Manfact Homes Comm	0	0	0	218,330	272,500	24.8	0	(100.0)
5C6	883-609	Operating-Medical Board	6,135,817	6,538,043	6,664,475	7,199,934	7,467,317	3.7	0	(100.0)
5H9	865-609	Operating-Collision Repair	233,482	260,324	247,512	314,422	325,047	3.4	0	(100.0)
5P8	884-601	Nursing Special Issues	0	5,000	0	5,000	5,000	.0	0	(100.0)
5R1	175-602	Athlete Agent Registration	12,913	5,420	1,740	0	0	.0	0	.0
TOTAL General Services Fund Group			**26,338,855**	**27,980,918**	**28,557,023**	**32,294,374**	**33,127,268**	**2.6**	**0**	**(100.0)**
TOTAL Professional Licensing Boards			**26,338,855**	**27,980,918**	**28,557,023**	**32,294,374**	**33,127,268**	**2.6**	**0**	**(100.0)**

Public Defender Commission

Role and Overview

The Public Defender Commission (PUB) provides, supervises, and coordinates legal representation for indigent persons who are charged with a crime and for indigent prisoners who are appealing their convictions, who are seeking post-conviction relief, or who are charged with a violation of parole. The commission also sets rules and regulations governing the provision of indigent defense services, administers state reimbursement to counties for indigent defense expenditures, and passes funding to the Ohio Legal Assistance Foundation. The office of the Public Defender has 121 employees and an annual operating budget of over $58 million.

More information regarding the Public Defender Commission is available at http://www.opd.ohio.gov

Executive Priorities for the Public Defender Commission

- Ensure quality representation is provided to all indigent persons accused of crime in Ohio.
- Set and enforce rules, standards, and guidelines governing county public defenders and appointed counsel.
- Reimburse counties for a portion of their indigent defense costs.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	41,686	37,553	38,306	39,949	4.3	38,151	(4.5)	38,078	(.2)
General Services Fund Group	624	802	420	540	28.4	869	61.1	999	15.0
Fed Special Revenue Fund Group	764	440	190	356	87.7	380	6.9	315	(17.1)
State Special Revenue Fund Group	16,772	15,741	17,236	18,060	4.8	19,245	6.6	24,070	25.1
TOTAL	**59,847**	**54,535**	**56,152**	**58,904**	**4.9**	**58,647**	**(.4)**	**63,463**	**8.2**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	9,519	9,260	8,394	8,769	4.5	8,923	1.8	9,134	2.4
Purchased Services	1,865	1,763	1,616	1,651	2.2	1,872	13.4	1,836	(1.9)
Maintenance	1,358	1,178	1,267	1,235	(2.6)	1,178	(4.6)	1,184	.5
Equipment	96	17	118	20	(83.0)	129	544.4	39	(69.6)
Subsidy	46,316	41,661	44,100	46,429	5.3	45,642	(1.7)	50,154	9.9
Transfer & Other	692	656	657	800	21.9	902	12.8	1,115	23.6
TOTAL	**59,847**	**54,535**	**56,152**	**58,904**	**4.9**	**58,647**	**(.4)**	**63,463**	**8.2**

Public Defender Commission

PROGRAM SERIES 01: State Legal Defense Services

This program series provides legal representation and services to indigent adults, juveniles, and incarcerated individuals in state and federal courts when representation is required by Ohio law, the Ohio Constitution, or the United States Constitution.

Program 01.01: Appeals and Postconviction Representation

This program provides legal representation in state and federal courts to indigent persons who claim they are unlawfully incarcerated. The clientele are generally inmates in Ohio's prisons who contact the office to have their cases reviewed. Attorney staff review the requests for assistance and determine whether or not the cases have arguable merit. If the case has arguable merit and the office is able to provide assistance, the agency litigates the claim.

What the Budget Buys:

- Funds the provision of legal representation for indigent persons who have had a trial, been found guilty and claim that they are unlawfully incarcerated, with arguable merit for appeal; and
- Supports nine staff attorneys and three supervising attorneys who provide representation in over 800 cases per year where the indigent client claims unlawful incarceration.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-401	State Legal Defense Services	1,721,382	1,746,887
TOTAL FOR PROGRAM				**1,721,382**	**1,746,887**

Program 01.02: Death Penalty Representation

This program provides legal counsel to indigent persons charged with or under a sentence of death in Ohio. Services include providing legal counsel to Ohio's death row inmates in direct appeal, state postconviction, federal habeas corpus, and executive clemency. The program also provides legal assistance, criminal investigation, mitigation, and trial services to private appointed attorneys in such cases.

What the Budget Buys:

- Provides competent legal counsel to indigent persons under a sentence of death, including direct appeal, state post-conviction, federal habeas corpus, and clemency appeals, as well as criminal investigation and mitigation; and
- Supports the Ohio Public Defender's Death Penalty Division, which functions as the resource center for assistance on capital case issues in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-401	State Legal Defense Services	2,564,960	2,667,319
GSF	407	019-604	County Representation	186,146	188,810
GSF	408	019-605	Client Payments	91,389	97,640
FED	3S8	019-608	Federal Representation	380,484	315,287
TOTAL FOR PROGRAM				**3,222,979**	**3,269,056**

Program 01.03: Intake and Prison Legal Services

This program fields and screens requests from inmates for legal assistance, manages the office's legal case filing system, and assigns cases to staff attorneys for review. The program also operates an orientation program for incoming inmates at the Department of Rehabilitation and Correction institutions. In the orientation, inmates are given information regarding their legal rights and responsibilities and afforded an opportunity to speak with an attorney about their case. The program also provides representation in select parole revocation matters.

What the Budget Buys:

- Funds intake personnel who answer routine questions, field duty calls, receive initial requests for legal representation, and assign case types and codes to all incoming cases;
- Maintains the records management function which involves opening all new case files, gathering relevant documents, organizing cases for attorney assignment, and generating statistical information and reports for the agency; and
- Provides legal advice to inmates at three reception centers in the Ohio prison system, as well as representation at certain parole revocation hearings throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-401	State Legal Defense Services	756,361	579,102
GSF	101	019-602	Inmate Legal Assistance	53,086	32,338
GSF	408	019-605	Client Payments	0	210,467
TOTAL FOR PROGRAM				**809,447**	**821,907**

Program 01.04: Juvenile Legal Assistance

This program provides legal representation and assistance to juveniles on appeal and other post-dispositional issues. Representation ranges from gathering general information for the youth, correcting sentence errors, filing motions in juvenile court, and directly representing youth on appeal. The program also coordinates and provides training to defense attorneys who handle juvenile work, and provides legislative advocacy and information on right-of-counsel issues and other substantive issues involving children in the juvenile justice system.

What the Budget Buys:

- Allows PUB to present an orientation to all youth entering Department of Youth Services state institutions, and to provide each youth with the opportunity to have their case reviewed. The agency will process those cases with the strongest issues and the highest probability for relief.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-401	State Legal Defense Services	323,532	327,470
TOTAL FOR PROGRAM				**323,532**	**327,470**

Program 01.05: Legal Resource Center

Under this program, the agency maintains a law library and legal resource center as required by Ohio Revised Code 120.04(B)(1). The program maintains a collection of print and electronic media materials for the use by Ohio Public Defender staff, county public defenders, and private counsel appointed to represent indigent persons in criminal cases.

What the Budget Buys:

- Allows PUB to continue to maintain a collection of print and computerized materials to be used by the Columbus office and branch offices; and
- Provides reference and research services to all staff members, as well as county public defenders, appointed counsel and correctional institution librarians, including answering reference questions and performing specific research.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-321	Public Defender Administration	450	450
GRF	GRF	019-401	State Legal Defense Services	203,480	205,586
TOTAL FOR PROGRAM				**203,930**	**206,036**

PROGRAM SERIES 02: Indigent Defense Reimbursement

This program series provides state funding to reimburse counties for a portion of their indigent defense expenditures, and to operate systems in counties that contract with the State Public Defender in lieu of using a direct reimbursement system. Funds are also used to sponsor training programs for attorneys who provide representation to indigent persons in criminal or juvenile matters.

Program 02.01: Indigent Defense Reimbursement

Under this program, the Ohio Public Defender subsidizes counties for the cost of providing counsel to indigent persons in criminal and juvenile matters pursuant to Ohio Revised Code Sections 120.18, 120.28, and 120.33-35. These sections provide that the State Public Defender reimburse the counties 50 percent of the costs of operating their local indigent defense systems, unless the legislature appropriates less funding than needed to reimburse at 50 percent, in which case each county receives a reduced share. The program is also used to fund the operations of counties that contract with the State Public Defender in lieu of direct reimbursement.

What the Budget Buys:

- Reimburses counties for approximately 27.5% of the cost of providing indigent defense in fiscal year 2006 and 25.9% in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-403	Multi-County: State Share	823,620	823,620
GRF	GRF	019-404	Trumbull County - State Share	256,380	256,380
GRF	GRF	019-501	County Reimbursement	30,000,000	30,000,000
SSR	4C7	019-601	Multi-County- County Share	2,028,309	2,104,367
SSR	4X7	019-610	Trumbull County - County Share	642,106	665,860
TOTAL FOR PROGRAM				**33,750,415**	**33,850,227**

Program 02.02: Pro Bono Training Program

This program provides continuing legal education training programs to public defenders and private counsel who provide representation to indigent persons in criminal and juvenile matters. Public defenders may attend the seminars at no cost. Private counsel may attend the seminars in exchange for providing free representation in a criminal or juvenile matter.

What the Budget Buys:

- Provides free training to county public defenders and to private attorneys who practice criminal defense law. Private attorneys receive free training in exchange for providing one pro bono case for every seminar attended.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-405	Training Account	31,324	31,324
TOTAL FOR PROGRAM				**31,324**	**31,324**

Public Defender Commission

PROGRAM SERIES 03: Ohio Legal Assistance Foundation

This program series helps support the Ohio Legal Assistance Foundation and Ohio's civil legal aid societies. The program receives revenue from four dedicated revenue sources: Interest on Lawyers Trust Accounts (IOLTA), Interest on Real Estate Escrow Accounts (IOTA), civil filing fees, and interest on investments. The funds are used for civil legal services for Ohio's poorer citizens.

Program 03.01: Ohio Legal Assistance Foundation

Under this program, the Ohio Public Defender distributes funds from four dedicated funding sources to the Ohio Legal Assistance Foundation and to several civil legal aid societies in Ohio. The Foundation in turn provides statewide advocacy and support for the legal aid societies. The legal aid societies provide representation to low-income persons with civil legal needs.

What the Budget Buys:

- Supports the Ohio Legal Assistance Foundation, which provides grants to legal aid societies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	574	019-606	Legal Services Corporation	16,569,282	21,294,190
TOTAL FOR PROGRAM				**16,569,282**	**21,294,190**

PROGRAM SERIES 04: Program Management

This program series provides administrative services for the Office of the Ohio Public Defender.

Program 04.01: Program Management

This program provides budgeting, accounting, personnel, computer, information systems, and general office management services to the agency. In addition, the program provides several services mandated in Ohio Revised Code Chapter 120, including collecting reimbursement from the counties for legal services and processing reimbursement payments to counties for their indigent defense costs. The program also provides technical assistance to counties that wish to examine and improve their indigent defense systems.

What the Budget Buys:

- Continues to provide administrative services such as budgeting, accounting, personnel and training, human resource management, computer information systems, and general office services to the entire agency;
- Supports the processing of reimbursement payments to counties and the collection of payment from counties for legal services performed by PUB; and
- Funds educational seminars and conferences and maintains the agency library.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	019-321	Public Defender Administration	1,295,120	1,261,989
GRF	GRF	019-401	State Legal Defense Services	174,886	177,753
GSF	406	019-603	Training and Publications	16,000	16,000
GSF	408	019-605	Client Payments	522,638	453,999
SSR	574	019-606	Legal Services Corporation	5,718	5,810
TOTAL FOR PROGRAM				**2,014,362**	**1,915,551**

Public Defender Commission

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Consolidating two line items for more efficient processing has restructured the Public Defender Commission's budget. County Reimbursement – Capital/503 is merged into County Reimbursement – Non Capital501, and renamed County Reimbursement/501.

To illustrate changes in funding levels for lines 019-501 and 019-503, estimated fiscal year 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	019-501	County Reimbursement	31,279,706	30,000,000	-4.1%	30,000,000	0.0%

Line Item Notes

Mandate Assistance/504: This line item is funded through Controlling Board action to provide additional reimbursement for costs incurred by counties in providing defense to indigent defendants. The Office of the Public Defender may apply for any moneys allocated to the Controlling Board line item 404/Mandate Assistance that are not fully utilized by the end of the fiscal year.

Client Payments/605: This line item includes a new indigent defense application fee, which supports programs 01.02 Death Penalty Representation, 01.03 Intake and Prison Legal Services, and 04.01 Program Management.

LINE ITEM SUMMARY - Public Defender Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	019-321	Public Defender Administration	1,647,604	1,470,944	1,431,860	1,270,404	1,295,570	2.0	1,262,439	(2.6)
GRF	019-401	State Legal Defense Services	6,389,592	6,042,344	5,877,539	5,661,958	5,744,601	1.5	5,704,117	(.7)
GRF	019-403	Multi-County: State Share	1,071,734	924,261	838,490	875,040	823,620	(5.9)	823,620	.0
GRF	019-404	Trumbull County - State Share	352,949	309,523	287,224	289,943	256,380	(11.6)	256,380	.0
GRF	019-405	Training Account	37,075	34,250	30,000	31,324	31,324	.0	31,324	.0
GRF	019-501	County Reimbursement	31,320,936	27,961,935	29,055,527	30,553,706	30,000,000	**	30,000,000	.0
GRF	019-503	Cty Reimbursement - Capital	866,520	809,901	785,624	726,000	0	**	0	.0
GRF	019-504	Reimbursement:Mandate Assistance	0	0	0	540,407	0	(100.0)	0	.0
TOTAL General Revenue Fund			**41,686,410**	**37,553,158**	**38,306,264**	**39,948,782**	**38,151,495**	**(4.5)**	**38,077,880**	**(.2)**
101	019-602	Inmate Legal Assistance	55,895	27,706	22,406	52,054	53,086	2.0	32,338	(39.1)
101	019-607	Juvenile Legal Assistance	49,231	0	0	0	0	.0	0	.0
406	019-603	Training and Publications	0	0	0	16,000	16,000	.0	16,000	.0
407	019-604	County Representation	202,594	184,716	140,415	186,040	186,146	.1	188,810	1.4
408	019-605	Client Payments	316,611	589,370	257,383	285,533	614,027	**	762,106	24.1
TOTAL General Services Fund Group			**624,331**	**801,792**	**420,204**	**539,627**	**869,259**	**61.1**	**999,254**	**15.0**
3S8	019-608	Federal Representation	681,616	422,392	189,639	355,950	380,484	6.9	315,287	(17.1)
3U7	019-614	Juvenile JAIBG Grant	31,667	0	0	0	0	.0	0	.0
3U8	019-615	Juvenile Challenge Grant	50,623	17,117	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**763,906**	**439,509**	**189,639**	**355,950**	**380,484**	**6.9**	**315,287**	**(17.1)**
4C7	019-601	Multi-County- County Share	1,455,745	1,651,822	1,719,998	1,991,506	2,028,309	1.8	2,104,367	3.8
4X7	019-610	Trumbull County - County Share	501,156	549,787	587,041	628,454	642,106	2.2	665,860	3.7
574	019-606	Legal Services Corporation	14,815,127	13,539,334	14,928,584	15,440,000	16,575,000	7.4	21,300,000	28.5
TOTAL State Special Revenue Fund Group			**16,772,028**	**15,740,943**	**17,235,623**	**18,059,960**	**19,245,415**	**6.6**	**24,070,227**	**25.1**
TOTAL Public Defender Commission			**59,846,675**	**54,535,402**	**56,151,730**	**58,904,319**	**58,646,653**	**(.4)**	**63,462,648**	**8.2**

**** Please see the Appropriation Line Item analysis for further detail.**

Role and Overview

The Ohio Department of Public Safety's (ODPS) role is to reduce injuries and economic losses in Ohio and to regulate driver licensing and vehicle registration.

Public Safety provides invaluable services aimed to improve safety. Incidents of serious injury and death are being reduced due to training programs and enforcement initiatives. Preventing economic loss to Ohio is a natural byproduct of the department's efforts. Reducing injuries and automobile accidents and safe guarding the state's infrastructure are just a few examples of the ways in which ODPS helps protect Ohio's collective resources.

The Director is appointed by the Governor and oversees an agency of 3,978 full-time employees, including 99 in the Administration Division, 133 in the Investigative Unit, 894 in the Bureau of Motor Vehicles, 2,709 in the Ohio State Highway Patrol, 19 in Homeland Security, 97 in the Emergency Management Agency, and 27 in the Emergency Medical Services Division. The department's annual budget in fiscal year 2005 is approximately $645 million. Additional information about the Department of Public Safety is available at http://ohiopublicsafety.com.

Executive Priorities for the Department of Public Safety

- Ensure Homeland Security through increasing patrols, facilitating state and national security efforts, and monitoring state property.
- Identify and reduce the dangers of highway travel by enforcing state laws on public roadways and enforce laws for state-owned and leased property.
- Provide administrative control for the issuance of certificates of title, which demonstrate legal ownership of a motor vehicle, and license motor vehicles and their operators.
- Protect state-owned and leased property, the state fairgrounds, and the Statehouse as well as the Governor, and other dignitaries.
- Provide criminal suspect data to a statewide network of users.
- Enforce liquor laws and regulations, laws relating to the trafficking of food stamps, and laws restricting the sale of tobacco products to underage individuals.
- Coordinate preparedness for response to and recovery from incidents of man-made or natural disasters in the state.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	7,844	5,053	14,423	8,082	(44.0)	6,533	(19.2)	6,843	4.7
General Services Fund Group	8,863	3,912	7,486	8,237	10.0	852	(89.7)	862	1.1
Liquor Control Fund Group	8,624	9,385	9,630	9,826	2.0	10,120	3.0	10,424	3.0
Fed Special Revenue Fund Group	13,788	26,884	58,434	151,136	158.6	188,539	24.7	182,695	(3.1)
State Highway Safety Fund Group	359,723	387,387	396,561	460,603	16.1	459,671	(.2)	465,503	1.3
State Special Revenue Fund Group	1,984	1,815	1,842	4,410	139.5	4,681	6.1	4,831	3.2
Agency Fund Group	87	3	1	100	8,003.7	100	.0	100	.0
Holdng Acct Redist Fund Group	1,799	1,485	1,567	2,136	36.3	2,135	(.1)	2,135	.0
TOTAL	**402,712**	**435,924**	**489,944**	**644,531**	**31.6**	**672,631**	**4.4**	**673,393**	**.1**

Department of Public Safety

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	244,767	263,152	265,009	288,765	9.0	304,526	5.5	314,721	3.3
Purchased Services	12,256	11,508	13,489	16,508	22.4	15,528	(5.9)	15,688	1.0
Maintenance	70,533	70,413	72,069	92,467	28.3	93,813	1.5	96,174	2.5
Equipment	24,381	28,547	26,466	44,625	68.6	34,209	(23.3)	26,329	(23.0)
Subsidy	32,167	41,545	85,387	165,024	93.3	177,846	7.8	173,752	(2.3)
Goods For Resale	87	3	1	100	8,003.7	100	.0	100	.0
Capital Improvements	1,587	1,668	1,696	1,786	5.3	1,250	(30.0)	1,250	.0
Transfer & Other	16,934	19,087	25,827	35,256	36.5	45,358	28.7	45,378	.0
TOTAL	**402,712**	**435,924**	**489,944**	**644,531**	**31.6**	**672,631**	**4.4**	**673,393**	**.1**

PROGRAM SERIES 01: Traffic Safety and Education Program

The Governor's Highway Safety Office (GHSO) funds traffic safety projects for state agencies, non-profit organizations, colleges and universities, hospitals, and local law enforcement. The projects assist in reducing the number and severity of traffic crashes.

Program 01.01: Governor's Highway Safety Office

GHSO awards and distributes Ohio's federally funded Traffic Safety Action Plan dollars and two Occupant Protection Program awards.

What the Budget Buys:

- Supports the issuance of an average of 250 grants annually for behavioral traffic safety initiatives, relating to occupant restraint, impaired driving, bicycle and pedestrian safety. These grants work toward the goal of reducing the number and severity of traffic crashes; and
- Funds the preparation and dissemination of public safety messages on topics such as underage drinking (None for Under 21), seat belt usage (What's Holding You Back?), and school bus safety.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GSF	4S3	766-661	Hilltop Utility Reimbursement	500,000	500,000
HSF	036	761-321	Operating Expense-Info and Education	2,943,149	2,940,073
HSF	036	761-402	Traffic Safety Match	277,137	277,137
HSF	036	766-321	Operating Expense-Admin	4,461,836	4,461,836
HSF	830	761-603	Salvage and Exchange-Admin	22,070	22,070
HSF	831	761-610	Information & Education/Federal	468,982	468,982
HSF	832	761-612	Traffic Safety/Federal	16,577,565	16,577,565
AGY	5J9	761-678	Federal Salvage/GSA	100,000	100,000
TOTAL FOR PROGRAM				**25,350,739**	**25,347,663**

Program 01.02: Motorcycle Ohio

This program provides three motorcycle education courses to the public: Basic Course, Experienced Riders, and Motorcycle Safety Instructor. Educational materials also are developed and distributed.

What the Budget Buys:

- Conducts motorcycle training courses to the public;
- Distributes education materials regarding motorcycle safety issues; and
- Funds additional motorcycles, motorcycle instructors, training sites, and mechanical services to meet student demand.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	846	761-625	Motorcycle Safety Education	2,299,204	2,391,172
TOTAL FOR PROGRAM				**2,299,204**	**2,391,172**

Program 01.03: Driver Training

This program oversees driver training businesses and develops training policies and procedures for new drivers, persons with disabilities, commercial motor vehicle drivers, juveniles, and adult remedial programs.

What the Budget Buys:

- Provides oversight of driver training courses, which includes processing applications, reviewing training log sheets, issuing certificates, and coordinating investigations of schools and individuals in violation of the Ohio Administrative Code; and
- Funds 12 additional field staff, who will conduct inspections of driver training facilities, as well as observe and assess instructors and training managers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	036	761-321	Operating Expense-Info and Education	1,193,598	1,367,125
TOTAL FOR PROGRAM				**1,193,598**	**1,367,125**

PROGRAM SERIES 02: Bureau of Motor Vehicles

The Bureau of Motor Vehicles (BMV) is responsible for licensing drivers, registering motor vehicles, and titling. BMV's goal is to provide prompt, courteous, and efficient service to the public while fulfilling its obligations as set forth in the motor vehicle laws of the State of Ohio.

Program 02.01: Titling of Motor Vehicles

This program implements and maintains Ohio's centralized motor vehicle titling system, which is a repository for over 76 million motor vehicle and watercraft titles. The Automated Title Processing System, which is used by the Common Pleas Clerk of Courts in 88 counties at 145 locations, is used to issue over six million titles annually, and to keep accounting records for $1.4 billion in sales taxes and $46 million in title fees.

What the Budget Buys:

- Implements and administers the issuances of original, duplicate, and salvage certificates of title, as well as the recording and release of secured interest, unclaimed motor vehicle affidavits, and vehicle identification number replacement requests; and
- Maintains the Automated Title Processing System, a computerized system that manages over 76 million records of Ohio's titled motor vehicles and watercraft.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	4W4	762-321	Operating Expenses-BMV	2,931,025	2,948,104
HSF	849	762-627	Automated Title Processing Board	12,818,675	13,146,218
TOTAL FOR PROGRAM				**15,749,700**	**16,094,322**

Program 02.02: Registration of Motor Vehicles

This program regulates the registration of all motor vehicles and ensures the proper collection and distribution of vehicle licensing revenue for taxing districts and other governmental entities. In fiscal year 2004 over $470 million was distributed to Ohio's 2,300 taxing districts and counties.

What the Budget Buys:

- Regulates the registration of all motor vehicles;
- Supports the issuance of a variety of gratis and special license plates;
- Replaces the Deputy Registrar System, a computerized system used for the issuance of motor vehicle registrations and driver licenses; and
- Continues the collection and redistribution of vehicle registration taxes to Ohio's counties and taxing districts

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	4W4	762-321	Operating Expenses-BMV	44,283,453	40,536,446
HSF	4W4	762-410	Registrations Supplement	32,480,610	32,480,610
HSF	5V1	762-682	License Plate Contributions	2,388,568	2,388,568
SSR	539	762-614	Motor Vehicle Dealers Board	239,902	239,902
TOTAL FOR PROGRAM				**79,392,533**	**75,645,526**

Program 02.03: Licensing of Motor Vehicle Operators

This program provides a credentialing process for over 8.5 million individuals who have driver licenses or state identification cards. The program serves as a means to identify individuals, including citizenship status, and to ensure a safe driving environment for the citizens of Ohio.

What the Budget Buys:

- Supports the issuance of initial, renewal, and duplicate driver and commercial driver licenses for motor vehicle operation;
- Establishes, processes, and enforces suspensions of driving privileges for citizens involved with motor vehicle accidents, judgments, financial responsibility non-compliance, and major convictions;
- Maintains 214 Deputy Registrar locations; and
- Maintains central repository driver license/identification card information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	4W4	762-321	Operating Expenses-BMV	30,043,002	30,218,079
HSF	83R	762-639	Local Immobilization Reimbursement	850,000	850,000
HSF	835	762-616	Financial Responsibility Compliance	6,551,535	6,551,535
TOTAL FOR PROGRAM				**37,444,537**	**37,619,614**

PROGRAM SERIES 03: Ohio State Highway Patrol

The Highway Patrol improves safety for citizens through education, service, and protection. The Patrol investigates crashes, provides homeland security and dignitary protection, interdicts illegal drugs, conducts driver license examinations, enforces criminal and traffic laws, regulates commercial vehicles, administers LEADS, and maintains MARCS tower sites.

Program 03.01: Highway Enforcement

This program increases highway safety by enforcing traffic laws on Ohio highways, investigating traffic crashes, assisting motorists, interdicting impaired drivers, enforcing vehicle size and weight restrictions, conducting driver license examinations, and enforcing criminal laws.

What the Budget Buys:

- Continues program functions of enforcing traffic laws on highways, investigating traffic crashes, and conducting driver license examinations; and
- Continues the enforcement activity initiated in fiscal year 2005 (with the assistance of the Department of Transportation) of trucking regulations along routes parallel to the Ohio Turnpike to move trucking traffic back to the Turnpike.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4S2	764-660	MARCS Maintenance	252,432	262,186
HSF	036	764-033	Minor Capital Projects	1,250,000	1,250,000
HSF	036	764-321	Operating Expense-Hwy Patrol	229,293,561	237,364,988
HSF	036	764-605	Motor Carrier Enforcement Expenses	2,643,022	2,670,911
HSF	5AY	764-688	Traffic Safety Operating	3,082,962	1,999,437
HSF	83C	764-630	Contraband, Forfeitures, Other	622,894	622,894
HSF	83G	764-633	OMVI Enforcement/Education	820,927	820,927
HSF	831	764-610	Patrol/Federal	2,430,950	2,455,484
HSF	831	764-659	Transportation Enforcement/Federal	4,880,671	5,027,091
HSF	837	764-602	Turnpike Policing	9,942,621	10,240,900
HSF	838	764-606	Patrol Reimbursement	222,108	222,108
HSF	841	764-603	Salvage and Exchange-Hwy Patrol	1,305,954	1,339,399
TOTAL FOR PROGRAM				**256,748,102**	**264,276,325**

Program 03.02: Non-Highway Enforcement/Communications

This program supports off-highway investigations; provides security for the Governor, other officials and dignitaries, the Capitol Square and other state property; provides traffic control and security for the Ohio Expositions Commission; performs non-highway related duties of the State Highway Patrol at the Ohio State Fair, homeland security, LEADS, and MARCS tower maintenance.

What the Budget Buys:

- Continues to provide off-highway investigations;
- Provides security for elected officials and state property; and
- Maintains Law Enforcement Automated Data System, a computerized system that provides information to the criminal justice community.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	83F	764-657	Law Enforcement Automated Data Sys	7,324,524	7,544,260
HSF	840	764-607	State Fair Security	1,496,283	1,496,283
HSF	840	764-617	Security and Investigations	7,176,422	7,165,955
HSF	840	764-626	State Fairgrounds Police Force	788,375	788,375
TOTAL FOR PROGRAM				**16,785,604**	**16,994,873**

PROGRAM SERIES 04: Emergency Medical Services (EMS)

This program maintains and enhances a statewide, systematic response to injury, illness, and fire. The goal is to save lives and minimize injury to citizens.

Program 04.01: Fire Fighters, Emergency Medical Technicians (EMT's), and EMS Grants

This program provides for the certification and testing of firefighters and EMT's as well as the distribution of grant money to local fire, police, and EMT's for reimbursement of equipment and safety programs.

What the Budget Buys:

- Supports the certification and training of Ohio's first responders, firefighters, EMTs, fire safety inspectors, fire and EMS instructors;
- Provides grants to local EMS agencies to support training, patient care equipment, trauma injury prevention, medical research, and rehabilitation issues;
- Funds Emergency Medical Services for Children, a program designed to improve emergency care for children; and
- Provides oversight to Regional Physicians Advisory System, a system that serves as medical direction to review the delivery of emergency pre-hospital care.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	83M	765-624	Operating Expenses - Trauma and EMS	9,354,361	9,354,361
HSF	831	765-610	EMS/Federal	582,007	582,007
TOTAL FOR PROGRAM				**9,936,368**	**9,936,368**

PROGRAM SERIES 05: Investigative Unit

This program has enforcement responsibilities for the illegal sale of alcoholic beverages, food stamp fraud, merchant compliance checks for the sale of tobacco to underage persons, and gambling and narcotic laws as they pertain to liquor permit premises.

Program 05.01: Investigations and Evidence

The Investigative Unit enforces the state's liquor and food stamp rules and regulations, as well as merchant compliance checks for the sale of tobacco to underage persons. It is also responsible for seizure and forfeiture of contraband, for the distribution of proceeds that result from the sale of contraband, and for enforcing gambling and narcotic laws as they pertain to liquor permit premises.

What the Budget Buys:

- Continues to enforce regulations regarding the illegal sale of alcohol, the illegal sale and trade of food stamps, the sale of tobacco products to underage persons, gambling, and narcotics trafficking; and
- Maintains a staff of 133 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	769-321	Food Stamp Traffic Enforce Operations	752,000	752,000
LCF	043	767-321	Liquor Enforcement-Operations	10,120,365	10,423,976
HSF	831	767-610	Liquor Enforcement/Federal	514,184	514,184
HSF	831	769-610	Food Stamp Enforcement/Federal	992,920	1,032,135
SSR	622	767-615	Inv. Unit Contraband & Forfeit	404,111	404,111
SSR	850	767-628	Investigative Unit Salvage	120,000	120,000
TOTAL FOR PROGRAM				**12,903,580**	**13,246,406**

PROGRAM SERIES 06: Emergency Management Agency

The Emergency Management Agency (EMA) coordinates over $200 million in funding to local emergency management agencies, and provides funding for disaster services, mitigation efforts, and the state individual assistance program. EMA conducts training and monitors early warning systems.

Program 06.01: Operations, Planning, and Training

This program provides a critical interface with Ohio's local county emergency management offices and is responsible for identifying, implementing, and monitoring a significant number of grants which provide funding for numerous emergency management related functions, including, but not limited to, domestic terrorism, disaster planning, education, training, and exercises for state and local emergency management personnel involving hazardous materials. The management of the State Emergency Operation Center (EOC) falls under this program area.

What the Budget Buys:

- Funds the certification and training of Ohio's first responders using the Citizen Corp grant;
- Provides grants to local EMA agencies to support training, planning, exercises and equipment purchases as well as day-to-day Emergency Operations;
- Provides funding for activation of the Emergency Operations Center during disaster declarations; and
- Provides state-level support to county Emergency Management Agencies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	763-403	Operating Expenses - EMA	989,149	989,149
FED	3N5	763-644	US DOE Agreement	275,000	275,000
FED	339	763-647	Emergency Mgmt. Assist. & Training	127,027,174	127,027,174
SSR	681	763-653	SARA Title III HAZMAT Planning	271,510	271,510
TOTAL FOR PROGRAM				**128,562,833**	**128,562,833**

Program 06.02: Technical Support

This program manages emergency response resources including the maintenance of emergency communications/warning systems, nuclear preparedness, and response. Also included are the oversight and development of county Emergency Operation Centers, the management of emergency response resources, the maintenance and improvement of the State EOC, the operation of the Ohio Radiological Instrument Maintenance and Calibration Laboratory, and liaison with the Nuclear Regulatory Commission.

What the Budget Buys:

- Provides funding for MARCS radios and emergency warning systems at the local level;
- Provides funding for county Emergency Operations Centers to remodel/construct;
- Provides funding for the Ohio Radiological Instrument Maintenance and Calibration Laboratory; and
- Provides operational support to other branches at the Ohio Emergency Management Agency.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	763-403	Operating Expenses - EMA	2,157,946	2,157,946
FED	339	763-647	Emergency Mgmt. Assist. & Training	2,011,298	2,011,298
SSR	4V3	763-662	EMA Service and Reimbursement	696,446	696,446
SSR	657	763-652	Utility Radiological Safety	1,260,000	1,260,000
TOTAL FOR PROGRAM				**6,125,690**	**6,125,690**

Program 06.03: Mitigation and Recovery

These programs provide funding assistance to help individuals and state and local governments recover from the impact of a devastating disaster. This program also supports the management and implementation of Ohio's mitigation efforts. Pre- and post-disaster activities are focused on the reduction of losses in future disasters.

What the Budget Buys:

- Provides funding for disaster recovery and mitigation projects;
- Provides funding for the State Disaster Relief Program if criteria are not met for a federal declaration; and
- Provides the state match for the federal Individual and Family Grant Program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	763-403	Operating Expenses - EMA	1,017,602	1,017,602
GRF	GRF	763-507	Individuals/Households Pgm-State	650,000	650,000
FED	329	763-645	Individual/Households Grants-Fed	303,504	303,504
FED	337	763-609	Federal Disaster Relief	27,269,140	27,280,000
FED	339	763-647	Emergency Mgmt. Assist. & Training	583,528	583,528
TOTAL FOR PROGRAM				**29,823,774**	**29,834,634**

PROGRAM SERIES 07: Homeland Security

This program coordinates all Homeland Security activities of state agencies. ODPS acts as the liaison between the state and local entities to communicate funding and policy initiatives pertaining to Homeland Security.

Program 07.01: Homeland Security

This program oversees Homeland Security projects and procedures recommended by the State of Ohio Security Task Force. It oversees the Building Security Review Committee and ensures the safety of state-owned and operated buildings.

What the Budget Buys:

- Funds the operation of the Offices of the Director, Security and Critical Infrastructure Protection, Counter Terrorism, and Domestic Preparedness;
- Supports the implementation of information sharing systems, such as (but not limited to) Contact and Information Management System, Anti-Terrorism Exchange, and Grant Information Sharing System; and
- Maintains the Private Investigator and Security Guard program, which is responsible for the licensing and oversight of the private investigator and security guard industry.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	840	764-617	Security and Investigations	968,770	979,237
SSR	5B9	766-632	PI & Security Guard Provider	1,188,716	1,188,716
TOTAL FOR PROGRAM				**2,157,486**	**2,167,953**

PROGRAM SERIES 08: Public Safety Revenue Distribution

This program allows ODPS to refund and hold funds until the revenue is properly identified for disbursement.

Program 08.01: Revenue Distribution

This program provides the process for the ODPS to affect refunds to individuals and businesses when incorrect payments are received and to hold revenue until it is properly identified for further distribution. Additionally, the program provides a holding place for security deposits received from uninsured motorists involved in traffic accidents until notification by the courts for proper disbursement.

What the Budget Buys:

- Refunds money to customers or governmental entities within seven days of being notified that a refund is due; and
- Funds the implementation of a new, automated system, which will directly link the refund to the original record that reflects the receipt of the fund.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
090	R24	762-619	Unidentified Motor Vehicle Receipts	1,850,000	1,850,000
090	R27	764-608	Patrol Fee Refunds	35,000	35,000
090	R52	762-623	Security Deposits	250,000	250,000
TOTAL FOR PROGRAM				**2,135,000**	**2,135,000**

PROGRAM SERIES 09: Criminal Justice Services

The Division of Criminal Justice Services (CJS) serves as the lead in criminal justice planning for the state through grants administration, research, evaluation, and programmatic initiatives. CJS awards and monitors five federal funding blocks and three discretionary awards totaling approximately $33 million annually. In addition to identifying and evaluating the state's criminal justice needs and assets, CJS evaluates the effectiveness of existing responses, performs programmatic monitoring required on federal grants, and designs initiatives to address justice issues affecting Ohio communities, including family violence prevention activities.

Program 09.01: Criminal Justice Services

This program administers and tracks multiple federal justice grants to local entities to support activities including but not limited to local law enforcement agencies and task forces, community crime prevention, victim services, treatment programs, and criminal justice information systems. Through this program, assistance is also provided to domestic violence shelters, as well as programs addressing family violence, violence against women, gun violence, and residential substance abuse.

What the Budget Buys:

- Funds maintenance of the Ohio Incident Based Reporting System (OIBRS), which is used for crime mapping to allow law enforcement to review data regardless of the jurisdictional boundaries to enhance their abilities to investigate and deter criminal activities;
- Provides research, development, needs assessments, and statistical analysis on emerging trends and updated criminal justice information;
- Provides criminal justice planning, program development, and administration of multiple federal grants for the state;
- Provides direct support to local law enforcement for overtime pay, equipment purchases, and OIBRS software costs;
- Funds enhancement and upgrading of the state's criminal history records;
- Supports an information clearinghouse for public/private organizations and individuals throughout Ohio who work to prevent family violence and provide assistance to victims;
- Provides operating grants to Ohio family violence shelters;
- Provides grants for residential substance abuse treatment services; and
- Provides grant funding to local law enforcement agencies for collaboration programs to prevent gun violence.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	768-424	Operating Expenses-CJS	965,899	1,276,192
GSF	4P6	768-601	Justice Program Services	100,000	100,000
FED	3L5	768-604	Justice Program	31,019,750	25,214,623
FED	3V8	768-605	Federal Program Purposes FFY01	50,000	0
SSR	5BK	768-689	Family Violence Shelter Programs	500,000	650,000
TOTAL FOR PROGRAM				**32,635,649**	**27,240,815**

PROGRAM SERIES 10: Debt Service

This program series supports the retirement of bond debt relate to various capital projects.

Program 10.01: Debt Service

This program supports the payment of debt service obligations.

What the Budget Buys:

- Provides for the payment of debt service obligations related to the Hilltop building, the Alum Creek Warehouse facility, Centre School renovation, and MARCS.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HSF	036	761-401	Lease Rental Payments	13,387,100	14,407,000
TOTAL FOR PROGRAM				**13,387,100**	**14,407,000**

Department of Public Safety

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Funds 83N, 83P, and 844 are consolidated into fund 83M to combine all seat belt fine revenue in one fund. Line items Elementary Seat Belt Program/611, Trauma and EMS/637, and Seat Belt Education Program/613 are eliminated and all appropriation is recommended in Operating Expenses-Trauma and EMS/624.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
83M	765-624	Operating Expense-Trauma and EMS	9,354,361	9,354,361	0.0%	9,354,361	0.0%

Summary of Agency Restructuring

Upon merging the Office of Criminal Justice Services into the Department of Public Safety, four appropriation line items were transferred from CJS into the ODPS budget. The line items recommendations are shown in the table below, with estimates of fiscal year 2005 while the line items were under CJS.

			FY 2005	Recommendations			
Fund	**ALI**	**ALI Title**	**Estimate**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	768-424	Operating Expenses - CJS	1,342,293	965,899	-28.0%	1,276,192	32.1%
4P6	768-601	Justice Program Services	86,500	86,500	0.0%	86,500	0.0%
3L5	768-604	Justice Programs	30,311,870	30,311,870	0.0%	30,311,870	0.0%
3V8	768-605	Federal Program Purposes FFY 01	-	45,000		-	-100.0%

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	763-403	Operating Expenses - EMA	4,041,666	4,047,579	3,857,855	3,814,697	4,164,697	9.2	4,164,697	.0
GRF	763-507	Individuals/Households Pgm-State	663	212,977	9,818,238	3,515,659	650,000	(81.5)	650,000	.0
GRF	764-404	Transportation Enforce Operations	2,965,763	8,880	0	0	0	.0	0	.0
GRF	768-424	Operating Expenses-CJS	0	0	0	0	965,899	**	1,276,192	32.1
GRF	769-321	Food Stamp Traf Enforce Operations	835,785	784,054	746,555	752,000	752,000	.0	752,000	.0
TOTAL General Revenue Fund			**7,843,877**	**5,053,490**	**14,422,648**	**8,082,356**	**6,532,596**	**(19.2)**	**6,842,889**	**4.8**
4P6	768-601	Justice Program Services	0	0	0	0	100,000	**	100,000	.0
4S2	764-660	MARCS Maintenance	194,275	200,034	207,426	237,210	252,432	6.4	262,186	3.9
4S3	766-661	Hilltop Utility Reimbursement	121,873	184,092	182,191	500,000	500,000	.0	500,000	.0
4W6	763-663	MARCS Operations	37,908	0	0	0	0	.0	0	.0
533	763-601	State Disaster Relief	8,508,964	3,527,660	7,096,550	7,500,000	0	(100.0)	0	.0
TOTAL General Services Fund Group			**8,863,020**	**3,911,786**	**7,486,167**	**8,237,210**	**852,432**	**(89.7)**	**862,186**	**1.1**
043	767-321	Liquor Enforcement-Operations	8,624,180	9,384,661	9,630,101	9,825,597	10,120,365	3.0	10,423,976	3.0
TOTAL Liquor Control Fund Group			**8,624,180**	**9,384,661**	**9,630,101**	**9,825,597**	**10,120,365**	**3.0**	**10,423,976**	**3.0**
3L5	768-604	Justice Program	0	0	0	0	31,019,750	**	25,214,623	(18.7)
3N5	763-644	US DOE Agreement	137,932	173,776	133,373	275,000	275,000	.0	275,000	.0
3V8	768-605	Federal Program Purposes FFY01	0	0	0	0	50,000	**	0	(100.0)
329	763-645	Individual/Households Grants-Fed	48,888	15,170	0	303,504	303,504	.0	303,504	.0
337	763-609	Federal Disaster Relief	7,036,869	15,433,731	27,205,888	20,935,780	27,269,140	30.3	27,280,000	.0
339	763-647	Emergency Mgmt. Assist. & Training	6,564,086	11,261,578	31,094,780	129,622,000	129,622,000	.0	129,622,000	.0
TOTAL Fed Special Revenue Fund Group			**13,787,775**	**26,884,255**	**58,434,041**	**151,136,284**	**188,539,394**	**24.7**	**182,695,127**	**(3.1)**
036	761-321	Operating Expense-Info and Educ	2,971,791	2,562,055	2,727,669	3,030,054	4,136,747	36.5	4,307,198	4.1
036	761-401	Lease Rental Payments	11,706,467	11,654,929	11,675,152	13,663,200	13,387,100	(2.0)	14,407,000	7.6
036	761-402	Traffic Safety Match	277,137	277,137	277,137	277,137	277,137	.0	277,137	.0
036	764-033	Minor Capital Projects	1,587,361	2,468,343	1,696,149	1,786,370	1,250,000	(30.0)	1,250,000	.0
036	764-321	Operating Expense-Hwy Patrol	187,028,293	201,918,624	201,412,397	217,516,933	229,293,561	5.4	237,364,988	3.5
036	764-605	Motor Carrier Enforcement Expenses	144,142	2,118,905	2,185,029	2,603,697	2,643,022	1.5	2,670,911	1.1
036	766-321	Operating Expense-Admin	4,207,184	3,893,422	3,719,803	4,461,835	4,461,836	.0	4,461,836	.0
4U0	762-638	Collegiate License Plates	612,931	700,225	0	0	0	.0	0	.0
4U2	762-641	Football Hall of Fame Lic. Plates	52,748	38,490	0	0	0	.0	0	.0
4W4	762-321	Operating Expenses-BMV	61,936,876	63,058,000	70,120,400	70,152,893	77,257,480	10.1	73,702,629	(4.6)
4W4	762-410	Registrations Supplement	27,113,826	24,114,554	28,192,332	32,480,610	32,480,610	.0	32,480,610	.0
5AY	764-688	Traffic Safety Operating	0	0	0	2,017,825	3,082,962	52.8	1,999,437	(35.1)
5G8	762-668	Ohio CASA/GAL License Plates	252,174	235,882	0	0	0	.0	0	.0
5G9	762-669	Rotary International Lic. Plates	10,296	9,661	0	0	0	.0	0	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5J0	762-670	Pro Sports Teams License Plates	116,239	117,955	0	0	0	.0	0	.0
5J1	762-671	Boy Scouts License Plates	11,499	12,093	0	0	0	.0	0	.0
5J2	762-672	Girl Scouts License Plates	4,880	4,741	0	0	0	.0	0	.0
5J3	762-673	Eagle Scouts License Plates	16,288	19,069	0	0	0	.0	0	.0
5J4	762-674	FOP License Plates	10,233	10,948	0	0	0	.0	0	.0
5J5	762-675	FOP Associates License Plates	11,297	12,542	0	0	0	.0	0	.0
5J6	762-677	Ducks Unlimited License Plates	23,709	27,829	0	0	0	.0	0	.0
5M7	762-679	FFA License Plates	8,594	12,218	0	0	0	.0	0	.0
5Q2	762-680	Leader in Flight License Plates	4,172	9,790	0	0	0	.0	0	.0
5V1	762-682	License Plate Contributions	0	0	1,306,705	2,388,568	2,388,568	.0	2,388,568	.0
83C	764-630	Contraband, Forfeitures, Other	460,185	1,869,063	373,339	622,894	622,894	.0	622,894	.0
83F	764-657	Law Enforcement Automated Data Sys	4,363,505	6,821,614	6,608,647	7,111,198	7,324,524	3.0	7,544,260	3.0
83G	764-633	OMVI Enforcement/Education	619,740	471,847	512,768	820,927	820,927	.0	820,927	.0
83M	765-624	Operating Expenses - Trauma and EMS	2,069,232	2,082,175	1,962,573	2,587,627	9,354,361	**	9,354,361	.0
83N	761-611	Elementary Seat Belt Program	259,564	217,057	215,634	447,895	0	**	0	.0
83P	765-637	Trauma and EMS	4,937,925	5,850,693	8,611,585	5,836,744	0	**	0	.0
83R	762-639	Local Immobilization Reimbursement	607,040	588,219	621,905	850,000	850,000	.0	850,000	.0
830	761-603	Salvage and Exchange-Admin	0	21,650	0	22,070	22,070	.0	22,070	.0
831	761-610	Information & Education/Federal	81,705	153,805	126,780	468,982	468,982	.0	468,982	.0
831	764-610	Patrol/Federal	2,086,149	2,805,807	2,210,760	5,020,955	2,430,950	(51.6)	2,455,484	1.0
831	764-659	Transportation Enforcement/Federal	4,098,920	3,997,158	3,898,118	4,738,515	4,880,671	3.0	5,027,091	3.0
831	765-610	EMS/Federal	149,554	315,033	381,737	5,575,062	582,007	(89.6)	582,007	.0
831	767-610	Liquor Enforcement/Federal	114,525	283,752	329,773	514,184	514,184	.0	514,184	.0
831	769-610	Food Stamp Enforcement/Federal	862,323	878,526	813,577	817,177	992,920	21.5	1,032,135	3.9
832	761-612	Traffic Safety/Federal	11,581,160	11,124,213	11,694,116	16,577,565	16,577,565	.0	16,577,565	.0
835	762-616	Financial Responsibility Compliance	4,020,503	4,307,503	4,692,210	6,551,535	6,551,535	.0	6,551,535	.0
837	764-602	Turnpike Policing	8,100,941	10,367,913	8,792,191	9,653,030	9,942,621	3.0	10,240,900	3.0
838	764-606	Patrol Reimbursement	120,481	121,908	89,761	222,108	222,108	.0	222,108	.0
840	764-607	State Fair Security	1,326,833	1,274,333	1,269,284	1,496,283	1,496,283	.0	1,496,283	.0
840	764-617	Security and Investigations	5,643,479	7,110,683	7,968,434	8,145,192	8,145,192	.0	8,145,192	.0
840	764-626	State Fairgrounds Police Force	721,939	711,424	646,957	788,375	788,375	.0	788,375	.0
840	764-667	Security Assessment	103,829	119,151	7,260	0	0	.0	0	.0
841	764-603	Salvage and Exchange-Hwy Patrol	2,426,434	3,254,253	1,899,691	2,374,101	1,305,954	(45.0)	1,339,399	2.6
844	761-613	Seat Belt Education Program	254,798	185,693	303,728	482,095	0	**	0	.0
846	761-625	Motorcycle Safety Education	1,119,898	1,337,611	1,601,322	2,422,868	2,299,204	(5.1)	2,391,172	4.0
847	761-622	Film Production Reimbursement	5,843	2,491	1,185	513	0	(100.0)	0	.0
849	762-627	Automated Title Processing Board	5,478,524	7,836,178	7,614,940	26,076,349	12,818,675	(50.8)	13,146,218	2.6
TOTAL State Highway Safety Fund Group			**359,723,166**	**387,387,165**	**396,561,048**	**460,603,366**	**459,671,025**	**(.2)**	**465,503,456**	**1.3**

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Public Safety

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
4V3	763-662	EMA Service and Reimbursement	318,942	313,828	427,681	696,446	696,446	.0	696,446	.0
4Y0	763-654	EMA Utility Payment	117,361	83,134	0	0	0	.0	0	.0
4Y1	763-655	Salvage & Exchange-EMA	285	0	0	0	0	.0	0	.0
5BK	768-689	Family Violence Shelter Programs	0	0	0	0	500,000	.0	650,000	30.0
5B9	766-632	PI & Security Guard Provider	0	0	0	1,417,569	1,188,716	(16.1)	1,188,716	.0
539	762-614	Motor Vehicle Dealers Board	64,289	40,998	85,947	239,902	239,902	.0	239,902	.0
622	767-615	Inv. Unit Contraband & Forfeit	462,837	213,747	239,651	404,111	404,111	.0	404,111	.0
657	763-652	Utility Radiological Safety	838,873	918,234	996,792	1,260,000	1,260,000	.0	1,260,000	.0
681	763-653	SARA Title III HAZMAT Planning	181,542	244,802	91,453	271,510	271,510	.0	271,510	.0
850	767-628	Investigative Unit Salvage	0	0	0	120,000	120,000	.0	120,000	.0
TOTAL State Special Revenue Fund Group			**1,984,129**	**1,814,743**	**1,841,524**	**4,409,538**	**4,680,685**	**6.1**	**4,830,685**	**3.2**
5J9	761-678	Federal Salvage/GSA	86,655	3,113	1,234	100,000	100,000	.0	100,000	.0
TOTAL Agency Fund Group			**86,655**	**3,113**	**1,234**	**100,000**	**100,000**	**.0**	**100,000**	**.0**
R24	762-619	Unidentified Motor Vehicle Receipts	1,709,849	1,294,396	1,333,118	1,850,005	1,850,000	.0	1,850,000	.0
R27	764-608	Patrol Fee Refunds	18,441	11,782	19,580	35,000	35,000	.0	35,000	.0
R52	762-623	Security Deposits	70,885	178,608	214,511	251,375	250,000	(.5)	250,000	.0
TOTAL Holdng Acct Redist Fund Group			**1,799,175**	**1,484,786**	**1,567,209**	**2,136,380**	**2,135,000**	**(.1)**	**2,135,000**	**.0**
TOTAL Department of Public Safety			**402,711,977**	**435,923,999**	**489,943,972**	**644,530,731**	**672,631,497**	**4.4**	**673,393,319**	**.1**

**** Please see the Appropriation Line Item analysis for further detail.**

Public Utilities Commission

Role and Overview

The Public Utilities Commission (PUCO) assures that all residential, business, and industrial consumers have access to adequate, safe, and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. The PUCO regulates a wide variety of public utilities including electricity, natural gas, pipelines, heating and cooling, telephone services, waterworks, wastewater, railroads, household goods carriers, towing companies, water transportation, hazardous materials carriers, and commercial transportation carriers.

A chairman and four commissioners, who are appointed by the Governor for five-year terms, govern the PUCO. The chairman serves as the agency's director and chairs the Power Siting Board, which reviews all applications for building electric generating and transmission facilities in Ohio. The PUCO employs about 400 staff members and has an annual budget of approximately $54 million. Additional information about the Public Utilities Commission is available at http://www.puco.ohio.gov.

Executive Priorities for the Public Utilities Commission of Ohio

- Mandate the availability of adequate, safe, and reliable utility service to all business, industrial, and residential consumers.
- Monitor and enforce compliance with rules and statutory protections against deceptive, unfair, unsafe, and anti-competitive utility practices.
- Resolve through mediation, arbitration, and adjudication disputes between utilities and residential, commercial, and industrial customers, as well as between competing utilities.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Services Fund Group	31,381	33,035	32,772	36,155	10.3	36,151	.0	36,151	.0
Fed Special Revenue Fund Group	5,403	7,194	6,110	7,926	29.7	7,926	.0	7,926	.0
State Special Revenue Fund Group	4,720	3,714	3,499	5,077	45.1	4,041	(20.4)	4,041	.0
Agency Fund Group	5,332	5,137	4,769	6,500	36.3	5,600	(13.8)	5,600	.0
TOTAL	**46,836**	**49,080**	**47,150**	**55,658**	**18.0**	**53,718**	**(3.5)**	**53,718**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	28,744	30,585	30,685	33,967	10.7	34,154	.5	34,446	.9
Purchased Services	454	221	306	1,393	355.8	1,155	(17.1)	1,085	(6.1)
Maintenance	4,351	4,384	4,413	4,622	4.7	4,966	7.4	4,789	(3.6)
Equipment	724	796	722	630	(12.7)	510	(19.1)	505	(.9)
Subsidy	2,644	1,936	1,317	2,581	96.0	1,941	(24.8)	1,941	.0
Transfer & Other	9,921	11,157	9,708	12,465	28.4	10,992	(11.8)	10,951	(.4)
TOTAL	**46,836**	**49,080**	**47,150**	**55,658**	**18.0**	**53,718**	**(3.5)**	**53,718**	**.0**

Public Utilities Commission

PROGRAM SERIES 01: Utility Regulation

The Public Utilities Commission of Ohio is the only state agency that regulates the operations of public utility companies. The PUCO implements appropriate regulatory safeguards that ensure Ohio's residential and business consumers have access to adequate, safe, secure, and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. The PUCO regulates the electric, natural gas, telephone, water, rail, and transportation industries through a comprehensive regulatory program that encompasses infrastructure development, registration and certification, economic and financial integrity monitoring, service reliability, and safety enforcement.

Program 01.01: Safety and Service Quality Oversight and Enforcement

This program monitors and enforces compliance with state and federal safety and service quality regulations in a wide variety of public utilities including electricity, natural gas, pipelines, heating and cooling, telephone services, waterworks, wastewater, railroad, household goods carriers, tow trucks, water transportation, hazardous materials carriers, and commercial transportation carriers.

What the Budget Buys:

- Continues the implementation of the regulations of multiple federal agencies, including (but not limited to) US Department of Transportation, Federal Motor Carrier Safety Administration, and the Federal Rail Commission;
- Provides for the implementation of the Commercial Vehicle Information Systems and Networks (CVISN);
- Funds the operation of the hazardous materials civil forfeiture program;
- Maintains a consumer call center, which handles investigations and audits of power, utility, and telecommunications companies, as well as customer mediation; and
- Supports 205 personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5F6	870-622	Utility & Railroad Regulation	13,635,339	13,665,540
GSF	5F6	870-624	NARUC/NRRI Subsidy	74,465	74,630
GSF	5F6	870-625	Motor Transportation Regulation	3,038,733	3,044,740
FED	333	870-601	Gas Pipeline Safety	542,561	542,561
FED	350	870-608	Motor Carrier Safety	7,027,712	7,027,712
SSR	4A3	870-614	Grade Crossing Protection Device-State	1,349,757	1,349,757
SSR	4L8	870-617	Pipeline Safety-State	168,859	168,859
SSR	4U8	870-620	Civil Forfeitures	284,986	284,986
SSR	560	870-607	Special Assessment	50,000	50,000
SSR	561	870-606	Power Siting Board	118,024	118,024
SSR	661	870-612	Hazardous Materials Transportation	900,000	900,000
TOTAL FOR PROGRAM				**27,190,436**	**27,226,809**

Program 01.02: Registration and Certification

This program registers and certifies public utilities operating in the State of Ohio including electric, natural gas, heating and cooling, telephone, waterworks, wastewater, railroad, household goods, towing, water transportation, hazardous materials, and commercial transportation carriers. Through the establishment of a fair and reasonable regulatory framework, the PUCO, while assuring adequate utility infrastructure, protects the public interest and facilitates competitive choices where feasible.

Public Utilities Commission

What the Budget Buys:

- Supports the registration and certification of over 65,000 motor carriers; 8,000 intrastate carriers; 2,500 hazardous materials carriers; 7,000 rail cars; 3,000 hazardous materials rail cars; 7,500 rail grade crossings; and over 1,000 power, utility, and telecommunication companies each calendar year; and
- Supports 56 personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5F6	870-622	Utility & Railroad Regulation	3,276,587	3,281,340
GSF	5F6	870-624	NARUC/NRRI Subsidy	17,894	17,920
GSF	5F6	870-625	Motor Transportation Regulation	2,087,491	2,082,596
FED	3V3	870-604	Commercial Vehicle Information System/Net Federal	300,000	300,000
FED	333	870-601	Gas Pipeline Safety	55,396	55,396
SSR	4L8	870-617	Pipeline Safety-State	18,762	18,762
SSR	4S6	870-618	Hazardous Material Registration	464,325	464,325
SSR	4S6	870-621	Hazardous Materials Base State Regulation	373,346	373,346
SSR	561	870-606	Power Siting Board	185,465	185,465
AGY	4G4	870-616	Base State Registration Program	5,600,000	5,600,000
TOTAL FOR PROGRAM				**12,379,266**	**12,379,150**

Program 01.03: Tariff and Economic Oversight

This program provides for the review and approval of the utilities' rules and regulations to ensure that they comply with state and federal regulations. Rates and terms for monopoly and non-competitive utility services are set by the PUCO. Utility activities and markets are closely monitored to ensure financial integrity within the utility industry, safeguards for the consumers, enforcement of regulations, and the enhancement of the state's economy.

What the Budget Buys:

- Allows PUC to monitor the implementation of 9-1-1 systems within counties, as well as the wireless 9-1-1 service;
- Funds investigations and audits conducted through the Financial Analysis and Audits division; and
- Supports 146 personnel.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	5F6	870-622	Utility & Railroad Regulation	13,710,296	13,675,343
GSF	5F6	870-624	NARUC/NRRI Subsidy	74,874	74,683
GSF	5F6	870-625	Motor Transportation Regulation	235,015	233,902
SSR	559	870-605	Public Utilities Territorial Admin	4,000	4,000
SSR	560	870-607	Special Assessment	50,000	50,000
SSR	561	870-606	Power Siting Board	33,721	33,721
SSR	638	870-611	Biomass Energy Program	40,000	40,000
TOTAL FOR PROGRAM				**14,147,906**	**14,111,649**

LINE ITEM SUMMARY - Public Utilities Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5F6	870-622	Utility & Railroad Regulation	27,211,647	28,679,504	28,401,666	30,622,222	30,622,222	.0	30,622,223	.0
5F6	870-624	NARUC/NRRI Subsidy	167,233	167,233	147,165	167,233	167,233	.0	167,233	.0
5F6	870-625	Motor Transportation Regulation	3,972,160	4,179,324	4,202,850	5,361,239	5,361,239	.0	5,361,238	.0
558	870-602	Salvage & Exchange	30,000	9,251	20,319	4,000	0	(100.0)	0	.0
TOTAL General Services Fund Group			**31,381,040**	**33,035,312**	**32,772,000**	**36,154,694**	**36,150,694**	**.0**	**36,150,694**	**.0**
3V3	870-604	Commercial Veh Info Sys/Net Federal	0	0	0	300,000	300,000	.0	300,000	.0
333	870-601	Gas Pipeline Safety	365,285	403,461	488,533	597,957	597,957	.0	597,957	.0
350	870-608	Motor Carrier Safety	5,037,707	6,790,583	5,621,777	7,027,713	7,027,712	.0	7,027,712	.0
TOTAL Fed Special Revenue Fund Group			**5,402,992**	**7,194,044**	**6,110,310**	**7,925,670**	**7,925,669**	**.0**	**7,925,669**	**.0**
4A3	870-614	Grade Crossng Protectn Device-State	2,325,859	1,496,231	887,101	1,993,857	1,349,757	(32.3)	1,349,757	.0
4L8	870-617	Pipeline Safety-State	157,279	171,439	178,367	187,621	187,621	.0	187,621	.0
4S6	870-618	Hazardous Material Registration	347,865	402,399	401,973	614,325	464,325	(24.4)	464,325	.0
4S6	870-621	Hazardous Materials Base State Reg	308,085	312,540	255,795	373,346	373,346	.0	373,346	.0
4U8	870-620	Civil Forfeitures	123,085	138,896	297,390	434,986	284,986	(34.5)	284,986	.0
559	870-605	Public Utilities Territorial Admin	0	0	0	4,000	4,000	.0	4,000	.0
560	870-607	Special Assessment	0	0	0	100,000	100,000	.0	100,000	.0
561	870-606	Power Siting Board	656,695	373,867	642,571	429,210	337,210	(21.4)	337,210	.0
638	870-611	Biomass Energy Program	24,978	24,515	30,971	40,000	40,000	.0	40,000	.0
661	870-612	Hazardous Materials Transportation	776,325	794,252	804,909	900,000	900,000	.0	900,000	.0
TOTAL State Special Revenue Fund Group			**4,720,171**	**3,714,139**	**3,499,077**	**5,077,345**	**4,041,245**	**(20.4)**	**4,041,245**	**.0**
4G4	870-616	Base State Registration Program	5,332,183	5,136,757	4,768,968	6,500,000	5,600,000	(13.8)	5,600,000	.0
TOTAL Agency Fund Group			**5,332,183**	**5,136,757**	**4,768,968**	**6,500,000**	**5,600,000**	**(13.8)**	**5,600,000**	**.0**
TOTAL Public Utilities Commission			**46,836,386**	**49,080,252**	**47,150,355**	**55,657,709**	**53,717,608**	**(3.5)**	**53,717,608**	**.0**

Ohio Public Works Commission

Role and Overview

The Ohio Public Works Commission (PWC) administers the State Capital Improvement Program (SCIP) and the Local Transportation Improvement Program (LTIP), two financial assistance programs that address Ohio's public infrastructure needs, and the Clean Ohio Conservation Program (COCP). These programs provide grants and loans to political subdivisions in the state. The PWC employs 13 staff members, and has an annual budget of approximately $250 million. Additional information about the Public Works Commission is available at http://www.pwc.state.oh.us.

Executive Priorities for the Ohio Public Works Commission

- Implement Program Years 19 and 20 of the State Capital Improvement Program.
- Provide ongoing technical assistance to district integrating committees and local governments.
- Continue development of the statewide infrastructure needs database.
- Continue implementation of the Clean Ohio Conservation Program.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
General Revenue Fund	130,646	130,011	138,975	163,305	17.5	174,419	6.8	189,314	8.5
Local Transp Improv Program Fund	63,763	70,438	71,745	82,608	15.1	66,294	(19.7)	66,307	.0
Local Infrastruct Cap Imp Fund	809	817	773	906	17.2	891	(1.7)	919	3.1
Clean Ohio Fund Group	44	214	243	304	25.0	298	(2.0)	312	4.4
TOTAL	**195,262**	**201,480**	**211,736**	**247,124**	**16.7**	**241,903**	**(2.1)**	**256,851**	**6.2**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	951	1,075	1,123	1,269	13.0	1,329	4.7	1,370	3.0
Purchased Services	28	15	6	0	(100.0)	12	.0	12	2.0
Maintenance	178	191	138	225	63.2	142	(37.0)	147	3.5
Equipment	23	33	1	15	1,301	1	(93.3)	9	800.0
Capital Improvements	63,436	70,155	71,493	82,310	15.1	66,000	(19.8)	66,000	.0
Transfer & Other	130,646	130,011	138,975	163,305	17.5	174,419	6.8	189,314	8.5
TOTAL	**195,262**	**201,480**	**211,736**	**247,124**	**16.7**	**241,903**	**(2.1)**	**256,851**	**6.2**

Ohio Public Works Commission

PROGRAM SERIES 01: Aid to Local Government Improvements

This program series provides grants and loans to address Ohio's public infrastructure needs.

Program 01.01: State Capital Improvement Program

This program provides grants and loans to local governments to assist in the financing of local capital improvement needs. The State of Ohio uses its general revenues as debt support and issues up to $120 million in bonds each year. Eligible projects include roads, bridges, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal facilities.

What the Budget Buys:

- Allows for the implementation of program years 19 and 20 of the State Capital Improvement Program.
- Provides project administration by Commission staff, as well as technical assistance to local governments and District Integrating Committees;
- Supports the approval of 600 grants and 120 loans each fiscal year, at an average of $250,000 per grant and loan; and
- Continues current service and maintenance levels through the next biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	150-907	St. Capital Improv. G. O. Debt Svc	160,731,400	172,145,100
LIF	038	150-321	SCIP Operating Expenses	891,324	919,397
TOTAL FOR PROGRAM				**161,622,724**	**173,064,497**

Program 01.02: Local Transportation Improvement Program

This program was created to provide grants to assist in the financing of local public road and bridge improvements. Funding is provided by one penny of the motor fuel tax, which generates approximately $67 million per year.

What the Budget Buys:

- Provides project administration by Commission staff, as well as technical assistance to local governments and District Integrating Committees;
- Supports the approval of 110 grants each fiscal year, at an average of $250,000 per grant; and
- Continues current service and maintenance levels through the next biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
052	052	150-402	LTIP Operating Expenses	294,245	306,509
052	052	150-701	Local Transportation Improvmnt Prog	66,000,000	66,000,000
TOTAL FOR PROGRAM				**66,294,245**	**66,306,509**

Program 01.03: Clean Ohio Conservation Program

This program provides funding for local governments and non-profit organizations for open space acquisition and related development of those open spaces, and for the protection and enhancement of riparian corridors. This program provides approximately $37.5 million per year in grants.

Ohio Public Works Commission

What the Budget Buys:

- Provides funding for the administration of years 3 and 4 of the Clean Ohio Conservation program; and
- Provides required payments on bonds issued to support environmental conservation initiatives.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	150-904	Conservation Gen Oblig Debt Serv	13,687,300	17,168,800
CLF	056	150-403	Clean Ohio Operating Expenses	298,245	311,509
TOTAL FOR PROGRAM				**13,985,545**	**17,480,309**

LINE ITEM SUMMARY - Public Works Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	150-904	Conservation Gen Oblig Debt Serv	0	3,436,202	3,721,066	11,235,700	13,687,300	21.8	17,168,800	25.4
GRF	150-907	St. Capital Improv. G. O. Debt Svc	130,646,343	126,574,561	135,253,809	152,069,700	160,731,400	5.7	172,145,100	7.1
TOTAL General Revenue Fund			**130,646,343**	**130,010,763**	**138,974,875**	**163,305,400**	**174,418,700**	**6.8**	**189,313,900**	**8.5**
052	150-402	LTIP Operating Expenses	327,676	282,359	252,003	298,441	294,245	(1.4)	306,509	4.2
052	150-701	Local Transportation Improvmnt Prog	63,435,564	70,155,191	71,492,577	82,309,794	66,000,000	(19.8)	66,000,000	.0
TOTAL Local Transp Improv Program Fund			**63,763,240**	**70,437,550**	**71,744,580**	**82,608,235**	**66,294,245**	**(19.7)**	**66,306,509**	**.0**
038	150-321	SCIP Operating Expenses	808,592	816,876	773,021	906,324	891,324	(1.7)	919,397	3.2
TOTAL Local Infrastruct Cap Imp Fund			**808,592**	**816,876**	**773,021**	**906,324**	**891,324**	**(1.7)**	**919,397**	**3.2**
056	150-403	Clean Ohio Operating Expenses	43,845	214,343	243,469	304,400	298,245	(2.0)	311,509	4.4
TOTAL Clean Ohio Fund Group			**43,845**	**214,343**	**243,469**	**304,400**	**298,245**	**(2.0)**	**311,509**	**4.4**
TOTAL Public Works Commission			**195,262,020**	**201,479,532**	**211,735,945**	**247,124,359**	**241,902,514**	**(2.1)**	**256,851,315**	**6.2**

State Racing Commission

Role and Overview

The Ohio State Racing Commission (RAC) regulates and promotes pari-mutuel horse racing in the state. Ideally, the greater the amount of money provided to the winners of a race, the higher the quality of horses and the higher the quality of competition. The commission prescribes the rules, regulations, and conditions under which horse racing with pari-mutuel wagering may be conducted. The commission is responsible for governing Ohio's seven commercial racetracks, two satellite-wagering facilities, and over 70 county fairs.

The commission consists of five members, including a chairman, who are appointed by the Governor for four-year terms. The commission has a staff of 29 full-time employees and three part-time employees and regularly contracts with 11 other individuals who serve as judges, stewards, and veterinarians. The commission's annual budget is approximately $29 million.

Executive Priorities for the State Racing Commission

- Regulate all pari-mutuel horse racing in Ohio by testing, officiating, and enforcing rules and laws.
- Promote pari-mutuel horse racing in Ohio by providing purse supplements to Ohio-bred race winners.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
State Special Revenue Fund Group	29,781	28,607	28,290	28,927	2.3	28,868	(.2)	28,870	.0
Holding Acct Redist Fund Group	183	187	168	213	27.0	213	.0	213	.0
TOTAL	**29,964**	**28,794**	**28,457**	**29,140**	**2.4**	**29,080**	**(.2)**	**29,083**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	1,933	2,067	1,981	2,353	18.8	1,670	(29.0)	1,676	.3
Purchased Services	1,978	1,824	2,140	1,000	(53.3)	2,154	115.4	2,154	.0
Maintenance	541	395	448	933	108.3	439	(53.0)	439	.0
Equipment	2	5	24	25	3.9	25	.0	25	.0
Subsidy	25,326	24,275	23,696	24,614	3.9	24,577	(.1)	24,575	.0
Transfer & Other	184	227	170	215	27.0	215	(.2)	215	.0
TOTAL	**29,964**	**28,794**	**28,457**	**29,140**	**2.4**	**29,080**	**(.2)**	**29,083**	**.0**

State Racing Commission

PROGRAM SERIES 01: Horse Racing Industry Administration

This program series promotes and regulates horse racing in Ohio.

Program 01.01: Regulation

This program provides for the enforcement of guidelines under which pari-mutuel horse racing is conducted in Ohio. This is achieved through officiating races, laboratory testing of horses and riders, issuing licenses, conducting investigations, and the administration of racing dates, participants, and facilities.

What the Budget Buys:

- Supports five commission members, 19 staff, and contractors who oversee the continued enforcement of horse racing industry rules and regulations at seven live-racing tracks and two satellite facilities; and
- Funds race stewards, judges, investigators, and veterinarians at over 2,600 commercial and county fair race days.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5C4	875-607	Simulcast Horse Racing Purse	61,489	63,948
SSR	562	875-601	Thoroughbred Race Fund	123,250	123,250
SSR	563	875-602	Standardbred Development Fund	66,865	69,593
SSR	565	875-604	Racing Commission Operating	4,000,000	4,000,000
090	R21	875-605	Bond Reimbursements	212,900	212,900
TOTAL FOR PROGRAM				**4,464,504**	**4,469,691**

Program 01.02: Promotion

This program provides additional purse money that can be won by horses bred in Ohio to increase interest in the breeding of such horses.

What the Budget Buys:

- Supports four employees who register, license, inspect, and track 9,300 horses; and
- Promotes Ohio's horse racing industry through increased purse sizes.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5C4	875-607	Simulcast Horse Racing Purse	17,000,000	17,000,000
SSR	562	875-601	Thoroughbred Race Fund	4,519,128	4,519,128
SSR	563	875-602	Standardbred Development Fund	3,094,810	3,092,082
SSR	564	875-603	Quarterhorse Development Fund	2,000	2,000
TOTAL FOR PROGRAM				**24,615,938**	**24,613,210**

LINE ITEM SUMMARY - Racing Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5C4	875-607	Simulcast Horse Racing Purse	19,372,574	18,019,650	17,737,546	17,120,831	17,061,489	(.3)	17,063,948	.0
562	875-601	Thoroughbred Race Fund	4,274,286	4,036,874	3,672,045	4,642,378	4,642,378	.0	4,642,378	.0
563	875-602	Standardbred Development Fund	1,937,723	2,528,653	2,538,565	3,161,675	3,161,675	.0	3,161,675	.0
564	875-603	Quarterhorse Development Fund	0	2,000	0	2,000	2,000	.0	2,000	.0
565	875-604	Racing Commission Operating	4,196,155	4,019,632	4,341,561	4,000,000	4,000,000	.0	4,000,000	.0
TOTAL State Special Revenue Fund Group			**29,780,738**	**28,606,809**	**28,289,717**	**28,926,884**	**28,867,542**	**(.2)**	**28,870,001**	**.0**
R21	875-605	Bond Reimbursements	183,000	187,400	167,600	212,900	212,900	.0	212,900	.0
TOTAL Holdng Acct Redist Fund Group			**183,000**	**187,400**	**167,600**	**212,900**	**212,900**	**.0**	**212,900**	**.0**
TOTAL Racing Commission			**29,963,738**	**28,794,209**	**28,457,317**	**29,139,784**	**29,080,442**	**(.2)**	**29,082,901**	**.0**

Board of Regents

Role and Overview

The Board of Regents (BOR) coordinates higher education in Ohio, distributes funds to higher education institutions, and promotes access to higher education for career preparation and advancement, economic and social mobility, and personal intellectual development. The Board of Regents is governed by a nine-member board appointed by the Governor. Board members serve nine-year terms. Day-to-day administration is the responsibility of the chancellor, who serves at the pleasure of the board. The Regents coordinate the state's higher education system of 13 universities and 24 regional branch campuses, two stand-alone medical colleges, and 15 community colleges and eight technical colleges. The board has 78 employees and oversees a total state budget of approximately $2.5 billion, with an annual operating budget of about $5.3 million.

The majority of the Regents' budget is distributed to colleges and universities throughout the state. The largest source of state support for public higher education institutions is the State Share of Instruction, which provides general operating support to state-assisted colleges and universities. The State Share of Instruction is complemented by four special mission-oriented, performance-based Challenge line items that support campus efforts to improve student access and success in higher education, strengthen the state's research base and support economic development through knowledge creation, and enhance job training and workforce development efforts. In addition, there are several financial aid programs designed to support students on the basis of need, academic ability, or type of institution. Most financial aid programs are available to students attending any type of higher education institution in the state. The Regents also oversee a number of other subsidies that promote research and public service. Subsidies also are provided for medical education and specific initiatives at various campuses.

Executive Priority Services for the Board of Regents

- Enhance the accessibility and affordability of higher education for all Ohioans through the distribution of need-based financial aid and other grant awards to Ohio students and state funding for state-assisted colleges and universities.
- Encourage and support the development of a comprehensive and seamless early learning through higher education system (P-16).
- Provide and encourage strategic public and private partnerships to further the Governor's economic development and job creation agenda.
- Encourage and coordinate cooperation and partnership among the state's public and private universities on funding policy, resource-sharing issues, and initiatives to increase student access and success in higher education statewide.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	2,456,087	2,410,307	2,410,468	2,445,213	1.4	2,467,237	.9	2,516,039	2.0
General Services Fund Group	207	234	368	900	144.4	1,100	22.2	1,300	18.2
Fed Special Revenue Fund Group	7,406	7,262	13,823	20,138	45.7	20,221	.4	20,221	.0
State Special Revenue Fund Group	1,929	1,655	1,530	2,150	40.5	2,185	1.6	2,185	.0
TOTAL	**2,465,629**	**2,419,457**	**2,426,190**	**2,468,401**	**1.7**	**2,490,743**	**.9**	**2,539,745**	**2.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	5,898	6,210	6,455	6,661	3.2	5,899	(11.4)	6,176	4.7
Purchased Services	878	772	1,042	1,326	27.3	893	(32.7)	893	.0
Maintenance	1,145	992	1,073	774	(27.8)	46,937	5,963	46,987	.1
Equipment	327	217	235	214	(8.8)	102	(52.1)	102	.0
Subsidy	2,113,843	2,088,610	2,091,938	2,134,581	2.0	2,098,692	(1.7)	2,132,676	1.6
Transfer & Other	343,538	322,655	325,447	324,845	(.2)	338,220	4.1	352,909	4.3
TOTAL	**2,465,629**	**2,419,457**	**2,426,190**	**2,468,401**	**1.7**	**2,490,743**	**.9**	**2,539,745**	**2.0**

PROGRAM SERIES 01: College & University Instructional Foundations

This program series is comprised of one program, the State Share of Instruction or SSI, which represents the state's share of the instructional and related costs associated with the education of college students attending Ohio's public colleges and universities.

Program 01.01: State Share of Instruction

This program serves as the state's primary financial support to higher education in Ohio. The SSI is intended to partially support the costs of a college education for Ohio residents attending a public institution. This appropriation item currently supports an estimated 355,000 full-time equivalent (FTE) students enrolled at Ohio's public colleges or universities. SSI funds are distributed to campuses through an empirical formula that is driven primarily by enrollments and average costs per FTE student by level of instruction.

What the Budget Buys:

- Provides unrestricted funding directly to public institutions of higher education to partially support the total cost of instructional expenses for Ohio residents; and
- Supports the state's 13 four-year universities, 24 regional campuses, two stand-alone medical colleges, 15 community colleges and eight technical colleges with funding to support instruction and general operations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	235-501	State Share of Instruction	1,559,096,031	1,559,096,031
TOTAL FOR PROGRAM				**1,559,096,031**	**1,559,096,031**

PROGRAM SERIES 02: Facilities and Debt Service

This program series supports the state's capital investments in physical infrastructure for Ohio's public higher education system. Funds are used to support debt service obligations, as well as campus capital projects including new construction and routine maintenance.

Program 02.01: Rental and Debt Service Payments

This program provides the funds necessary to make all required debt service and rental payments due from the Board of Regents during the biennium. Beginning in fiscal year 1999, general obligation bonds first became available after the passage of State Issue 1, which allows the state to issue low-interest rate bonds. These bonds are issued by the state on behalf of public institutions to finance campus capital projects. The last lease rental bond sale for higher education projects was in fiscal year 2000, however, the state continues to pay down the debt associated with those issuances.

What the Budget Buys:

- Provides state funds to support debt service and rental payments at the state's 13 four-year universities, 24 regional campuses, two stand-alone medical colleges, 15 community colleges and eight technical colleges.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-401	Lease Rental Payments	200,619,200	200,795,300
GRF	GRF	235-909	Higher Education General Obligation Debt Service	137,600,300	152,114,100
TOTAL FOR PROGRAM				**338,219,500**	**352,909,400**

Program 02.02: Capital Component

This program supports the Board of Regents' capital funding policy which encourages campuses to make capital funding requests that are reasoned and within the state's budget limitations primarily as a result of their responsibility to share in the costs of debt service. The policy incorporates a formula that determines each campus' share of available capital appropriations on the basis of the volume of educational activity and the age of campus academic facilities. Institutions may determine to request funding that is either above or below the calculated formula allocation. When an institution determines to request less than the formulaic amount, Capital Component funds are distributed to those campuses since the estimated campus debt service attributable to new qualifying capital projects is less than the campus's formula-determined capital allocation. These funds are restricted to capital-related purposes. Campuses that request more than the formulaic allocation (that is, with debt service costs exceeding formula levels) do not receive a Capital Component allocation and instead are penalized by a reduction in their State Share of Instruction allocation.

What the Budget Buys:

- Funds incentives for public colleges and universities to make sound choices when making capital related decisions; and
- Supports incentive provided to campuses that make capital requests below their formula driven allocation. These campuses receive funding in the operating budget that may be used for capital-related expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-552	Capital Component	19,058,863	19,058,863
TOTAL FOR PROGRAM				**19,058,863**	**19,058,863**

Program 02.03: Higher Education Facilities Commission

This program enables the Board of Regents to defray the expenses incurred by its staff support for the Ohio Higher Education Facility Commission (HEFC). The HEFC enables Ohio's private colleges and universities to issue low-interest, tax-exempt revenue bonds for capital projects. The HEFC reimburses the Board of Regents for a wide range of services, which include accounting and record-keeping, scheduling and coordinating HEFC meetings and project applications, and use of Regents' facilities for HEFC meetings.

What the Budget Buys:

- Provides funding to defray the costs associated with hosting meetings of the HEFC and providing logistical and operational support; and
- Supports one full-time staff person dedicated to HEFC operations in fiscal years 2006 and 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4E8	235-602	Higher Education Facilities Commission Admin.	55,000	55,000
TOTAL FOR PROGRAM				**55,000**	**55,000**

PROGRAM SERIES 03: Pre-K Through 16 Preparation and Access

This program series is comprised of initiatives that facilitate access to college through improved readiness and through initiatives that focus on developing the capacity of the pre-K-16 educational system to prepare students for success in college and in professional careers. This program series recognizes the need and value of collaboration among the primary, secondary, and higher education communities to ensure student success, both academically and in the workforce following graduation. The programs supported have a particular focus on the improved preparation of students in mathematics and science.

Program 03.01: College Readiness and Access

This program is intended to improve the ability of high school students to enroll and succeed in higher education and to reduce the need for remedial instruction in college. The higher education community supports this program through the development of pilot projects focused on increasing student access to and retention in higher education for students in under-represented populations. The program will provide funds to develop the early college high school initiative, which will also receive funding through the Ohio Department of Education to encourage continued collaboration.

What the Budget Buys:

- Supports early assessment testing and promotes collaboration between primary/secondary education and higher education;
- Provides increased funding to Ohio College Access Network (OCAN) to increase the number of students served and for the development and support of new sites. OCAN currently operates 34 sites;
- Supports funding for college readiness efforts in cooperation with institutions of higher education such as the Ohio Appalachian Center for Higher Education (OACHE) at Shawnee State University and the Student Achievement in Research and Scholarship program (STARS) at Miami University; and
- Provides new funding to support the early college high school pilot project, which enables high school students to earn a high school and an associates degree simultaneously.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-434	College Readiness & Access Initiatives	6,375,975	7,655,425
FED	312	235-609	Tech Prep	183,850	183,850
FED	312	235-611	Gear-Up Grant	1,370,691	1,370,691
TOTAL FOR PROGRAM				**7,930,516**	**9,209,966**

Program 03.02: Teacher Improvement

This program supports efforts to improve the quality of math and science teaching in primary, secondary, and higher education, as well as identifying best teaching practices. Funds are distributed to the Mathematics & Science Center in Lake County, the Ohio Math & Science Coalition, and the Resource Center located at Ohio State University. Funds will also support the Teacher Quality Partnership, a long-term study that will examine the performance of the state's colleges of education, and the performance of their graduates measured by the academic achievement of their students.

What the Budget Buys:

- Funds programs, which provide in-service and pre-service professional development and training to nearly 1,200 math and science teachers each year;
- Provides funding to support the Teacher Quality Partnership Study in conjunction with the Department of Education; and
- Funds staff at the Board of Regents to manage and administer this program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-435	Teacher Improvement Initiatives	2,597,506	2,597,506
FED	312	235-615	Professional Development	523,129	523,129
FED	312	235-617	Improving Teacher Quality	2,900,000	2,900,000
FED	312	235-621	Science Education Network	1,686,970	1,686,970
FED	312	235-631	Federal Grants	250,590	250,590
TOTAL FOR PROGRAM				**7,958,195**	**7,958,195**

PROGRAM SERIES 04: Student Access

This program supports efforts to increase college access and participation in higher education. The goal is to help more Ohioans attain the skills and knowledge needed in the new 21st Century economy. The programs supported range from direct student aid to institutional subsidies that help certain campuses maintain lower, more affordable tuition rates.

Program 04.01: Need-based Student Financial Aid

The Ohio Instructional Grant Program (OIG) provides need-based tuition assistance to full-time undergraduate students from low and moderate-income families who are enrolled at a public, private, or degree-granting proprietary schools in Ohio. This program determines financial need and award eligibility on family income and the number of dependents in a household.

The Part-Time Student Grant Program provides tuition assistance to part-time undergraduate students that are Ohio residents, from low and moderate-income families. Funds from this program are disbursed to colleges and universities that use various types of measures to determine eligibility and grant award amounts.

The Commission for Higher Education and the Economy recommended updates to Ohio's need-based financial aid program including alignment of the eligibility criteria to the federal policy, the Expected Family Contribution (EFC) measure. The report also recommended the merger of the state's part-time grant program into the full-time program to create a single coherent financial aid system in terms of eligibility criteria and grant award levels. The new program, the *Ohio College Opportunity Grant*, will use a targeted measure of a student and family's ability to pay for higher education that is more sophisticated than simple use of family income and the number of dependents in a household as variables. The new measure will consider family assets, student income, number of family members in college, and age of the parents. Additionally, the program will set an income cap of $75,000, expanding access to financial aid for low and moderate income earning families. The new program increases the maximum grant to students attending public institutions from $2,190 to $2,496, nearly 14 percent, and increases the minimum grant from $78 to $300, an increase of nearly 284 percent. The alignment will result in the qualification of students for

both the federal Pell Grant and the state's financial aid grant, which significantly increases their tuition buying power and expands access to higher education for more modest income students throughout Ohio.

The first year phase-in of the new system will begin in fiscal year 2007. The program will be fully implemented by fiscal year 2010. During the phase-in period of the Ohio College Opportunity Grant, the legacy financial aid programs (the Ohio Instructional Grant (OIG) and the Part-time Student Grant programs) will serve all eligible students that have been enrolled in a qualifying institution of higher education prior to the 2006-2007 academic year (equivalent to fiscal year 2007).

What the Budget Buys:

- Provides funding to phase-in the new Ohio College Opportunity Grant beginning in fiscal year 2007, which will also include an increase in the maximum grant awarded to students attending Ohio's public-assisted institutions of higher education; and
- Continues financial support for eligible students enrolled in higher education prior to fiscal year 2007 through the Ohio Instructional and Part-time Student Grants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-503	Ohio Instructional Grants	121,151,870	92,496,969
GRF	GRF	235-549	Part-Time Instructional Grants	14,457,721	10,534,617
GRF	GRF	235-563	Ohio College Opportunity Grant	0	58,144,139
TOTAL FOR PROGRAM				**135,609,591**	**161,175,725**

Program 04.02: State Student Incentive Grants

This program provides federal funds for need-based tuition assistance. In Ohio, these funds supplement state appropriations for the Ohio Instructional Grant program and are awarded to the neediest students on the same basis as the OIG program. Funds from this program are transferable to implement the new need-based financial aid program.

What the Budget Buys:

- Supports Ohio's need-based financial aid program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3N6	235-605	State Student Incentive Grants	2,196,680	2,196,680
TOTAL FOR PROGRAM				**2,196,680**	**2,196,680**

Program 04.03: Access Challenge

This program supports efforts to increase the proportion of Ohioans enrolled in institutions of higher education. Funds are used by designated "access" campuses to offset the price of tuition increases so that more Ohioans can afford to attend college. Access campuses include all public technical and community colleges, university branch campuses, as well as Central State University, Shawnee State University, and the two-year components of the University of Akron, the University of Cincinnati, and Youngstown State University. Funds are allocated in proportion to the average of a campus' share of full time equivalent General Studies students in the previous biennium. The average undergraduate tuition at access campuses for full-time Ohio residents is $3,976–more than 42 percent less than tuition at non-access campuses. In fiscal year 2005, access campuses enrolled more than 211,000 students, approximately 97 percent of whom are Ohio residents.

What the Budget Buys:

- Supports access campus efforts to keep tuition below the state average, making higher education more affordable for all Ohioans;
- Supports increased numbers of college-educated Ohioans, which promotes a strong workforce to enhance economic development and attract employers to the state; and
- Funds staff at the Board of Regents to manage and administer the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-418	Access Challenge	63,340,676	63,340,676
TOTAL FOR PROGRAM				**63,340,676**	**63,340,676**

Program 04.04: Supplements

This program provides supplemental funding to Central State University and Shawnee State University to enable these universities to maintain tuition below the state average for public institutions, fund scholarships, and increase access for targeted populations. Central State University serves minority students, mainly African-Americans while Shawnee State University primarily serves students from the Appalachian region of the state. Each of these targeted populations has historically been under-represented in educational attainment.

What the Budget Buys:

- Provides additional funding in recognition of low enrollments, a lack of significant graduate or professional programs to generate sufficient tuition revenues, and the inability to take full advantage of the current state share of instruction cost-based methodology; and
- Supports financial aid programs, outreach, recruitment, and retention efforts, and academic program development at both Shawnee State University and Central State University.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-514	Central State Supplement	10,172,626	9,663,995
GRF	GRF	235-520	Shawnee State Supplement	1,817,839	1,636,055
TOTAL FOR PROGRAM				**11,990,465**	**11,300,050**

Program 04.05: War Orphans Scholarships

The Ohio War Orphans Scholarship Program awards tuition assistance to the students of deceased or severely disabled Ohio veterans who served in the armed forces during a period of declared war or conflict. Eligible students must be enrolled for full-time undergraduate study at an eligible Ohio college or university. Scholarship benefits cover all instructional and general fee charges at two- and four-year public institutions and a portion of these charges at eligible private institutions.

What the Budget Buys:

- Provides payment of all instructional and general fees for undergraduate study at state-assisted public institutions of higher education; and
- Continues support for increased scholarships to students attending a private institution in Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-504	War Orphans Scholarships	4,672,321	4,672,321
TOTAL FOR PROGRAM				**4,672,321**	**4,672,321**

Program 04.06: State Grants & Scholarships Management

This program supports the operating expenses for all student financial aid programs administered by the staff of the Board of Regents. Funding supports management and administration of the Ohio Instructional Grant, Part-time Student Instructional Grant, Ohio Student Choice Grant, Ohio Academic Scholarship, Ohio War Orphans' Scholarship, implementation of the new Ohio College Opportunity Grant, Nurse Education Assistance Loan Program, Student Workforce Development Grant, Regents Graduate/Professional Fellowship, Ohio Safety Officers College Memorial Fund, and any other student financial aid program created by the General Assembly. Staff also administers the federal Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) programs, and other student financial aid programs created by Congress. The Board of Regents is also responsible for providing fiscal services for the Ohio National Guard Tuition Grant Program and the Physicians Loan Repayment Program.

What the Budget Buys:

- Funds staff at the Board of Regents and allows for one additional full time employee in fiscal years 2006 and 2007 to manage the implementation of the Ohio College Opportunity Grant;
- Supports the management and administration of the state's need and merit-based financial aid programs, two federal financial aid grants to the state, and the Ohio National Guard Scholarship program; and
- Supports the audit of financial aid records and payments and recovery for overpayment of financial aid to the qualifying colleges and universities throughout the state of Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-414	Grants and Scholarship Administration	1,352,811	1,382,881
TOTAL FOR PROGRAM				**1,352,811**	**1,382,881**

Program 04.07: Student Support Services

This program provides supplemental support to public colleges and universities with high concentrations of disabled students to offset the higher costs of providing instructional and related services to these students and to encourage campuses to provide necessary support to ensure student success. Those students who qualify under the provisions of the Americans with Disabilities Act and/or Section 504 of the Rehabilitation Act receive a range of support services that enable them to function in an academic setting.

What the Budget Buys:

- Funds provided are distributed to state-assisted intuitions of higher education that incur higher than average costs in their efforts to serve students with disabilities; and
- Supports services provided by institutions such as: direct services (e.g., tutoring, note-taking, reading, attendant care, testing accommodations); direct administration (e.g., staff whose primary responsibility is to provide services, such as counseling or testing and assessment, for disabled students); and transportation services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-502	Student Support Services	795,790	795,790
TOTAL FOR PROGRAM				**795,790**	**795,790**

Program 04.08: Student Choice Grants

This program aims to narrow the tuition gap between the state's public and private nonprofit colleges and universities. The grants are uniform tuition awards provided to all full-time students attending a private non-profit, four-year college or university in Ohio. Awards are limited to baccalaureate study only and all Ohio students attending a private, non-profit college or university are automatically eligible and receive a Student Choice Grant. The maximum grant is revised every two years to equal 25 percent of the average State Share of Instruction paid for full-time in-state undergraduate enrollments at public university main campuses in the prior biennium (in this case,

fiscal year 2005). Eligibility for grants is limited to ten semesters, 15 quarters, or the equivalent of five academic years.

What the Budget Buys:

- Funds tuition grants to nearly 56,000 Ohio residents pursuing undergraduate study full-time at one of Ohio's 52 eligible private institutions in each year of the biennia; and
- Supports grants averaging $900 per recipient in each academic year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-531	Student Choice Grants	50,853,276	52,985,376
TOTAL FOR PROGRAM				**50,853,276**	**52,985,376**

Program 04.09: Student Workforce Development Grants

This program provides financial support to eligible Ohio resident students attending an Ohio proprietary school that is registered with the State Proprietary School Board. The Student Workforce Development Grant program, created in the fiscal year 2000-2001 budget, provides financial support to full-time students attending Ohio's proprietary schools that are registered with the State Board of Career Schools. Proprietary schools that have a job placement rate of at least 75 percent are eligible to make these grants available to qualifying students (full-time pursuing a 2-year or 4-year degree and meeting certain academic criteria). Grants are not based on financial need.

What the Budget Buys:

- Supports tuition grants to approximately 8,000 qualifying Ohio students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-534	Student Workforce Development Grants	2,137,500	2,137,500
TOTAL FOR PROGRAM				**2,137,500**	**2,137,500**

PROGRAM SERIES 05: Academic Success

This program series supports efforts to improve the successful completion of baccalaureate degree programs among Ohio's college students and to raise the state's educational attainment levels.

Program 05.01: Success Challenge

Success Challenge is a statewide initiative to reward public university main campuses that demonstrate success in baccalaureate degree completion by in-state at-risk students as well as timely main campus baccalaureate degree completion, typically within four to five years, by in-state undergraduate students. Two thirds of appropriated funding is set aside to reward campuses for successful baccalaureate degree completion of students judged to be at-risk, meaning any student that has qualified for a state need-based financial aid award in the past ten years. The remaining one-third rewards campuses for their success in helping any students complete their baccalaureate program in a timely manner. To become eligible to receive challenge funding, university main campuses submit plans to the Ohio Board of Regents describing their efforts to meet these goals. The campus plans are expected to serve as the basis for the identification of best practices in the areas of successful baccalaureate degree completion and timely degree completion.

What the Budget Buys:

- Provides funding to Ohio's 13 state-assisted university main campuses for activities such as mentoring, tutoring, academic advising services, and financial aid advising for targeted students;
- Encourages and supports timely degree completion for all students; and
- Supports staff at the Board of Regents to manage and administer the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-420	Success Challenge	52,601,934	52,601,934
TOTAL FOR PROGRAM				**52,601,934**	**52,601,934**

Program 05.02: Academic Scholarships

The Ohio Academic Scholarship Program provides competitive, merit-based financial assistance to the state's most academically outstanding high school graduates who enroll for full-time undergraduate study in Ohio institutions of higher education. This program provides an incentive for students to remain in Ohio. In academic year 2004-2005, scholarships per recipient were $2,205 per year for four years of undergraduate study. Eligibility for these awards is determined by a formula, which considers a student's high school grade-point average and ACT score.

What the Budget Buys:

- Funds merit-based scholarships to at least one student from each participating high school in the state that applies; and
- Provides incentives for Ohio's top graduating high school seniors to pursue higher education in the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-530	Academic Scholarships	7,800,000	7,800,000
TOTAL FOR PROGRAM				**7,800,000**	**7,800,000**

PROGRAM SERIES 06: Basic and Applied Research

This program series supports research funding and other resources, which are accessible to both universities and Ohio industry, performance funding to maximize the leveraging of federal and industrial research grants, and direct support for specific technology commercialization and academic research programs. Alignment with Third Frontier Project initiatives is essential to the effectiveness of this program series.

Program 06.01: Ohio Agricultural Research and Development Center (OARDC)

The goal of this program is to enhance the competitiveness and profitability of Ohio's agricultural industries. This program supports a wide array of activities at the Agricultural Research and Development Center, which is considered the most comprehensive agricultural research facility in the United States. Programs funded include basic and applied research through Ohio State University's Colleges of Food, Agriculture and Environmental Sciences, Human Ecology, Biological Sciences, and Veterinary Medicine and public-private research endeavors. The center serves groups including Ohio farmers, environmentalists, landfill managers, and researchers. The center's focus on research and technology commercialization attracts top researchers and external funding to match state investments.

What the Budget Buys:

- Supports the center's efforts to administer nearly 600 research projects in the agricultural and environmental sciences each year; and
- Provides the technology and scientific infrastructure to attract the nation's top researchers and leverage external funding to match state investments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-535	Agricultural Research and Development Center	35,830,188	35,830,188
TOTAL FOR PROGRAM				**35,830,188**	**35,830,188**

Program 06.02: Economic Growth Challenge

The Economic Growth Challenge is a new program, recommended by the Commission for Higher Education and the Economy that will enhance the quality of basic research and scholarship at Ohio's universities; increase the level of federal and private research funding received by Ohio's universities; and encourage research efforts that support the Third Frontier Projects and economic growth in Ohio. The program will have three components: Research Incentive (formerly called Research Challenge) and two new initiatives, the Innovation Incentive and the Technology Commercialization Incentive. Funds will be allocated to the eligible 15 public and two private universities. Special emphasis is placed on research activities that focus on critical state needs and Ohio's economic growth.

Research Incentive funds will be allocated based on the same methods used in the Research Challenge; allocation to each institution will be based on the previous year's share of qualifying externally funded research. Funds will support those areas of research that have the greatest potential to (a) attract preeminent researchers and build world-class research capacity; (b) create new products and services to be commercialized; and (c) complement funding provided from programs included in Ohio's Third Frontier Project.

Innovation Incentive funding will be generated through institutional reallocation of the current doctoral set-aside (from the State Share of Instruction) combined with an additional state matching funds component. The full implementation of the reallocation will occur over ten years with the goal of transferring 15 percent of the doctoral set-aside to support this program. Incentive recipients will receive an allocation of the total through a competitive, independently evaluated proposal process.

Technology Commercialization Incentive will be a competitive grant to reward colleges and universities for successful technology transfer that results in commercialization of new products and ideas. This grant will incentivize cooperation between higher education and business to engage in more joint research ventures. The grant procedures will be developed and funded in fiscal year 2007.

What the Budget Buys:

- Supports incentives through Research Incentive for Ohio's research universities to undertake ambitious and promising research endeavors;
- Provides funding through Research Incentive, formerly called Research Challenge, to leverage nearly $200 million in research and development investments in each year of the biennium from external sources;
- Funds and incentivizes public colleges and universities to enhance doctoral programs identified as economic priorities of the state;
- Supports incentives to qualifying public and private colleges and universities in Ohio to develop and successfully transfer technology into the commercialization of new products and ideas; and
- Provides funding to support staff at the Board of Regents to administer and manage the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-433	Economic Growth Challenge	20,343,097	23,186,194
TOTAL FOR PROGRAM				**20,343,097**	**23,186,194**

Program 06.03: Ohio Supercomputer Center (OSC)

This program supports the operations of the Ohio Supercomputer Center (OSC), one of the nation's leading supercomputer centers, located at Ohio State University. The center is a statewide high-performing computing resource available to both faculty and students at Ohio's public and private colleges and universities and to private industry on a cost-recovery basis. In addition to the site in Columbus, OSC creates "clusters" of high performance computing on a smaller scale in select areas in Ohio to encourage parallel computing in research (using multiple computers to answer a common question or find a solution). OSC also provides training for researchers, graduate students, high school students, and middle school students to pique interest in high performance computing in the future.

What the Budget Buys:

- Supports funding to ensure that Ohio's educators, researcher, and students have access to high performance computing technology;
- Funds maintenance of Ohio Academic Resource Network (OARnet), which provides Internet access to Ohio's 88 institutions of public education and nearly two million Ohioans; and
- Provides state support helping OSC leverage external funding for research and education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-510	Ohio Supercomputer Center	4,021,195	4,021,195
FED	312	235-619	Ohio Supercomputer Center	6,000,000	6,000,000
TOTAL FOR PROGRAM				**10,021,195**	**10,021,195**

Program 06.04: Eminent Scholars

This program supports an investment in educational resources that address problems of vital statewide significance while at the same time fostering the growth of eminence of Ohio's academic programs through the creation of endowed grants to be matched by other sources. Grants are distributed to attract and sustain scholars of national or international prominence to Ohio's state-supported colleges and universities, who can help improve the state's economic position through their development of new technology innovations. The scholars are nationally prominent senior scientists who will work with Wright Centers of Innovation.

What the Budget Buys:

- Provides funding to support two eminent scholars in fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-451	Eminent Scholars	0	1,370,988
TOTAL FOR PROGRAM				**0**	**1,370,988**

Program 06.05: Dayton Area Graduate Studies Institute (DAGSI)

This program supports scholarships for graduate-level engineering students at five Ohio institutions: the University of Dayton, Wright State University, the Air Force Institute of Technology, Ohio State University and the University of Cincinnati. DAGSI is intended to increase and improve the quantity and quality of graduate educational and research opportunities and create an environment conducive to economic development in Ohio.

What the Budget Buys:

- Funds will support continuation of scholarships for 100 doctoral students, 30 masters level students, and fellowships for six doctoral students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-553	Dayton Area Graduate Studies Institution	2,806,599	2,806,599
TOTAL FOR PROGRAM				**2,806,599**	**2,806,599**

Program 06.06: Priorities in Collaborative Graduate Education

This program supports improvements in graduate programs with economic importance to the state through the promotion and development of institutional collaborations. Funding supports improvements in graduate programs at selected public universities that include the collaboration of institutions of higher education, recruitment of faculty and staff, the promotion of research, and the acquisition of specialized equipment.

What the Budget Buys:

- Funds will support enhancements in identified graduate program, which will include new faculty, recruitment of graduate students, and improvement in equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-554	Priorities in Collaborative Graduation Education	2,355,548	2,355,548
TOTAL FOR PROGRAM				**2,355,548**	**2,355,548**

Program 06.07: Air Force Institute Of Technology (AFIT)

This program, located at Wright State University, provides graduate-level education in logistics and engineering for U.S. Air Force personnel. AFIT is the first joint research program between the state of Ohio and the U.S. Air Force. The program's purpose is two-fold: to ensure that U.S. Air Force personnel have access to critical training and education and to improve Ohio's economic development by enhancing the skill set of its citizenry.

What the Budget Buys:

- Funds support technology equipment of the program, reduces student tuition costs and personnel costs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-508	Air Force Institute of Technology	1,925,345	1,925,345
TOTAL FOR PROGRAM				**1,925,345**	**1,925,345**

Program 06.08: Ohio Aerospace Institute

This program is a non-profit consortium of nine Ohio universities, the NASA Lewis Research Center in Cleveland, Wright Patterson Air Force Base in Dayton, and a number of private Ohio companies. The purpose of the program is to improve Ohio's economic position by promoting research and graduate instruction in the disciplines related to aeronautical and space studies and the commercialization of related technologies.

What the Budget Buys:

- Supports a portion of the Institute's operational expenses; and
- Provides state funding to leverage external grant support. Every one-dollar in state support leverages ten dollars in external investments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-527	Ohio Aerospace Institute	1,764,957	1,764,957
TOTAL FOR PROGRAM				**1,764,957**	**1,764,957**

Program 06.09: Ohio State University Highway Transportation Research

This program is a collaborative effort between the Honda Corporation and Ohio State University to improve highway and automobile safety. The program is supported by the earnings from a $6 million OSU endowment fund created when Honda purchased the Transportation Research Center. Endowment earnings support OSU's Transportation Research & Engineering program.

What the Budget Buys:

- Supports operational costs for the research center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	649	235-607	OSU Highway/Transportation Research	760,000	760,000
TOTAL FOR PROGRAM				**760,000**	**760,000**

PROGRAM SERIES 07: Workforce & Regional Economic Development

This program series is intended to improve Ohio's competitiveness through services, activities, and partnerships that support worker skill-development and the competitive success of Ohio's businesses and industries.

Program 07.01: Cooperative Extension Service

This program is operated by Ohio State University as part of its land-grant mission to provide educational services in each of Ohio's 88 counties. Programs offered are intended to help people improve their lives. The Extension Service offers programs for the food and fiber industries, farmers, community leaders, and young people. Services provided include: agriculture and natural resources, family and consumer sciences, 4-H youth development (serving over 400,000 people annually), and community development activities. Approximately 35,500 volunteers support the extension's activities donating a total of 6.2 million hours per year.

What the Budget Buys:

- Provides operational funding to support personnel at each of the 88 county offices; and
- Funds state match to leverage external funding for program expansions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-511	Cooperative Extension Service	25,644,863	25,644,863
TOTAL FOR PROGRAM				**25,644,863**	**25,644,863**

Program 07.02: Jobs Challenge

This program recognizes, rewards, and improves noncredit job-related training provided by the state's 53 member campuses of the EnterpriseOhio Network. The program is intended to help improve Ohio's competitiveness by building a more skilled workforce. Since 1999, over 950,000 Ohio workers have received job-related, noncredit training from EnterpriseOhio Network campuses. Targeted Industry Training Grants have assisted over 1,000 small companies in developing employee skills.

What the Budget Buys:

- Ensures affordable employer access to non-credit training to improve competitiveness for Ohio companies; and
- Provides employees with the training needed to be competitive in a dynamic economic environment; and
- Supports economic development goals through employee training, employer partnership, and engagement with participating institutions of higher education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-415	Jobs Challenge	9,348,300	9,348,300
TOTAL FOR PROGRAM				**9,348,300**	**9,348,300**

Program 07.03: EnterpriseOhio Network

The goal of this program is to improve Ohio's economic competitiveness by increasing the number of Ohioans who hold critical workforce skills that are needed to attract and maintain business and industry in the state. The EnterpriseOhio Network campuses partner with Ohio employers of all kinds to improve company performance through better selection, development, and retention of their employees. This program supports the efforts of the 53 member campuses of the EnterpriseOhio Network to provide high-impact workforce development services to Ohio's public and private sector enterprises. This program focuses on activities that are tied to the state's economic development priorities. EnterpriseOhio Network campuses have served an average of 3,895 companies per year over the last six fiscal years.

What the Budget Buys:

- Funds support multi-campus collaboration, best practice dissemination, and capacity building projects;
- Provides affordable professional development, training, and human resources support to Ohio companies; and
- Supports staff at the Board of Regents to manage and administer the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-455	EnterpriseOhio Network	1,373,941	1,373,941
TOTAL FOR PROGRAM				**1,373,941**	**1,373,941**

Program 07.04: Appalachian New Economy Partnership

This program promotes economic development in Appalachia through targeted efforts in information technology development in the public and private sectors and consultation services. Led by Ohio University, this program supports existing and new private-public technology partnerships among Ohio's public and private campuses, private industry, local government, and school districts within the 29-county Appalachian region. In recent years, the Partnership has helped business receive $17 million in bank loans, $1.5 million in investments from private individuals, $4.8 million in venture capital, and $28.2 million in government contracts. The Partnership also provides consultation services in marketing, finance, and information systems and planning; workshops; and marketing strategies for distressed communities. Over 100 students work on these projects and firms are hiring these students after graduation to work in the Appalachian region.

What the Budget Buys:

- Funds the Partnership's consultation services offered to businesses and other organizations.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-428	Appalachian New Economic Partnership	1,076,068	1,076,068
TOTAL FOR PROGRAM				**1,076,068**	**1,076,068**

Program 07.05: Sea Grants

This program is located at Ohio State University's Lake Erie research center. It is one of 29 such programs collectively known as the National Sea Grant College Program of the National Oceanic & Atmospheric Administration. The Sea Grant program focuses on research and educational issues such as erosion and fishing in the Great Lakes.

What the Budget Buys:

- Provides a direct subsidy to Ohio State University to support research efforts on Lake Erie.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-402	Sea Grants	231,925	231,925
TOTAL FOR PROGRAM				**231,925**	**231,925**

Program 07.06: Bowling Green State University Canadian Studies Center

This program works to strengthen business and trade relations between Ohio and Canada. Program activities include research, student education, and engagement with the business community.

What the Budget Buys:

- Supports the Canadian Studies Center's efforts in student education, business engagement, and research.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-561	BGSU Canadian Studies Center	100,015	100,015
TOTAL FOR PROGRAM				**100,015**	**100,015**

Program 07.07: Carl D. Perkins Grant/Plan Administration

This program provides the direction and funding to support the improvement of vocational, career, and technical education through the integration of academic knowledge and technical skill development.

What the Budget Buys:

- Funds support Board of Regents staff responsible for administering this program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	312	235-612	Carl D. Perkins Grant/Plan Administration	112,960	112,960
TOTAL FOR PROGRAM				**112,960**	**112,960**

PROGRAM SERIES 08: Higher Education Collaborations

This program series funds efforts to better serve the educational needs of Ohio citizens through enhanced collaborations among institutions of higher education. These programs focus on maximizing the state's resources to deliver services to higher education consumers and to the broader community through distance education and statewide articulation and transfer policies.

Program 08.01: OhioLINK

The OhioLINK program was created in 1988 to address a lack of adequate information resources available for research and teaching. OhioLINK helps researchers, students, professors, and others at public and private institutions of higher education gain affordable access to periodicals, journals, etc. by coordinating purchases of group licenses for participating institutions. Currently, there are 85 member institutions and OhioLINK is partnering with the State Library of Ohio to offer a core-set of databases available to all Ohioans through public libraries and their local school district libraries/media centers. Services provided include providing users with electronic databases, journals, e-books, bibliographies of participating institutions and delivery of print resources by request. In addition, OhioLINK provides technical support and training to participating institutions.

What the Budget Buys:

- Provides funding to serve more than 600,000 students, faculty, and staff at 85 institutions;
- Funds access to more than 100 research databases, 5,900 scholarly journal titles, 1,000+ educational videos, and over 19,000 E-books for students, researchers, professors, and others across the state; and
- Leverages the combined buying power of participating institutions to purchase licenses to access electronic resources at a discounted rate.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-507	OhioLINK	6,887,824	6,887,824
TOTAL FOR PROGRAM				**6,887,824**	**6,887,824**

Program 08.02: Ohio Learning Network

The Ohio Learning Network (OLN) was created by the Board of Regents in November 1999 to expand access to learning opportunities for the citizens of the state by linking them to courses and programs that meet their educational needs. This program represents a statewide electronic collaborative information system designed to promote degree completion by students, workforce training for Ohio workers, as well as professional development through the use of advanced telecommunications and distance education initiatives. This program is designed to connect learners to courses and programs offered statewide. The Course Applicability System (CAS) will also play a major role in this effort by helping users identify which courses will count as credit towards their major if taken at another university through a distance learning option.

What the Budget Buys:

- Provides low-cost, online tutoring services, access to 120 degrees and 3,200 courses to Ohioans through distance education; and
- Coordinates statewide purchases of tutoring software and Course Management Software (CMS) at significant savings to the state and individual institutions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-417	Ohio Learning Network	3,119,496	3,119,496
TOTAL FOR PROGRAM				**3,119,496**	**3,119,496**

Program 08.03: Regional Library Depositories

Over fifteen years ago, the Ohio Board of Regents built a system of book depositories in response to the growing storage problems at the libraries of Ohio's 17 public colleges and universities. This program represents collaboration among Ohio's public universities for high-density storage for rarely used and duplicative library materials at the state's five regional depositories. The depositories provide an economic alternative to traditional library space that would otherwise be needed to store library materials. The regional depositories are located on the campuses of Northeastern Ohio Universities College of Medicine (NEOUCOM) – Northeast; Ohio University – Southeastern Region, Ohio State University – Central; Miami University – Southwestern; and the Northwestern Ohio Book Depository, which is located equidistance from Medical College of Toledo, University of Toledo, and Bowling Green State University.

What the Budget Buys:

- Funds high-density storage of rarely used and duplicative library materials at the state's five regional depositories.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-555	Library Depositories	1,696,458	1,696,458
TOTAL FOR PROGRAM				**1,696,458**	**1,696,458**

Program 08.04: Ohio Academic Resources Network (OARnet)

This program, established in 1987, provides high-quality Internet services to help link Ohio academics to global information resources, distance learning, and state library networks, such as OhioLINK.

What the Budget Buys:

- Funds maintenance of the Third Frontier Network;
- Provides access to the Third Frontier Network to 88 participating colleges and universities statewide; and
- Supports the nation's most comprehensive statewide fiber optic network.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-556	Ohio Academic Resource Network	3,727,223	3,727,223
TOTAL FOR PROGRAM				**3,727,223**	**3,727,223**

Program 08.05: Articulation & Transfer

This program addresses issues arising from the transfer of students and their academic credits from one Ohio college or university to another. This program increases student mobility throughout the higher education system and degree completion by making the transfer process smoother and easier for Ohio's college students.

What the Budget Buys:

- Funds development of a statewide system that will enable more Ohioans to transfer coursework credit among Ohio's state-assisted institutions of higher education to achieve their academic goals;
- Enables the investigation of the transferability of Adult Education Center coursework as credit at Ohio's public degree-granting institutions of higher education; and
- Supports staffing at the Board of Regents who are responsible for coordinating cooperation among the state institutions to implement the system.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-406	Articulation & Transfer	2,900,000	2,900,000
TOTAL FOR PROGRAM				**2,900,000**	**2,900,000**

Program 08.06: Midwest Higher Education Compact

This program represents a non-profit regional agreement among Midwestern states to advance higher education through interstate cooperation and resource-sharing. The funds appropriated for this program are used to pay for Ohio's membership dues to the Midwest Higher Education Compact's commission.

What the Budget Buys:

- Provides Ohio's annual membership dues in the Compact for the next two fiscal years.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-408	Midwest Higher Education Compact	90,000	90,000
TOTAL FOR PROGRAM				**90,000**	**90,000**

PROGRAM SERIES 09: General Public Service

This program series supports public service research and outreach activities that address a variety of statewide issues, including rural, urban, community and governmental issues.

Program 09.01: Urban University Programs

This program supports research and outreach activities on urban issues at Ohio's eight urban universities. Activities include applied research, training, technical assistance, and database development. This program serves state, county and municipal governments, regional and non-profit agencies, neighborhood groups, and business organizations. This program also supports public administration initiatives related to the specific needs and issues of Ohio's urban communities.

What the Budget Buys:

- Funds programs and activities that meet specific needs of the participating urban universities with a focus on regional issues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-583	Urban University Programs	4,685,408	4,685,408
TOTAL FOR PROGRAM				**4,685,408**	**4,685,408**

Program 09.02: Rural University Programs

This program supports activities designed to help local and state elected and appointed officials improve rural program performance, undertake research projects, increase human resource capacity, and form cooperative partnerships to create an environment that supports private and public sector development. This program also supports public administration initiatives related to the specific needs and issues of Ohio's rural communities. The program targets smaller communities that often lack the resources for training, research, and development.

What the Budget Buys:

- Funds programs and activities that meet specific needs of the participating rural universities with a focus on regional issues.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-587	Rural University Projects	1,033,100	1,033,100
TOTAL FOR PROGRAM				**1,033,100**	**1,033,100**

Program 09.03: Ohio University Voinovich Center

This program supports public service research and public policy course development at the George V. Voinovich Center for Leadership & Public Affairs located at Ohio University in Athens. The purpose of the Center is to engage students, alumni, and faculty in developing solutions to challenges brought by government officials, educators, and entrepreneurs.

What the Budget Buys:

- Supports the functions of the Center as it relates to regional policy issues and course development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-513	OU Voinovich Center	286,082	286,082
TOTAL FOR PROGRAM				**286,082**	**286,082**

Program 09.04: Ohio State University Glenn Institute

This program supports public service research and public policy course development at the John Glenn Institute for Public Service & Public Policy located at Ohio State University in Columbus. The goal of the program is to engage students in public service, enhance the quality of public service, and create and disseminate high-quality policy research.

What the Budget Buys:

- Supports the functions of the Institute as it relates to policy research, course development, and public service.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-521	OSU Glenn Institute	286,082	286,082
TOTAL FOR PROGRAM				**286,082**	**286,082**

PROGRAM SERIES 10: Public Safety

This program series consists of programs and activities that are designed to support and improve the safety of the general public. The programs range from direct subsidies to select local governments to specialized on-campus training of professional emergency responders.

Program 10.01: Police and Fire Protection

This program supports police and fire departments in small Ohio communities that are heavily impacted by the influx of college students at nearby college campuses. The funds assist local governments in providing police and fire services in the Ohio municipalities of Athens, Bowling Green, Fairborn, Kent, Nelsonville, Oxford, Portsmouth, Rootstown, and Xenia Township.

What the Budget Buys:

- Provides supplemental funding to municipalities that are heavily impacted by the influx of college students at nearby state universities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-524	Police and Fire Protection	171,959	171,959
TOTAL FOR PROGRAM				**171,959**	**171,959**

Program 10.02: Firefighter Hazardous Materials Program

This program, located at Cleveland State University, provides training for firefighters and other emergency personnel in the treatment, storage, disposal, and clean up of hazardous materials and waste.

What the Budget Buys:

- Supports specialized training costs incurred to ensure that first-responders are prepared for emergencies involving hazardous materials.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-596	Hazardous Materials Program	310,435	310,435
TOTAL FOR PROGRAM				**310,435**	**310,435**

Program 10.03: National Guard Scholarship Program

This program, created in 2000, supports the National Guard Scholarship Program, which grants higher education scholarships to all authorized personnel of the Ohio National Guard to attend both public and private institutions of higher education. Scholarships are available for up to 12 full time quarters or eight full time semesters. To qualify for a scholarship, Guard members must commit to and/or complete a six-year enlistment in the Ohio Guard. New enlistees must complete basic training and obtain a military job skill. This program serves as both a recruitment and retention tool for the Ohio Guard.

What the Budget Buys:

- Funds the state's obligation to provide scholarship support to Ohio National Guard members.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-599	National Guard Tuition Grant Program	15,128,472	16,611,063
TOTAL FOR PROGRAM				**15,128,472**	**16,611,063**

PROGRAM SERIES 11: Medical Support

This program series supports a wide array of medical educational activities at Ohio's universities. The program largely supports the medical education functions that take place outside the medical classrooms and laboratories. Funding is provided for healthcare-related education and activities that target specific fields of practice that are of special interest to the state.

Program 11.01: Long-Term Care Research

This program supports basic and applied research at Miami University's Scripps Gerontology Center. The program is concerned with issues related to state and federal policy on long-term care and provides expertise and research to identify cost-effective alternatives for quality healthcare.

What the Budget Buys:

- Funds support basic and applied research at the Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-558	Long-Term Care Research	211,047	211,047
TOTAL FOR PROGRAM				**211,047**	**211,047**

Program 11.02: Physician's Loan Repayment Program

This program supports the repayment of all or part of the student loans taken by primary care physicians who agree to provide primary care services in areas of the state that are experiencing a shortage of healthcare resources. Physicians also agree to treat a percentage of Medicaid and Medicare patients equal to the percentage in their service area. In return, they receive up to $80,000 of medical school debt repaid ($20,000 over a four-year period). Participants must practice in one of the following high-demand areas: Family Practice, Internal Medicine, Obstetrics and Gynecology, or Pediatrics. Revenues generated from medical license renewals are used to fund this program.

What the Budget Buys:

- Supports the repayment of student loans for physicians in a primary care field who agree to work in a healthcare shortage area of the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4P4	235-604	Physician Loan Repayment	476,870	476,870
TOTAL FOR PROGRAM				**476,870**	**476,870**

Program 11.03: Nurse Education Assistance Loan Program

This program provides financial assistance to Ohio students enrolled in at least half-time study in approved nurse education programs to address the growing demand of nurse professionals throughout the state. Awards are made on the basis of need for up to four years of study. Funding, generated from a portion of nurse registration fees, also supports the administration of the program.

What the Budget Buys:

- Funds support participating students in their efforts to complete nursing education; and
- Support administration of the program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	682	235-606	Nursing Loan Program	893,000	893,000
TOTAL FOR PROGRAM				**893,000**	**893,000**

Program 11.04: National Health Service Corps Loan Repayment

This program provides funding for the repayment of education loans by eligible health service practitioners. This program is jointly administered by the Ohio Department of Health and the Ohio Board of Regents, and provides educational loan repayment for certain healthcare professionals who agree to provide primary healthcare services in underserved geographical areas of Ohio (primary care physicians, primary care physician assistance, nurse practitioners, and certified nurse midwives). Payments are made to the appropriate lending institutions on behalf of the practitioner.

What the Budget Buys:

- Supports the loan repayment program and encourages health professionals to provide critical services in underserved geographical areas of Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3T0	235-610	NHSC Ohio Loan Repayment	150,001	150,001
TOTAL FOR PROGRAM				**150,001**	**150,001**

Program 11.05: Medicaid Technical Assistance Policy Program

This program allows Ohio medical schools and universities to conduct and to be reimbursed for applied health services research in support of administrative policy-making related to the Ohio Medicaid Program. This program helps address one of the state's most significant and costly problems — the provision of quality, cost-effective health care, especially for the state's Medicaid population.

What the Budget Buys:

- Supports applied health service research at Ohio medical schools and universities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3H2	235-608	Human Services Project	1,500,000	1,500,000
TOTAL FOR PROGRAM				**1,500,000**	**1,500,000**

Program 11.06: Family Practice & Primary Care Residencies Support

This program supports family practice residencies and instructional costs in the departments of family medicine within each medical college in Ohio, both public and private. The purpose of these departments is to raise the quality and number of family physicians practicing in Ohio. This program also supports education and training in primary care specialties of internal medicine and pediatrics. The program supports medical students, clinical training in primary care fields and increases the number of primary care physicians in medical practice.

What the Budget Buys:

- Funds support family practice residencies and instructional costs at public and private medical colleges throughout the state; and
- Provides support to education and training in internal medicine and pediatrics.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-562	Family Practice & Primary Care Residencies	6,794,158	6,794,158
TOTAL FOR PROGRAM				**6,794,158**	**6,794,158**

Program 11.07: Ohio State University Clinic Support

This program supports the clinical portions of the colleges of dentistry and veterinary medicine at Ohio State University. The clinics provide practical education to dentistry and veterinary medicine students, as well as to dental hygiene students.

What the Budget Buys:

- Supports funding for medical-related instructional equipment and technology as well as highly trained personnel to work with students.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-572	OSU Clinic Support	1,277,019	1,277,019
TOTAL FOR PROGRAM				**1,277,019**	**1,277,019**

Program 11.08: Case Western Reserve University School Of Medicine

This program provides supplemental funding for the Case Western Reserve University School of Medicine under the state's condition that no less than 60 percent of each entering class of medical students are Ohio residents. The goal of this program is to create an incentive for this private institution to enroll more Ohioans into its highly competitive program.

What the Budget Buys:

- Supports a state supplement to the medical school in exchange for reserved seats in the college for Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-515	CWRU School of Medicine	3,011,271	3,011,271
TOTAL FOR PROGRAM				**3,011,271**	**3,011,271**

Program 11.09: Clinical Teaching

This program consolidates the six individual appropriation items that provide subsidies in support of laboratory and clinical components of the medical and other health-related curricula at Ohio's six public medical colleges located at the University of Cincinnati, Ohio University, Ohio State University, the Medical College of Ohio, Northeast Ohio Universities College of Medicine, and Wright State University. Funding is intended to offset the cost of clinical education for Ohio's student health professionals, which is regarded as a fundamental component of medical education. The clinical teaching support line item will earmark amounts to each of the six eligible medical colleges at levels equal to their fiscal year 2005 appropriations. Language included in the executive budget will require the Board of Regents to recommend a method to allocation funds to each of the institutions based on student enrollment, whether the institution is affiliated with a teaching hospital and other factors that may increase or decrease the cost of clinical teaching. The Office of Budget and Management will implement a revised methodology for fund allocation in fiscal year 2007.

What the Budget Buys:

- Supports the cost of providing valuable clinical teaching to students of Ohio's state assisted colleges of medicine.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-560	Clinical Teaching Support	45,931,099	45,931,099
TOTAL FOR PROGRAM				**45,931,099**	**45,931,099**

Program 11.10: Area Health Education Centers Program Support

This program coordinates the placement of students of medicine and other health professions into community-based training sites, especially those in areas that have a shortage of physicians. The program is intended to improve the geographic distribution and quality of healthcare personnel in the state. The Area Health Education Center (AHEC) Program seeks to improve the availability of health care professionals and improve access to quality health care in Ohio. The mission is accomplished through academic and community collaboration, through an emphasis on primary care and focus on underserved areas. AHEC offers numerous community programs and health care professionals continuing education opportunities through each of the centers.

What the Budget Buys:

- Provides health care services in healthcare professional shortage areas of the state;
- Supports healthcare education and continuing education in shortage areas to physicians serving these communities; and
- Funds community collaborations with area clinics, schools, and other social service agencies, which leverage additional public and private dollars to provide needed services in underserved areas.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-474	Area Health Education Centers Program Support	1,571,756	1,571,756
TOTAL FOR PROGRAM				**1,571,756**	**1,571,756**

Program 11.11: Geriatric Medicine

This program supports the offices of geriatric medicine within each public medical college in Ohio, the creation of which is mandated by the state to ensure that all Ohio medical students receive specific education and training in the care of older adults.

What the Budget Buys:

- Funds support each public medical college's office of geriatric medicine.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-525	Geriatric Medicine	750,110	750,110
TOTAL FOR PROGRAM				**750,110**	**750,110**

Program 11.12: Medical Collaboration Network

This program, funded by a grant from the U.S. Department of Health & Human Services, is designed to link colleges, universities and hospitals to the Third Frontier Network and support related medical education, service, and research programs. This program is intended to improve healthcare, and medical research and education by promoting collaboration among university-affiliated hospitals.

What the Budget Buys:

- Provides funding to connect institutions of higher education and hospitals to support collaborative medical education, services, and research.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3H2	235-622	Medical Collaboration Network	3,346,143	3,346,143
TOTAL FOR PROGRAM				**3,346,143**	**3,346,143**

PROGRAM SERIES 12: Planning & Coordination

This program series encompasses the primary administrative duties of the Board of Regents. Virtually all facets of agency operations fall under this program series, including the maintenance and operation of the Higher Education Information System.

Program 12.01: Program Management

This program consists of two appropriation line items: Operating Expenses (235-321) and Sales & Services (235-603). Appropriation item Operating Expenses supports the Board of Regents' operations including personal services, maintenance, and equipment. Sales & Services is a General Services Fund item that covers the costs of delivering services associated with the Regents' Higher Education Information System, the production of official publications, and miscellaneous meeting expenses.

What the Budget Buys:

- Supports Board of Regents staff, who are responsible for providing policy and budgetary advice and guidance to Ohio's state assisted institutions of higher education, the general assembly, and the Governor.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-321	Operating Expenses	2,897,659	2,966,351
GSF	456	235-603	Sales and Services	700,000	900,000
TOTAL FOR PROGRAM				**3,597,659**	**3,866,351**

Program 12.02: Information System

This program supports the continual development, expansion, and operations of the Higher Education Information (HEI) System, a centrally-located data warehouse containing a wide array of information on Ohio's campuses, such as student demographics, enrollments, physical plant inventories, financial data, and course offerings. The HEI System has received national recognition and serves as a model to other states.

What the Budget Buys:

- Funds support Board of Regents staff that are responsible to maintain and develop needed functionalities of the Higher Education Information system; and
- Provides funding for needed equipment and supplies used to maintain the system and services provided.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	235-409	Information System	1,146,510	1,175,172
TOTAL FOR PROGRAM				**1,146,510**	**1,175,172**

Program 12.03: Program Authorization

This program falls under the General Services Fund group and enables the Board of Regents to directly contract with and reimburse consultants to review and evaluate degree program proposals at Ohio's colleges and universities.

What the Budget Buys:

- Funds will cover costs associated with program approval and authorization, a responsibility of the Board of Regents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	220	235-614	Program Approval & Reauthorization	400,000	400,000
TOTAL FOR PROGRAM				**400,000**	**400,000**

Appropriation Line Item Analyses for FYs 2006 and 2007

Line Item Restructuring Analysis

Appropriation line items Access Improvement Projects/477 and College Readiness Initiatives/404 have been consolidated and moved to a newly created line item College Readiness & Access/434 given the similar program goals.

Appropriation line items Math/Science Improvements/403 and Resource Center/Math/Science/588 have been consolidated and moved to the newly created line item Teacher Improvement Initiatives/435. Both programs provide resources for teacher improvement and similar efforts.

Appropriation line item Research Challenge/454 has been moved to the newly created line item Economic Growth Challenge/433. The newly created line item, a recommendation of the Commission on Higher Education and the Economy (CHEE), will have three components: the Research Incentive (formerly called Research Challenge), Innovation Incentive, and Technology Commercialization Incentive. The change will streamline administration of the new programs.

Appropriation line items Family Practice/519 and Primary Care Residencies/526 have been consolidated and moved to the newly created Family Practice & Primary Care Residencies/562. The consolidated line items are similar in scope and purpose but will remain as distinct activities at impacted colleges of medicine.

Appropriation line items OSU Clinical Teaching/536, UCN Clinical Teaching/537, MCO Clinical Teaching/538, WSU Clinical Teaching/539, OHU Clinical Teaching/540, NEO Clinical Teaching/541 have been consolidated and moved to the newly created Clinical Teaching Support/560. Currently, these funds are allocated in lump sum amounts without consideration of the number of students supported, hospital affiliation, or other factors that may increase or decrease clinical teaching costs to eligible medical schools. This change will accommodate the study of possible allocation methodologies for implementation in fiscal year 2007.

To illustrate changes in funding levels due to this restructuring, estimated FY 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
GRF	235-434	College Readiness & Access	4,201,440	6,375,975	51.8%	7,655,425	20.1%
GRF	235-435	Teacher Improvement Initiatives	2,447,506	2,597,506	6.1%	2,597,506	0.0%
GRF	235-433	Economic Growth Challenge	17,091,532	20,343,097	19.0%	23,186,194	14.0%
GRF	235-562	Family Practice & Primary Care Residencies	7,549,064	6,794,158	-10.0%	6,794,158	0.0%
GRF	235-560	Clinical Teaching Support	45,931,099	45,931,099	0.0%	45,931,099	0.0%

Line Item Notes

Operating Expenses/321: Funding is provided for Ohio's Partnership for Continued Learning (P-16 Council); a corresponding amount is recommended in the Department of Education's budget.

Articulation & Transfer/406: Funding is provided to fully implement the Course Applicability System and the Transfer Assurance Guides. These systems will ensure that Ohio students can transfer credit earned for similar coursework among Ohio's state-assisted institutions of higher education thereby more greatly ensuring degree completion and cost-savings to students. In addition, funding is provided to expand credit transferability to include career and adult education coursework.

Grants and Scholarship Administration/414: Increased appropriations in fiscal years 2006 and 2007 will fund implementation costs associated with the collaboration, training, and marketing associated with Ohio's new

financial aid program – the Ohio College Opportunity Grant. Please see program 04.01 Need-based Student Financial Aid, for more information.

Economic Growth Challenge/433: This line item aligns the existing Research Challenge/454, which will be renamed Research Incentive, and two new programs, Innovation Incentive and Technology Commercialization Incentive with recommendation of the Commission for Higher Education and the Economy. Funding in fiscal years 2006 and 2007 will provide increased resources for Research Incentive, and add new funding for Innovation Incentive. Technology Commercialization Incentive will receive $500,000 in new funding in fiscal year 2007. For more information, please refer to program 06.02 Economic Growth Challenge.

College Readiness & Access/434: In addition to reflecting the consolidation of College Readiness Iniatitives/404 and Access Improvement Projects/477 (see above), increased funding will support the new Early College High School pilot program and provide increased funding for the Ohio College Access Network (OCAN). For further information, please see program 03.01 College Readiness and Access.

Teacher Improvement Initiatives/435: In addition to reflecting the consolidation of Resource Center-Math, Science, Reading/588 and Math/Science Teaching Improvements/403 (see above), this line item includes added funding for a new initiative, the Teacher Quality Partnership study. The study will be supported with $100,000 in each fiscal year from both the Board of Regents and the Ohio Department of Education. For more information, please refer to program 03.02 Teacher Improvement.

Ohio College Opportunity Grant/563: The program supported by this new line item will be phased in over four years, beginning in fiscal year 2007, as Ohio's new need-based financial aid program. The program will replace the current Ohio Instructional Grant/503 and Part-time Instruction Grant/549 programs in 2010. These current programs will be used to continue serving eligible students who were enrolled in a qualifying institution of higher education prior to the 2006-2007 academic year but will be phased out over four years beginning in fiscal year 2007, as shown by decreased appropriation in fiscal year 2007. Please see program 04.01 Need-based Student Financial Aid, for further discussion of this new initiative.

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	235-321	Operating Expenses	2,826,974	2,816,939	3,320,303	2,680,645	2,897,659	**	2,966,351	2.4
GRF	235-401	Lease Rental Payments	293,946,612	264,574,646	246,044,911	216,836,400	200,619,200	(7.5)	200,795,300	.1
GRF	235-402	Sea Grants	281,944	274,895	263,899	257,694	231,925	(10.0)	231,925	.0
GRF	235-403	Math/Science Teaching Improvements	1,849,817	1,826,827	1,680,454	1,647,635	0	**	0	.0
GRF	235-404	College Readiness Initiatives	2,277,641	3,982,894	2,963,237	3,188,902	0	**	0	.0
GRF	235-406	Articulation & Transfer	859,421	722,464	640,122	718,536	2,900,000	**	2,900,000	.0
GRF	235-408	Midwest Higher Ed Compact	82,500	82,500	82,500	82,500	90,000	9.1	90,000	.0
GRF	235-409	Information System	1,311,485	1,217,122	1,028,634	1,118,546	1,146,510	2.5	1,175,172	2.5
GRF	235-414	Grants and Scholarship Admin.	1,329,249	1,260,653	1,129,867	1,173,474	1,352,811	**	1,382,881	2.2
GRF	235-415	Jobs Challenge	9,494,000	9,348,300	9,348,300	9,348,300	9,348,300	.0	9,348,300	.0
GRF	235-417	Ohio Learning Network	3,726,101	3,592,680	3,276,524	3,119,496	3,119,496	.0	3,119,496	.0
GRF	235-418	Access Challenge	58,557,257	57,013,287	64,726,452	63,340,676	63,340,676	.0	63,340,676	.0
GRF	235-420	Success Challenge	44,272,525	43,046,399	48,977,515	52,601,934	52,601,934	.0	52,601,934	.0
GRF	235-428	Appalachian New Economic Partnershp	940,000	1,374,750	1,132,697	1,076,068	1,076,068	.0	1,076,068	.0
GRF	235-433	Economic Growth Challenge	0	0	0	0	20,343,097	**	23,186,194	**
GRF	235-434	College Readiness & Access	0	0	0	0	6,375,975	**	7,655,425	**
GRF	235-435	Teacher Improvement Initiatives	0	0	0	0	2,597,506	**	2,597,506	.0
GRF	235-451	Eminent Scholars	0	3,000,000	0	1,462,500	0	(100.0)	1,370,988	.0
GRF	235-454	Research Challenge	18,994,999	18,235,006	17,540,564	17,091,533	0	**	0	.0
GRF	235-455	EnterpriseOhio Network	1,612,251	1,530,511	1,445,052	1,373,941	1,373,941	.0	1,373,941	.0
GRF	235-474	AHEC Program Support	1,968,103	1,957,278	1,653,337	1,571,756	1,571,756	.0	1,571,756	.0
GRF	235-477	Access Improvement Projects	1,059,154	986,791	1,021,923	1,012,538	0	**	0	.0
GRF	235-501	State Share of Instruction	1562,980,594	1529,282,514	1533,822,863	1559,096,031	1559,096,031	.0	1559,096,031	.0
GRF	235-502	Student Support Services	940,000	916,500	0	795,790	795,790	.0	795,790	.0
GRF	235-503	Ohio Instructional Grants	96,042,326	116,679,362	111,966,303	115,325,333	121,151,870	5.1	92,496,969	**
GRF	235-504	War Orphans Scholarships	3,813,822	3,845,112	3,832,679	4,672,321	4,672,321	.0	4,672,321	.0
GRF	235-507	OhioLINK	7,208,607	7,028,392	6,887,824	6,887,824	6,887,824	.0	6,887,824	.0
GRF	235-508	Air Force Institute of Tech	1,880,000	1,833,000	2,012,662	1,925,345	1,925,345	.0	1,925,345	.0
GRF	235-509	Displaced Homemakers	225,690	220,048	196,670	187,245	0	(100.0)	0	.0
GRF	235-510	Ohio Supercomputer Center	4,543,560	4,429,971	4,124,303	4,021,195	4,021,195	.0	4,021,195	.0
GRF	235-511	Cooperative Extension Service	26,046,013	25,394,863	24,619,068	25,644,863	25,644,863	.0	25,644,863	.0
GRF	235-513	OU Voinovich Center	345,450	336,814	299,498	286,082	286,082	.0	286,082	.0
GRF	235-514	Central State Supplement	11,322,259	11,039,203	11,039,203	10,708,027	10,172,626	(5.0)	9,663,995	(5.0)
GRF	235-515	CWRU School of Medicine	4,023,411	3,924,395	3,171,468	3,011,271	3,011,271	.0	3,011,271	.0
GRF	235-518	Capitol Scholarship Program	26,000	0	103,600	229,670	0	(100.0)	0	.0
GRF	235-519	Family Practice	6,146,163	5,994,906	5,308,255	5,053,855	0	**	0	.0
GRF	235-520	Shawnee State Supplement	2,135,680	2,082,288	2,082,289	2,019,821	1,817,839	(10.0)	1,636,055	(10.0)
GRF	235-521	OSU Glenn Institute	345,450	336,814	299,498	286,082	286,082	.0	286,082	.0
GRF	235-524	Police and Fire Protection	0	445,737	200,684	191,066	171,959	(10.0)	171,959	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	235-525	Geriatric Medicine	1,021,963	1,016,343	787,868	750,110	750,110	.0	750,110	.0
GRF	235-526	Primary Care Residencies	2,976,198	2,959,829	2,620,812	2,495,209	0	**	0	.0
GRF	235-527	Ohio Aerospace Institute	2,240,334	2,184,326	1,856,263	1,764,957	1,764,957	.0	1,764,957	.0
GRF	235-530	Academic Scholarships	8,000,000	7,000,000	7,800,000	7,800,000	7,800,000	.0	7,800,000	.0
GRF	235-531	Student Choice Grants	50,688,168	52,234,153	51,180,029	52,139,646	50,853,276	(2.5)	52,985,376	4.2
GRF	235-534	Student Workforce Development Grnts	1,025,709	2,380,820	1,751,652	2,137,500	2,137,500	.0	2,137,500	.0
GRF	235-535	Ag Research and Develop. Ctr	36,407,031	35,496,855	34,396,980	35,830,188	35,830,188	.0	35,830,188	.0
GRF	235-536	OSU Clinical Teaching	15,030,490	14,660,591	13,565,885	13,565,885	0	**	0	.0
GRF	235-537	UCN Clinical Teaching	12,362,373	12,058,138	11,157,756	11,157,756	0	**	0	.0
GRF	235-538	MCO Clinical Teaching	9,635,800	9,398,665	8,696,866	8,696,866	0	**	0	.0
GRF	235-539	WSU Clinical Teaching	4,681,260	4,566,056	4,225,107	4,225,107	0	**	0	.0
GRF	235-540	OHU Clinical Teaching	4,525,515	4,414,144	4,084,540	4,084,540	0	**	0	.0
GRF	235-541	NEO Clinical Teaching	4,654,488	4,539,942	4,200,945	4,200,945	0	**	0	.0
GRF	235-543	OCPM Clinical Subsidy	469,812	458,250	407,072	397,500	0	(100.0)	0	.0
GRF	235-547	School of Internat'l Business	1,606,238	1,566,082	1,214,027	1,155,844	0	(100.0)	0	.0
GRF	235-549	Part-Time Instructional Grants	13,311,638	13,627,789	13,957,773	14,457,721	14,457,721	.0	10,534,617	**
GRF	235-552	Capital Component	14,537,639	14,537,639	19,078,350	18,711,936	19,058,863	1.9	19,058,863	.0
GRF	235-553	Dayton Area Grad Studies Inst.	3,552,343	3,463,534	2,951,568	2,806,599	2,806,599	.0	2,806,599	.0
GRF	235-554	Priorities in Colla Grad Education	3,273,426	3,191,590	2,474,121	2,355,548	2,355,548	.0	2,355,548	.0
GRF	235-555	Library Depositories	1,940,768	1,868,912	1,739,958	1,696,458	1,696,458	.0	1,696,458	.0
GRF	235-556	Ohio Academic Resource Network	3,300,130	3,281,980	3,583,869	3,727,223	3,727,223	.0	3,727,223	.0
GRF	235-558	Long-Term Care Research	293,284	285,952	221,670	211,047	211,047	.0	211,047	.0
GRF	235-560	Clinical Teaching Support	0	0	0	0	45,931,099	**	45,931,099	.0
GRF	235-561	BGSU Canadian Studies Center	154,432	150,571	116,723	111,128	100,015	(10.0)	100,015	.0
GRF	235-562	Family Practice and Primary Care	0	0	0	0	6,794,158	**	6,794,158	.0
GRF	235-563	Ohio College Opportunity Grant	0	0	0	0	0	**	58,144,139	**
GRF	235-572	OSU Clinic Support	1,937,470	1,889,033	1,344,378	1,277,019	1,277,019	.0	1,277,019	.0
GRF	235-583	Urban University Programs	6,113,345	5,960,511	5,464,547	5,206,009	4,685,408	(10.0)	4,685,408	.0
GRF	235-585	Ohio University Innovation Ctr	45,825	44,679	39,932	38,018	0	(100.0)	0	.0
GRF	235-587	Rural University Projects	1,293,019	1,260,693	1,175,530	1,147,889	1,033,100	(10.0)	1,033,100	.0
GRF	235-588	Resource Ctr - Math/Science/Reading	921,200	898,170	853,262	799,871	0	**	0	.0
GRF	235-590	12th Grade Prof. Stipend	17,173,000	2,051,000	0	0	0	.0	0	.0
GRF	235-595	Internat'l Ctr Water Resources	174,457	170,096	131,858	125,538	0	(100.0)	0	.0
GRF	235-596	Hazardous Materials Program	366,690	357,523	326,061	310,435	310,435	.0	310,435	.0
GRF	235-599	Natl Guard Tuition Grant Program	9,407,512	13,720,992	13,516,935	13,778,208	15,128,472	9.8	16,611,063	9.8
GRF	235-909	Higher Educ. Gen. Oblig. Debt Svc.	49,550,030	57,978,003	79,302,978	108,005,781	137,600,300	27.4	152,114,100	10.5
TOTAL General Revenue Fund			**2456,086,645**	**2410,306,722**	**2410,468,473**	**2445,213,376**	**2467,237,448**	**.9**	**2516,038,717**	**2.0**
220	235-614	Program Approval & Reauthorization	139,903	99,453	120,744	400,000	400,000	.0	400,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Board of Regents

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
456	235-603	Sales and Services	2,717	134,156	247,467	500,003	700,000	40.0	900,000	28.6
456	235-613	Job Preparation Initiative	64,246	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**206,866**	**233,609**	**368,211**	**900,003**	**1,100,000**	**22.2**	**1,300,000**	**18.2**
3H2	235-608	Human Services Project	612,786	553,519	358,700	1,500,000	1,500,000	.0	1,500,000	.0
3H2	235-622	Medical Collaboration Network	0	0	0	0	3,346,143	.0	3,346,143	.0
3N6	235-605	State Student Incentive Grants	2,200,606	2,196,681	3,112,253	3,096,680	2,196,680	(29.1)	2,196,680	.0
3T0	235-610	NHSC Ohio Loan Repayment	70,000	265,156	232,398	150,001	150,001	.0	150,001	.0
312	235-609	Tech Prep	205,629	194,858	245,163	183,373	183,850	.3	183,850	.0
312	235-611	Gear-Up Grant	1,339,727	1,401,229	1,072,848	1,367,141	1,370,691	.3	1,370,691	.0
312	235-612	Carl D. Perkins Grnt/Plan Adm	130,739	104,537	109,970	112,667	112,960	.3	112,960	.0
312	235-615	Professional Development	266,326	94,984	269,535	521,774	523,129	.3	523,129	.0
312	235-616	Workforce Investment Act Admin	0	39,885	19,515	847,798	0	(100.0)	0	.0
312	235-617	Improving Teacher Quality	0	0	188,463	2,892,488	2,900,000	.3	2,900,000	.0
312	235-619	Ohio Supercomputer Center	0	0	6,000,000	5,984,459	6,000,000	.3	6,000,000	.0
312	235-621	Science Education Network	0	0	0	1,685,593	1,686,970	.1	1,686,970	.0
312	235-631	Federal Grants	2,580,600	2,410,714	2,214,181	1,795,926	250,590	(86.0)	250,590	.0
TOTAL Fed Special Revenue Fund Group			**7,406,413**	**7,261,563**	**13,823,026**	**20,137,900**	**20,221,014**	**.4**	**20,221,014**	**.0**
4E8	235-602	HEFC Administration	8,142	11,000	3,707	20,000	55,000	175.0	55,000	.0
4P4	235-604	Physician Loan Repayment	417,093	335,522	242,098	476,870	476,870	.0	476,870	.0
649	235-607	OSU Highwy/Trnsportation Rsrch	820,464	662,382	613,891	760,000	760,000	.0	760,000	.0
682	235-606	Nursing Loan Program	683,030	646,394	670,269	893,000	893,000	.0	893,000	.0
TOTAL State Special Revenue Fund Group			**1,928,729**	**1,655,298**	**1,529,965**	**2,149,870**	**2,184,870**	**1.6**	**2,184,870**	**.0**
TOTAL Board of Regents			**2465,628,653**	**2419,457,192**	**2426,189,675**	**2468,401,149**	**2490,743,332**	**.9**	**2539,744,601**	**2.0**

**** Please see the Appropriation Line Item analysis for further detail.**

Department of Rehabilitation and Correction

Role and Overview

The Ohio Department of Rehabilitation and Correction (DRC) protects and supports Ohioans by ensuring that adult felony offenders are effectively supervised in environments that are safe, humane, and appropriately secure. In partnership with communities, DRC promotes citizen safety and victim reparation. Through rehabilitative and restorative programming, the department seeks to instill in offenders a sense of responsibility and the capacity to become law-abiding members of society. The department has 14,428 employees with an annual operating budget of $1.5 billion.

More information about the Department of Rehabilitation and Correction is available at http://www.drc.state.oh.us.

Executive Priorities for the Department of Rehabilitation and Correction

- Ensure the safety and security of all inmates and staff.
- Reduce the likelihood of future criminal behavior by offenders through re-entry initiatives.
- Maximize operational efficiency and cost savings.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	1,349,779	1,380,714	1,393,659	1,438,604	3.2	1,475,870	2.6	1,501,312	1.7
General Services Fund Group	141,379	132,791	145,543	166,656	14.5	174,365	4.6	174,365	.0
Fed Special Revenue Fund Group	9,136	6,400	12,888	36,818	185.7	38,326	4.1	38,326	.0
TOTAL	**1,500,294**	**1,519,905**	**1,552,091**	**1,642,077**	**5.8**	**1,688,561**	**2.8**	**1,714,003**	**1.5**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	875,444	893,903	883,043	857,375	(2.9)	899,711	4.9	887,206	(1.4)
Purchased Services	107,940	115,859	118,751	117,484	(1.1)	113,550	(3.3)	116,338	2.5
Maintenance	278,844	278,225	298,081	385,366	29.3	402,880	4.5	449,801	11.6
Equipment	11,020	5,532	14,438	4,464	(69.1)	1,086	(75.7)	1,086	.0
Subsidy	78,303	74,913	79,388	84,720	6.7	81,037	(4.3)	81,045	.0
Goods For Resale	8,851	6,474	12,917	15,180	17.5	16,575	9.2	16,575	.0
Capital Improvements	2,144	738	4,857	28,194	480.5	32,651	15.8	32,651	.0
Transfer & Other	137,747	144,261	140,616	149,293	6.2	141,070	(5.5)	129,300	(8.3)
TOTAL	**1,500,294**	**1,519,905**	**1,552,091**	**1,642,077**	**5.8**	**1,688,561**	**2.8**	**1,714,003**	**1.5**

PROGRAM SERIES 01: Institutional Operations

This program series provides housing, security, maintenance, food, and support services for adults who are sentenced to the custody of the department. The department currently operates 30 prisons and contracts with two private prisons. DRC provides programs committed to the delivery of services based on the needs of the persons committed to its custody.

Program 01.01: Facility Maintenance

This program provides upkeep of buildings and contents to ensure the safe and secure operation of correctional institutions throughout the state. These facilities are held in compliance with all standards and requirements of federal, state, and local statutes and ordinances. The program also manages institution improvement, renovation, and construction projects to maintain efficient, operable conditions and equipment to ensure the safety and security of all inmates and staff.

What the Budget Buys:

- Provides for physical plant operations including heating, ventilation, plumbing, and electrical service to buildings that house 44,000 inmates and provide workspace for prison staff;
- Funds preventative maintenance at all 30 of the state operated institutions including painting, roofing, asbestos management, and managing on-site contractors for capital improvement and other maintenance and renovation projects, with occasional maintenance also performed at the two privately operated institutions; and
- Allows staff members to review proposed project plans and specifications in the design phase, approve construction schedules, and interpret the plans and specifications during construction.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-321	Institutional Operations	75,137,262	81,626,286
GSF	4B0	501-601	Sewer Treatment Services	1,758,177	1,758,177
GSF	483	501-605	Property Receipts	393,491	393,491
FED	3S1	501-615	Truth-in-Sentencing Grants	26,078,792	26,078,792
TOTAL FOR PROGRAM				**103,367,722**	**109,856,746**

Program 01.02: Support Services

This program addresses quality of life issues that enhance total institutional operations. These include the legal and ethical responsibilities of providing adequate food, clothing, work therapy, and spiritual support to the inmates. Food Services provide approximately 49.5 million meals annually to inmates. Ohio Penal Industries provides work experience and training for inmates. Religious services are provided in all faiths for inmates. Agricultural Services farms more than 10,890 acres and provides job opportunities and training for the inmates.

What the Budget Buys:

- Provides work experience and training in shops located in a majority of state correctional institutions for inmates through the Ohio Penal Industries;
- Provides meals to all inmates, prepared according to state sanitary requirements and fulfilling federal dietary requirements;
- Supports the operation of a commissary at each institution providing inmates the opportunity to purchase personal hygiene items and permitted food items;
- Provides clothing and linen exchange and laundry services for inmates; and
- Continues to provide religious services in all faiths for inmates.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-321	Institutional Operations	139,819,831	159,561,331
GRF	GRF	501-403	Prisoner Compensation	8,599,255	8,599,255
GSF	148	501-602	Services and Agriculture	95,207,653	95,207,653
GSF	200	501-607	Ohio Penal Industries	38,000,000	38,000,000
TOTAL FOR PROGRAM				**281,626,739**	**301,368,239**

Program 01.03: Security

DRC is responsible for supervising all adults convicted of felonies for which the statutory minimum is at least six months. The Security program provides the effective supervision and control of 44,000 offenders, as well as observation and monitoring of security systems and hardware designed to create an environment in which rehabilitative services and programs can be offered.

What the Budget Buys:

- Provides for the development, implementation, evaluation, and monitoring of security and policy procedures;
- Maintains a hardened perimeter fence system including single or double fences topped with coils of razor ribbon, equipped with electronic detection systems, and officers in vehicles, towers, or on foot patrol to monitor them for each prison;
- Supports the electronic control and monitoring of doors and gates inside the prisons;
- Maintains man-down alarms that provide security for staff working in inmate housing areas and other designated areas of the institution, by notifying other staff when officers need assistance;
- Provides for a formal count of inmates five times a day;
- Provides security staff, security threat group coordinators, and investigators to ensure that all staff members are aware of the threats posed by gangs and drug traffickers;
- Provides training in security threat group identification for staff members;
- Continues to maintain a safe environment through the minimization of violence, escapes, monitoring Security Threat Group (STG) activity, drug interdiction efforts, and routine searches to reduce contraband; and
- Continues to ensure one of the lowest escape rates from low/minimum institutions in the country. No escapes from secure institutions have occurred since 1996.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-321	Institutional Operations	479,837,536	467,630,573
FED	323	501-619	Federal Grants	85,277	85,277
TOTAL FOR PROGRAM				**479,922,813**	**467,715,850**

Program 01.04: Unit Management

Unit Management is a team approach to inmate management. Accountability, security, and communication are enhanced by dividing large groups of offenders into smaller groups supervised by teams of trained staff located in close proximity to an inmate's living area. Activities are tailored to the specific prison setting and focused on the individual inmate.

What the Budget Buys:

- Funds oversight of the daily operation of the living areas and helps inmates resolve routine and crisis situations in an expedient manner;
- Continues the classification of inmates into appropriate security levels, job assignments, and educational programs;
- Provides orientation programs for new inmates, and process reviews of inmate conduct violations;
- Allows unit staff members to work closely with other program areas such as education services, mental health services, medical services, the Rules Infraction Board, and inmate groups to make appropriate referrals and share information regarding inmate activities; and
- Offers inmate programming, including self-help, stress management, enhancement of life skills, parenting, communication, anger control, moral reasoning, pre-parole planning, and relationship building.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-321	Institutional Operations	45,112,502	44,136,287
TOTAL FOR PROGRAM				**45,112,502**	**44,136,287**

Program 01.05: Medical Services

This program offers comprehensive health care services by qualified personnel at all institutions, as well as centralized specialty acute and chronic care in affiliation with The Ohio State University Medical Center. The Bureau of Medical Services (BOMS) oversees the administration and coordination of all medical care. Other health services provided on-site include optometry, podiatry, dentistry, basic X-ray and lab services, nutritional counseling, and education.

What the Budget Buys:

- Provides on-site screenings, basic health services, and care for inmates' serious health needs as required by the U.S. Constitution;
- Funds consultations, treatments, and minor surgical procedures at the Corrections Medical Center in a secure clinic area;
- Continues to fund the contract with The Ohio State University Medical Center providing inpatient, emergent, and outpatient diagnostic and surgical procedures;
- Funds privatized health care contracts at four institutions that are located a significant distance from the department's centralized medical services;
- Provides pre-operative, post-operative, convalescent, long-term and end-of-life care in the maximum-security skilled nursing facility at the Corrections Medical Center, with a full complement of nurses, physicians, and medical ancillary staff;
- Funds a fully accredited medical laboratory providing diagnostic and other laboratory services for DRC inmates, as well as for the Department of Mental Health and the Department of Youth Services;
- Funds one of the largest dialysis units in the state, within Pickaway Correctional Institution, providing services for approximately 55 patients; and
- Provides for a multi-disciplinary medical team of professional clinicians to supply comprehensive inmate healthcare services within each institution, including primary and preventative medical and dental care, emergent care, infectious disease monitoring and treatment, and health education.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	505-321	Institution Medical Services	159,926,575	176,500,628
GSF	5H8	501-617	Offender Financial Respond	774,020	774,020
GSF	593	501-618	Laboratory Services	5,799,999	5,799,999
TOTAL FOR PROGRAM				**166,500,594**	**183,074,647**

Program 01.06: Recovery Services

The Bureau of Recovery Services provides care for inmates with alcohol and other drug (AOD) service needs. AOD screening is completed for all inmates as part of the mental health screening process. For the last several years, the department has averaged 20,000 new admissions annually. Drug testing is conducted at all institutions to identify prisoners with AOD problems. Inmates who test positive for drug use are required to complete mandatory drug education. Alcoholics Anonymous, Narcotics Anonymous, and substance abuse education are offered at all institutions.

What the Budget Buys:

- Funds drug testing at all institutions to identify prisoners with alcohol and other drug (AOD) problems for treatment referral;
- Funds four therapeutic communities within state institutions that provide long-term AOD treatment to approximately 1,000 inmates per year;
- Provides five residential programs that serve approximately 600 inmates per year with separate housing while they receive substance abuse treatment;
- Funds one literacy unit and several AOD residential units with a combined capacity of 60, to serve about 100 inmates per year;
- Provides Alcoholics Anonymous, Narcotics Anonymous, and substance abuse education at all institutions; and
- Provides the funding to house an intensive prison program for inmates committed for certain driving under the influence (DUI) offenses as required under Senate Bill 166.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	507-321	Institution Recovery Services	6,946,286	7,090,212
GSF	4D4	501-603	Prisoner Programs	5,454,195	5,454,195
GSF	5AF	501-609	State and Non-Federal Awards	262,718	262,718
FED	323	501-619	Federal Grants	48,576	48,576
TOTAL FOR PROGRAM				**12,711,775**	**12,855,701**

Program 01.07: Education Services

This program provides educational opportunities at many levels for inmates. Adult basic education, high school equivalency diplomas, and adult high school are offered at 30 institutions and serve approximately 13,000 inmates annually who lack a high school education. Vocational education programs are offered at 29 institutions and serve over 3,500 inmates per year who lack job skills. In addition, apprenticeship programs are offered in over 52 trades. Special education and literacy training programs serve inmates with learning disabilities and those who cannot read.

What the Budget Buys:

- Funds adult basic education, high school equivalency diplomas, and adult high school opportunities at all 30 state run institutions, to serve approximately 13,000 inmates annually who lack a high school education;
- Provides vocational education programs at 29 institutions to serve over 3,500 inmates per year who lack job skills;
- Funds apprenticeship programs in over 52 trades;
- Maintains special education programs at all institutions that serve inmates with learning disabilities;
- Provides each inmate with three weeks of pre-release programming to teach job-readiness, life-coping skills, and how to utilize community resources for job employment and reintegration to the community before being released; and
- Provides post-release service centers in five urban areas of Ohio to assist inmates in their transition to the community.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	506-321	Institution Education Services	22,727,366	23,114,615
GSF	4D4	501-603	Prisoner Programs	15,513,508	15,513,508
GSF	4S5	501-608	Education Services	4,564,072	4,564,072
FED	323	501-619	Federal Grants	436,646	436,646
TOTAL FOR PROGRAM				**43,241,592**	**43,628,841**

Program 01.08: Mental Health Services

The Mental Health Services program provides care for inmates with various mental health needs. Services include: outpatient treatment and behavior management services for inmates in the general prison population; psychiatric services including outpatient, residential, crisis, and inpatient care; sex offender services; and pre-parole evaluations. Services are provided at all custody levels in Ohio's correctional institutions.

What the Budget Buys:

- Provides psychiatric, psychological, psychiatric nursing, social work, sex-offender, mental retardation, and residential and acute hospitalization services to all inmates at all institutions;
- Funds Oakwood Correctional Facility, an acute inpatient facility providing services to approximately 380 male and female inmates per year;
- Provides a specialized 40 bed residential program, accommodation of general population programs and coordination with County Boards of Mental Retardation/Developmental Disabilities; and
- Provides the Parole Board with clinical risk assessments to assist in identifying high-risk offenders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	502-321	Mental Health Services	64,897,564	66,055,754
TOTAL FOR PROGRAM				**64,897,564**	**66,055,754**

Program 01.09: Facility Administration

The Facility Administration program provides funding for the management of DRC facilities. This includes staffing costs for wardens, deputy wardens, business management, labor relations, personnel officers, network administrators, training officers, records management, food service coordinators, and executive support. The Administration program also includes various costs associated with prisoner compensation, prisoner programs, services and agriculture, and information and technology services.

What the Budget Buys:

- Provides management oversight and administrative supervision to ensure the safe and effective delivery of programs and services at all 30 state run institutions; and
- Ensures that the daily operations of every facility are as efficient and effective as possible, while meeting all statutory requirements and remaining an institution accredited by the American Corrections Association.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-321	Institutional Operations	117,464,359	120,934,403
GSF	5L6	501-611	Information Technology Services	3,741,980	3,741,980
GSF	571	501-606	Training Academy Receipts	75,190	75,190
FED	3S1	501-615	Truth-in-Sentencing Grants	48,635	48,635
FED	323	501-619	Federal Grants	11,627,854	11,627,854
TOTAL FOR PROGRAM				**132,958,018**	**136,428,062**

PROGRAM SERIES 02: Parole and Community Service Operations

This program series provides community supervision for felony offenders, jail inspection services, victim services, and programs that fund community correction options to prison and jail. Community corrections programs provide punishment for lower-risk offenders including electronic house arrest, day reporting, and intensive supervision.

Program 02.01: Parole and Community Services Operations

The Adult Parole Authority (APA) has a legislative mandate to supervise over 21,000 offenders that are released from prison, received under the Interstate Compact agreement, or are court-supervised cases. APA currently has 52 county agreements to supervise nearly 13,000 probationers. In addition, the APA prepares offender investigation reports that are used by the Common Pleas Courts, Parole Board, and department to make decisions regarding offender sanctions, treatment, prison releases, and security classifications. The Parole Board also conducts statutory release hearings and notifies victims of scheduled hearings.

What the Budget Buys:

- Provides supervision for offenders under the legal jurisdiction of the Adult Parole Authority to ensure public safety and assist offenders in positive reintegration into the community; and
- Funds oversight of compliance with the Interstate Compact Agreement by regulating offender movement in and out of the state and supervising offenders from other states pursuant to the agreement.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-407	Comm. Nonresidential Programs	665,394	678,701
GRF	GRF	503-321	Parole and Community Operations	78,887,219	80,708,911
GSF	4L4	501-604	Transitional Control	1,593,794	1,593,794
GSF	5H8	501-617	Offender Financial Respond	1,225,980	1,225,980
TOTAL FOR PROGRAM				**82,372,387**	**84,207,386**

Program 02.02: Community Sanctions: Halfway Houses

This program contracts with public and private agencies to provide residential placements for prisoners who are released under the supervision of the Adult Parole Authority, and for persons on probation/community supervision who are ordered into a residential program. Halfway houses provide a place to live, a structured environment, counseling and substance abuse services, employment assistance, and educational programs. This program also provides mental health, day reporting, and other services for offenders released from Ohio prisons.

What the Budget Buys:

- Provides residential programming and housing for offenders, including specialized services for sex offenders, offenders with mental illness, and those with substance abuse problems;
- Provides transition from prison and community reentry services;
- Funds transitional control beds for eligible inmates to serve up to the last 180 days of their sentence in a strictly monitored work-release environment, thereby freeing up prison beds for more dangerous offenders;
- Provides electronic monitoring as a step-down from prison or as a sanction option for offenders violating conditions of supervision;
- Funds independent housing beds for those offenders that would otherwise be homeless; and
- Provides outpatient ancillary contract slots for offenders in need of mental health, sex-offender, and day reporting programming.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-405	Halfway House	38,104,924	38,105,128
TOTAL FOR PROGRAM				**38,104,924**	**38,105,128**

Program 02.03: Community Sanctions: Community-Based Correctional Facilities

This program provides grants to counties for the construction and operation of Community-Based Correctional Facilities (CBCF), which house up to 200 felony offenders. CBCFs provide an opportunity for local judges to sentence offenders to a facility offering services such as education, job training, and substance abuse treatment as an alternative to incarceration.

What the Budget Buys:

- Funds grants that operate 17 community-based correctional facilities in Ohio providing services to over 4,500 offenders per year, saving approximately 2,943 beds per year in state institutions for more serious offenders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-501	Community Residential Programs-CBCF	55,054,445	55,054,445
TOTAL FOR PROGRAM				**55,054,445**	**55,054,445**

Program 02.04: Community Sanctions: Non-Residential Felony Programs

The Community Sanctions: Non-Residential Felony programs, through the authority of the Community Correction Act, provide grants to counties to operate intensive supervision and other community sanctions programs for felony offenders in lieu of prison or jail commitments. Grants currently fund 50 programs in 45 counties serving nearly 9,500 people. Non-Residential Felony Programs reduce prison crowding by providing local felony courts with sentencing alternatives such as intensive supervision, day reporting, work release, community service, counseling, drug testing, and electronic monitoring.

What the Budget Buys:

- Funds grants to counties for felony offender programming instead of prison or jail sentences for approximately 9,079 offenders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-407	Comm. Nonresidential Programs	14,718,077	14,725,821
TOTAL FOR PROGRAM				**14,718,077**	**14,725,821**

Program 02.05: Community Sanctions: Non-Residential Misdemeanor Programs

This program, through the authority of the Community Corrections Act, provides grants to counties and cities to operate pre-trial release, probation, or other local programs for misdemeanor offenders in lieu of confinement in jail. Grants currently fund 110 programs in 76 counties. The programs funded with these grants provide alternatives to confinement for over 12,600 offenders each year. Non-Residential Misdemeanor Programs provide sentencing options for municipal and county courts for the purpose of diverting offenders from local jails.

What the Budget Buys:

- Provides funding to support grants to counties and cities for local programs to divert approximately 11,600 offenders from jail confinement.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-408	Comm. Misdemeanor Programs	8,041,489	8,041,489
TOTAL FOR PROGRAM				**8,041,489**	**8,041,489**

PROGRAM SERIES 03: Program Management

Program Management encompasses central office operations and other administrative services.

Program 03.01: Program Management Services

The department's administrative operations encompass a significant part of central office operations. This includes the Director's Office, Human Resources Department, Office of Administration, Division of Legal Services, Chief Inspector's Office, Bureaus of Public Information and Public Affairs, Office of the Legislative Liaison, and the Office of Offender Reentry and Correctional Best Practices. The Office of Administration includes the Bureaus of Construction Activation and Maintenance, Information and Technology Services, Contract Services, Budgeting, Fiscal Operations, Grants, and the Ohio Prison Industries.

What the Budget Buys:

- Funds administrative operations that oversee all agency functions;
- Provides leadership and direction to a correctional system employing over 14,000 employees, and housing an inmate population of approximately 44,000 convicted felons; and
- Provides direction and oversight to the community corrections programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	504-321	Administrative Operations	27,559,389	28,147,730
TOTAL FOR PROGRAM				**27,559,389**	**28,147,730**

PROGRAM SERIES 04: Debt Service

This program series provides payment of agency debt resulting from bond issuance.

Program 04.01: Debt Service

This program provides funding for debt service that must be paid to the Ohio Building Authority for its obligation as a result of issuing bonds to cover DRC's capital expenditures.

What the Budget Buys:

- Funds all debt obligations for capital expenditures for the biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	501-406	Lease Rental Payments	132,370,500	120,600,600
TOTAL FOR PROGRAM				**132,370,500**	**120,600,600**

LINE ITEM SUMMARY - Rehabilitation and Correction

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	501-321	Institutional Operations	807,517,857	821,564,365	829,412,812	837,978,576	857,371,490	2.3	873,888,880	1.9
GRF	501-403	Prisoner Compensation	8,837,616	8,705,052	8,455,052	8,599,255	8,599,255	.0	8,599,255	.0
GRF	501-405	Halfway House	33,465,075	34,486,762	35,693,925	38,104,724	38,104,924	.0	38,105,128	.0
GRF	501-406	Lease Rental Payments	127,002,909	137,037,256	131,568,393	140,160,709	132,370,500	(5.6)	120,600,600	(8.9)
GRF	501-407	Comm. Nonresidential Programs	15,185,040	14,665,008	15,057,503	15,352,814	15,383,471	.2	15,404,522	.1
GRF	501-408	Comm. Misdemeanor Programs	7,940,310	7,732,928	7,783,560	8,041,489	8,041,489	.0	8,041,489	.0
GRF	501-501	Community Residential Programs-CBCF	51,951,350	51,006,796	52,630,878	55,054,445	55,054,445	.0	55,054,445	.0
GRF	502-321	Mental Health Services	63,251,970	61,867,585	60,744,992	62,436,076	64,897,564	3.9	66,055,754	1.8
GRF	503-321	Parole and Community Operations	72,204,087	73,602,290	74,745,181	75,887,592	78,887,219	4.0	80,708,911	2.3
GRF	504-321	Administrative Operations	25,032,286	25,333,363	25,901,342	26,962,589	27,559,389	2.2	28,147,730	2.1
GRF	505-321	Institution Medical Services	108,551,435	117,336,516	125,904,178	139,840,820	159,926,575	14.4	176,500,628	10.4
GRF	506-321	Institution Education Services	22,758,086	20,966,871	19,925,036	23,446,804	22,727,366	(3.1)	23,114,615	1.7
GRF	507-321	Institution Recovery Services	6,080,681	6,409,651	5,836,466	6,737,928	6,946,286	3.1	7,090,212	2.1
TOTAL General Revenue Fund			**1349,778,702**	**1380,714,443**	**1393,659,318**	**1438,603,821**	**1475,869,973**	**2.6**	**1501,312,169**	**1.7**
148	501-602	Services and Agriculture	86,257,677	85,713,975	89,166,338	95,207,653	95,207,653	.0	95,207,653	.0
200	501-607	Ohio Penal Industries	29,678,917	22,645,087	29,477,916	31,491,879	38,000,000	20.7	38,000,000	.0
4B0	501-601	Sewer Treatment Services	1,403,368	1,291,877	1,395,817	1,758,177	1,758,177	.0	1,758,177	.0
4D4	501-603	Prisoner Programs	16,806,997	15,832,413	16,504,230	20,967,704	20,967,703	.0	20,967,703	.0
4L4	501-604	Transitional Control	448,109	846,381	1,033,168	1,593,794	1,593,794	.0	1,593,794	.0
4S5	501-608	Education Services	2,204,251	1,923,479	2,275,176	4,564,072	4,564,072	.0	4,564,072	.0
483	501-605	Property Receipts	271,547	169,013	306,304	393,491	393,491	.0	393,491	.0
5AF	501-609	State and Non-Federal Awards	0	0	0	262,718	262,718	.0	262,718	.0
5H8	501-617	Offender Financial Respond	79,040	129,666	769,865	1,774,020	2,000,000	12.7	2,000,000	.0
5L6	501-611	Information Technology Services	0	0	0	3,741,980	3,741,980	.0	3,741,980	.0
571	501-606	Training Academy Receipts	20,411	59,949	30,350	75,190	75,190	.0	75,190	.0
593	501-618	Laboratory Services	4,208,944	4,179,022	4,583,809	4,825,423	5,799,999	20.2	5,799,999	.0
TOTAL General Services Fund Group			**141,379,261**	**132,790,862**	**145,542,973**	**166,656,101**	**174,364,777**	**4.6**	**174,364,777**	**.0**
3S1	501-615	Truth-in-Sentencing Grants	2,309,299	1,584,414	5,854,169	25,517,173	26,127,427	2.4	26,127,427	.0
323	501-619	Federal Grants	6,827,082	4,815,331	7,034,174	11,300,335	12,198,353	7.9	12,198,353	.0
TOTAL Fed Special Revenue Fund Group			**9,136,381**	**6,399,745**	**12,888,343**	**36,817,508**	**38,325,780**	**4.1**	**38,325,780**	**.0**
TOTAL Dept of Rehab. and Correction			**1500,294,344**	**1519,905,050**	**1552,090,634**	**1642,077,430**	**1688,560,530**	**2.8**	**1714,002,726**	**1.5**

Rehabilitation Services Commission

Role and Overview

The Rehabilitation Services Commission (RSC) works in partnership with people with disabilities to achieve employment and independence. Directed by a seven-member commission, RSC is comprised of three bureaus, two of which provide direct vocational rehabilitation services. Created by the Ohio General Assembly, the seven-member commission is appointed by the Governor with the advice and consent of the Senate. No more than four commission members may be of the same political party. Three must be representatives from the rehabilitation profession, including at least one member must be involved with the blind. At least four commissioners must be individuals with disabilities, including at least two but no more than three who have received vocational rehabilitation services from the state vocational rehabilitation agency or the Veterans' Administration. Commission members serve staggered seven-year terms.

RSC has provided quality services to people with disabilities and employers since 1970; however, Ohio's commitment to vocational rehabilitation started in 1920. The commission has over 1,400 employees with an annual operating budget of over $270 million. Today, the agency is a nationally-recognized leader in helping people with severe disabilities achieve their employment goals. As a result, these Ohioans enjoy independent and self-sufficient lives, contribute to their communities, and enrich the state's workforce.

Executive Priorities for the Rehabilitation Services Commission

- Promote the employment of Ohioans with disabilities.
- Assist Ohioans with disabilities achieve competitive employment.
- Encourage independence and economic self-sufficiency for Ohioans with disabilities.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	24,542	23,763	23,623	24,297	2.9	24,297	.0	24,297	.0
General Services Fund Group	16,947	18,050	18,965	20,189	6.5	20,189	.0	20,189	.0
Fed Special Revenue Fund Group	183,176	194,100	202,224	220,228	8.9	218,936	(.6)	218,122	(.4)
State Special Revenue Fund Group	6,826	6,003	5,011	5,569	11.1	5,555	(.2)	5,605	.9
TOTAL	**231,491**	**241,916**	**249,823**	**270,283**	**8.2**	**268,977**	**(.5)**	**268,213**	**(.3)**

Rehabilitation Services Commission

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	78,001	83,574	83,478	87,470	4.8	92,747	6.0	95,612	3.1
Purchased Services	1,571	1,680	2,579	2,902	12.5	9,562	229.5	9,879	3.3
Maintenance	32,784	32,121	30,167	31,557	4.6	33,896	7.4	34,453	1.6
Equipment	2,206	2,973	2,907	4,118	41.7	4,300	4.4	4,304	.1
Subsidy	116,580	120,276	130,646	143,743	10.0	128,034	(10.9)	123,529	(3.5)
Goods For Resale	76	62	47	15	(67.4)	100	551.8	100	.0
Transfer & Other	272	1,231	0	477	.0	337	(29.4)	337	.0
TOTAL	**231,491**	**241,916**	**249,823**	**270,283**	**8.2**	**268,977**	**(.5)**	**268,213**	**(.3)**

PROGRAM SERIES 01: Vocational Rehabilitation

The primary goal of this program series is to help people with severe disabilities obtain and maintain competitive employment.

Program 01.01: Vocational Rehabilitation

Vocational Rehabilitation (VR) is a multi-service program designed for people with disabilities who have barriers to becoming employed. VR services assist people in obtaining and maintaining employment. RSC is the only state agency designated by the Federal Rehabilitation Act to administer and supervise VR services in the state.

The federal government matches every state dollar with almost four federal dollars. RSC also receives additional funds for VR services through a cash transfer agreement with the Bureau of Workers' Compensation.

During fiscal year 2004, RSC rehabilitated 8,088 Ohioans with disabilities and provided services to 54,171 people. Of those individuals rehabilitated, 6,779 individuals are competitively employed and earn an average of $18,761 annually.

What the Budget Buys:

- Supports rehabilitation services to over 54,000 people;
- Funds services to aid 14,000 people over the biennium to become competitively employed at an average annual income of $18,000; and
- Maintains 45 offices throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	415-100	Personal Services	8,851,468	8,851,468
GRF	GRF	415-403	Mental Health Services	717,221	717,221
GRF	GRF	415-404	MRDD Services	1,260,816	1,260,816
GRF	GRF	415-405	Vocational Rehabilitation/Human Services	536,912	536,912
GRF	GRF	415-406	Assistive Technology	47,531	47,531
GRF	GRF	415-506	Servics for People with Disabilities	12,185,215	12,185,215
GRF	GRF	415-509	Services for the Elderly	359,377	359,377
FED	3L1	415-608	Social Security: Special Programs/Assistance	2,246,991	131,716
FED	3L1	415-610	Social Security Vocational Rehabilitation	1,336,324	1,338,324
FED	3L4	415-615	Federal-Supported Employment	1,338,191	1,338,191
FED	3L4	415-617	Independent Living/Voc Rehab Programs	1,408,885	1,508,885
FED	379	415-616	Federal-Vocational Rehabilitation	119,589,737	116,023,049
SSR	4L1	415-619	Services for Rehabilitation	4,488,537	4,486,000
SSR	468	415-618	Third Party Funding	1,055,407	1,105,407
TOTAL FOR PROGRAM				**155,422,612**	**149,890,112**

Program 01.02: Business Enterprises

Created by the Federal Randolph Sheppard Act, this program provides job opportunities for persons who are blind or severely visually impaired. These individuals are provided with management training and the equipment necessary to run vending and food service facilities on federal, state, and county properties. The program is responsible for developing new food service operations, monitoring existing operations, and providing training to new and existing licensed food service operators.

This program, one of many nationwide, is the single largest employment program for the legally blind in Ohio. The Bureau of Services for the Visually Impaired facilitates self-employment food service and vending opportunities for legally blind entrepreneurs. The 120 blind licensees of the program manage 127 facilities statewide. These facilities include: full service cafeterias; vending operations, including those located in Ohio Department of Transportation highway rest areas; snack bars; and convenience stores. Many of the major cafeteria operations also offer catering services. In fiscal year 2004 the program realized approximately $21 million in gross sales and employed more than 400 Ohioans.

What the Budget Buys:

- Funds assistance to 120 blind licensees managing 127 facilities, and
- Creates jobs for 400 Ohioans.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	467	415-609	Business Enterprise Operating Expenses	1,632,082	1,632,082
FED	379	415-616	Federal-Vocational Rehabilitation	3,650,743	3,650,743
TOTAL FOR PROGRAM				**5,282,825**	**5,282,825**

Program 01.03: Brain Injury

This program promotes a statewide system of services to return persons with brain injuries to a productive role in society. The program also works toward reducing the incidence of brain injury and the severity of impairments due to such injuries by providing community support services, funding, prevention, research, incidence reporting systems, case management options, and training for health care professionals.

This program also provides staff support to a statewide Brain Injury Advisory Committee. RSC serves in an administrative role, making funding awards to the Brain Injury Association of Ohio. The advisory committee monitors funding and retains project oversight for core services, including Ohio's Community Support Network, a statewide resource facilitation system operated by the Brain Injury Association of Ohio. There are six coordinators serving multi-county areas throughout the state. These coordinators address the needs of both individuals with brain injuries and their families.

The program operates a statewide toll-free Helpline, that provides resource identification and outreach services to over 2,300 callers annually. The association offers education, training, and advocacy through its Helpline, Community Support Network, support groups, and collaborative ventures with other service providers.

What the Budget Buys:

- Maintains six Community Support Networks; and
- Maintains a statewide toll-free Helpline, which provides resource identification, outreach services, education, and training services to 2,300 callers annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	415-431	Office for People with Head Injuries	226,012	226,012
FED	3L4	415-617	Independent Living/Voc Rehab Programs	100,000	100,000
FED	379	415-616	Federal-Vocational Rehabilitation	324,678	324,678
TOTAL FOR PROGRAM				**650,690**	**650,690**

Program 01.04: Personal Care Assistance

This program provides financial resources to help eligible consumers with severe disabilities pay for the cost of a personal assistant to allow them to work and live independently. The program prioritizes allocation of these financial resources to consumers so that they may work or participate in activities leading to employment.

Although personal assistance services can be provided through Medicaid programs, most individuals who are competitively employed do not qualify for assistance through these programs due to income ceilings. This is the only program in Ohio that focuses resources to meet the needs of working people in need of personal care assistance. The services made available to consumers include: bathing, dressing, personal grooming, performing bowel and bladder care, toileting, preparing meals and eating, repositioning and turning, driving services, record-keeping, house cleaning, and laundry.

What the Budget Buys:

- Allows 300 consumers with severe disabilities to meet the cost of their personal assistance needs to enable them to obtain and maintain employment and/or live independently.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3L1	415-601	Social Security Personal Care Assistance	3,743,740	3,743,740
FED	3L1	415-607	Social Security Administrative Costs	175,860	175,860
TOTAL FOR PROGRAM				**3,919,600**	**3,919,600**

Program 01.05: Community Centers for the Deaf

This program provides support services such as legal protection, health and mental health care, telecommunications, public transportation, government services, and other public and private social services to enable deaf or hard of hearing individuals to be independent, self-supporting taxpayers. Sign language interpreting services, sign language instruction, and information concerning the American with Disabilities Act are also provided to consumers.

What the Budget Buys:

- Funds ten Community Centers for the Deaf and eight satellite offices; and
- Provides assistance to persons who are deaf or hard of hearing so that they can access programs such as legal protection, health/mental health care, telecommunications, public transportation, government services, and other public and social services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	415-508	Services for the Deaf	50,000	50,000
FED	3L1	415-605	Social Security Centers for the Deaf	1,100,488	1,100,488
TOTAL FOR PROGRAM				**1,150,488**	**1,150,488**

PROGRAM SERIES 02: Disability Determination

The Bureau of Disability Determination, under an agreement with the Social Security Administration (SSA), processes Social Security disability determinations for all Ohioans who have applied at their local Social Security office for benefits under Supplemental Security Income (SSI), a needs-based income supplement program and/or Social Security Disability Insurance (SSDI).

Program 02.01: Disability Determination

This 100% federally funded program provides financial assistance to Ohioans who are totally disabled and meet the SSA requirements for disability. Both adults and children receive benefits until they are able to return to work, or in the case of children, until they can return to age-appropriate activities. Benefits can be continued during vocational rehabilitation and during a trial work period.

What the Budget Buys:

- Funds staff to determine eligibility for over 480,000 Ohioans who receive monthly disability benefits totaling over $279 million per year; and
- Maintains processing of over 190,000 claims per year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	317	415-620	Disability Determination	82,870,347	87,999,369
TOTAL FOR PROGRAM				**82,870,347**	**87,999,369**

PROGRAM SERIES 03: Independent Living

This program series promotes consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities and their integration into mainstream American society.

Program 03.01: Independent Living

This program provides funding to Centers for Independent Living as well as branch offices. These centers focus on the following four core services: independent living skills training, peer support, advocacy, and information and referral. The centers are community-based, cross-disability, nonresidential, private, nonprofit agencies operated by people with disabilities. These centers provide Ohioans with disabilities with the necessary skills to live independently and contribute to society. Without these skills many individuals would find themselves without community support and would be forced into an institution.

What the Budget Buys:

- Funds support 12 Centers for Independent Living and two branch offices; and
- Funds support the Independent Living Council efforts to coordinate and increase the impact of independent living services throughout the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	415-402	Independent Living Council	12,280	12,280
GRF	GRF	415-520	Independent Living Services	50,000	50,000
FED	3L1	415-614	Social Security Independent Living	154,942	0
FED	3L4	415-612	Fed-Independent Living Centers or Services	894,662	686,520
SSR	4L1	415-619	Services for Rehabilitation	11,463	14,000
TOTAL FOR PROGRAM				**1,123,347**	**762,800**

PROGRAM SERIES 04: Program Management/Indirect Cost

This program series provides all necessary administrative and support services to RSC's direct service programs. The cost of centralized services funded through this program series is proportional to the activities and production levels of the teams and bureaus that provide direct consumer services.

Program 04.01: Program Management/Indirect Cost

- Centralized administrative services and functions funded through this program budget include: statewide cost allocation group, legislative process unit, executive director's office, office of affirmative action, staff attorney, human resources team, administrative support team, finance unit, property management,
- information technology and telecommunication systems team, budget unit, program policy unit, projects team manager, consumer and legislative affairs team, and public affairs unit.

What the Budget Buys:

- Funds personnel needed to support the commission's activities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4W5	415-606	Administrative Expenses	18,557,040	18,557,040
TOTAL FOR PROGRAM				**18,557,040**	**18,557,040**

LINE ITEM SUMMARY - Rehabilitation Services Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	415-100	Personal Services	8,506,587	8,711,594	8,677,911	8,851,468	8,851,468	.0	8,851,468	.0
GRF	415-401	Personal Care Assistance	288,684	0	0	0	0	.0	0	.0
GRF	415-402	Independent Living Council	398,582	12,665	12,040	12,280	12,280	.0	12,280	.0
GRF	415-403	Mental Health Services	754,473	754,473	702,976	717,221	717,221	.0	717,221	.0
GRF	415-404	MR/DD Services	1,326,302	1,326,284	1,247,949	1,260,816	1,260,816	.0	1,260,816	.0
GRF	415-405	Vocational Rehab/Human Services	564,799	564,799	530,219	536,912	536,912	.0	536,912	.0
GRF	415-406	Assistive Technology	50,000	50,000	47,531	47,531	47,531	.0	47,531	.0
GRF	415-431	Off for People w/Head Injury	249,168	147,746	144,057	226,012	226,012	.0	226,012	.0
GRF	415-506	Svcs for People w/Disabilities	11,931,616	11,741,452	11,820,139	12,185,215	12,185,215	.0	12,185,215	.0
GRF	415-508	Services for the Deaf	45,040	0	49,997	50,000	50,000	.0	50,000	.0
GRF	415-509	Services for the Elderly	378,043	378,044	340,358	359,377	359,377	.0	359,377	.0
GRF	415-520	Independent Living Services	48,208	75,596	50,000	50,000	50,000	.0	50,000	.0
TOTAL General Revenue Fund			**24,541,502**	**23,762,653**	**23,623,177**	**24,296,832**	**24,296,832**	**.0**	**24,296,832**	**.0**
4W5	415-606	Administrative Expenses	15,613,566	16,803,538	17,606,320	18,557,040	18,557,040	.0	18,557,040	.0
467	415-609	Business Enterprise Operating Exp.	1,234,622	1,246,766	1,358,694	1,632,082	1,632,082	.0	1,632,082	.0
5L9	415-621	TANF/PCA Maintenance of Effort	31,807	0	0	0	0	.0	0	.0
5L9	415-622	TANF/PRCDR	66,670	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**16,946,665**	**18,050,304**	**18,965,014**	**20,189,122**	**20,189,122**	**.0**	**20,189,122**	**.0**
3L1	415-601	Soc Sec Personal Care Assistance	3,315,302	3,651,639	3,670,757	3,988,032	3,743,740	(6.1)	3,743,740	.0
3L1	415-605	Soc Sec Centers for the Deaf	1,042,819	1,227,480	1,144,552	1,100,488	1,100,488	.0	1,100,488	.0
3L1	415-607	Social Security Admin Cost	154,897	169,860	163,101	175,860	175,860	.0	175,860	.0
3L1	415-608	Soc Sec:Special Programs/Assistance	16,472,116	7,224,382	5,733,920	6,941,158	2,246,991	(67.6)	131,716	(94.1)
3L1	415-610	Soc Sec Vocational Rehab	1,428,089	1,226,410	1,461,445	1,338,324	1,336,324	(.1)	1,338,324	.2
3L1	415-614	Social Sec. Independent Living	15,992	385,917	385,917	385,917	154,942	(59.9)	0	(100.0)
3L4	415-611	Fed-Independent Living Council	51,099	0	0	0	0	.0	0	.0
3L4	415-612	Fed-Indep Living Centers or Svc	728,963	781,742	670,954	663,687	894,662	34.8	686,520	(23.3)
3L4	415-615	Federal-Supported Employment	1,479,021	1,444,941	1,300,219	1,714,546	1,338,191	(22.0)	1,338,191	.0
3L4	415-617	Independent Living/Voc Rehab Progms	1,107,322	1,567,551	1,744,940	1,582,484	1,508,885	(4.7)	1,608,885	6.6
317	415-620	Disability Determination	66,260,223	68,235,208	69,545,086	76,816,863	82,870,347	7.9	87,999,369	6.2
379	415-616	Federal-Vocational Rehabilitation	91,120,202	108,184,877	116,403,016	125,520,458	123,565,158	(1.6)	119,998,470	(2.9)
TOTAL Fed Special Revenue Fund Group			**183,176,045**	**194,100,007**	**202,223,907**	**220,227,817**	**218,935,588**	**(.6)**	**218,121,563**	**(.4)**
4L1	415-619	Services for Rehabilitation	5,660,070	5,200,885	3,397,806	3,176,070	4,500,000	41.7	4,500,000	.0
468	415-618	Third Party Funding	1,166,227	802,376	1,613,580	2,392,991	1,055,407	(55.9)	1,105,407	4.7
TOTAL State Special Revenue Fund Group			**6,826,297**	**6,003,261**	**5,011,386**	**5,569,061**	**5,555,407**	**(.2)**	**5,605,407**	**.9**
TOTAL Rehabilitation Services Comm			**231,490,509**	**241,916,225**	**249,823,484**	**270,282,832**	**268,976,949**	**(.5)**	**268,212,924**	**(.3)**

Revenue Distribution Funds

Role and Overview

Revenue Distribution Funds are funds used by the state to collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states, pursuant to law.

Although each of the 20 revenue distribution funds is administered by a state agency, the funds are not shown in the Executive Budget as part of the administering agencies' budgets. These moneys are not spent by state agencies on state operations, but are distributed by the administering agencies as specified in state law. The funds are shown together, here, in order to highlight the role they play in this redistribution function of state government. Most of the moneys are distributed to local units of government, including counties, libraries, school districts, and transit authorities.

As the following Item Summary table shows, the funds are broken into four fund groups: Revenue Distribution Funds, Agency Funds, Holding Account Redistribution Funds, and Volunteer Firemen's Dependents Fund. The two largest fund groups are Revenue Distribution Funds and Agency Funds.

Agency Fund Group

Agency Funds account for revenues collected and held by the state as custodian or agent. Ultimately, the money is distributed to local units of government where the revenues originated or to other state funds. The largest of these funds is Fund 063, the Permissive Tax Distribution Fund. Counties and transit authorities are authorized to levy the permissive sales and use tax in addition to the state sales and use tax for certain purposes. As of January 2005, all counties levied the permissive sales tax and seven counties levied a sales tax for transit purposes. The counties are also granted authority to enact permissive taxes on alcoholic beverages and on cigarettes for designated purposes. The Permissive Tax Distribution Fund holds county and transit authority permissive tax collections prior to their distribution to local authorities of origin.

Fund 067, the School District Income Tax Fund, holds school district income tax collections until they are distributed to the districts of origin. According to the Department of Taxation, as of January 2005, there were 145 school districts levying a school district income tax. Fund 608, the Investment Earnings Fund, is used to receive investment earnings from the State Treasurer's investment pool and distribute them to the appropriate state funds, including the General Revenue Fund.

Revenue Distribution Fund Group

Revenue Distribution Funds receive the shares of taxes and fees to be distributed to local units of government, other state funds, or other organizations. Funds 064, 065, and 069 are examples of these funds. These three funds distribute to local units of government and libraries about $1.2 billion annually from the shares of the state's major tax sources as specified in law and described below.

The Local Government Fund (Fund 069) took form when the state sales tax was established in 1935. Under permanent law, it would receive 4.2 percent of the sales and use tax, the personal income tax, the corporation franchise tax, and the public utility excise tax, and 2.646 percent of the kilowatt-hour tax. These moneys are distributed by the Department of Taxation to counties and municipalities based on a statutory formula. The amounts received by each county are then distributed by the county based on an agreement among the local units of government within the county.

The Local Government Revenue Assistance Fund (Fund 064) has existed since July 1989. Under permanent law, it would receive 0.6 percent of the sales and use tax, the personal income tax, the corporation franchise tax, and the public utility excise tax. In addition, 0.378 percent of the kilowatt-hour tax would be deposited into the fund. These moneys are distributed by the Department of Taxation to counties on a per capita basis. They are distributed within each county based on an agreement among the local units of government within the county.

The Library and Local Government Support Fund (Fund 065) was enacted by House Bill 291 of the 115th General Assembly to replace the locally collected intangible property tax, which was repealed in calendar year 1986. Under

permanent law, the fund would receive 5.7 percent of the Personal Income Tax. These moneys are distributed by the Department of Taxation to counties based on a statutory formula. The counties oversee the distribution of the moneys to libraries and municipalities within each county.

During the fiscal years 2002-2005, the monthly contribution to each of these three local government funds has been capped at the lesser of the amount determined by permanent law or the same amount as the fund received in the prior year. The Executive Budget proposes to reduce the distributions to these funds, effective January 2006, relative to their capped levels in fiscal year 2005. The distributions to the Local Government Fund and the Local Government Revenue Assistance Fund are proposed to be reduced 20 percent for counties and cities, and 10 percent for villages and townships. The distribution to the Library and Local Government Support Fund is proposed to be reduced by 5 percent. The projected distributions to these funds after these adjustments are presented in the following Item Summary table.

Funds 051, 060, and 068 distribute moneys every year to counties, municipal corporations, townships, other districts, or other funds, for construction and maintenance of public highways and roads, and for other related activities. The Auto Registration Distribution Fund (Fund 051) collects revenues from the motor vehicle license tax. Both the Gasoline Excise Tax Fund (Fund 060) and the State/Local Government Highway Distribution Fund (Fund 068) receive some portion of the levies in the motor vehicle fuel tax.

The Ohio Registrar of Motor Vehicles is a member in a reciprocal registration agreement known as the International Registration Plan (IRP). The International Registration Plan Distribution Fund collects the IRP registration fees based on gross vehicle weight and motor fuel surcharge for vehicles subject to IRP. The moneys in the fund are distributed to the other member states of the IRP, the Highway Obligation Bond Retirement Fund, and to local governments.

Holding Account Redistribution Fund Group

The International Fuel Tax Distribution Fund holds motor vehicle fuel use tax payments until they are distributed to other funds in Ohio and to other jurisdictions. The federal government requires all states to join the International Fuel Tax Agreement or the states lose the right to levy a motor vehicle fuel use tax. According to the agreement, trucking companies file the fuel use tax return in their home states and the home states then make payments to other jurisdictions and also collect tax owed from other jurisdictions.

Volunteer Firemen's Dependents Fund

The fund collects premiums from each political subdivision or fire district that maintains a volunteer fire department. The revenues are used to pay benefits to disabled firefighters, the firefighter's surviving spouse, and dependent children.

Executive Priorities for the Revenue Distribution Funds

- Collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Revenue Distribution Fund Group	2,192,261	2,200,942	2,173,830	2,353,997	8.3	2,317,802	(1.5)	2,393,366	3.3
Agency Fund Group	1,764,518	1,683,972	1,690,697	1,816,191	7.4	1,901,129	4.7	1,991,045	4.7
Holding Acct Redist Fund Group	35,012	36,181	35,965	23,000	(36.0)	6,292	(72.6)	0	(100.0)
Volunteer Firemen's Depndnts Fnd	192	206	266	280	5.3	280	.0	280	.0
TOTAL	**3,991,983**	**3,921,300**	**3,900,757**	**4,193,468**	**7.5**	**4,225,503**	**.8**	**4,384,691**	**3.8**

Revenue Distribution Funds

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Maintenance	185	0	0	0	.0	0	.0	0	.0
Subsidy	2,146,572	2,152,783	2,129,360	2,292,977	7.7	2,261,782	(1.4)	2,337,346	3.3
Transfer & Other	1,845,226	1,768,516	1,771,397	1,900,491	7.3	1,963,721	3.3	2,047,345	4.3
TOTAL	**3,991,983**	**3,921,300**	**3,900,757**	**4,193,468**	**7.5**	**4,225,503**	**.8**	**4,384,691**	**3.8**

PROGRAM SERIES 01: Revenue Distribution

This program series provides for the collection and distribution of revenues to various entities.

Program 01.01: Revenue Distribution

This program provides for the collection and distribution of moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states.

What the Budget Buys:

- Allows for the distribution of various taxes, fees, and other revenue sources to the appropriate local entities, state funds, or other states, as appropriate.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
RDF	049	038-900	Indig. Drivers Alcohol Treatment	1,865,000	1,865,000
RDF	050	762-900	Intl Registration Plan Distribution	55,000,000	55,000,000
RDF	051	762-901	Auto Registration Distribution	475,000,000	475,000,000
RDF	054	110-900	Local Government Prop Tax Replace- Utility	90,000,000	90,000,000
RDF	060	110-900	Gasoline Excise Tax Fund	325,000,000	349,000,000
RDF	064	110-900	Local Government Revenue Assistance	83,754,100	77,384,100
RDF	065	110-900	Library/Local Government Support Fund	439,372,980	430,584,650
RDF	066	800-900	Undivided Liquor Permits	13,500,000	13,500,000
RDF	068	110-900	State/Local Government Hwy Distribution	231,076,000	235,542,000
RDF	069	110-900	Local Government Fund	584,454,000	538,710,300
RDF	081	110-900	Local Government Prop Tax Replace-Business	16,200,000	124,200,000
RDF	082	110-900	Horse Racing Tax	130,000	130,000
RDF	083	700-900	Ohio Fairs Fund	2,450,000	2,450,000
AGY	062	110-900	Resort Area Excise Tax	1,000,000	1,075,000
AGY	063	110-900	Permissive Tax Distribution	1627,628,631	1706,969,960
AGY	067	110-900	School District Income Tax	185,000,000	195,000,000
AGY	4P8	001-698	Cash Management Improvement Fund	2,500,000	3,000,000
AGY	608	001-699	Investment Earnings	85,000,000	85,000,000
090	R45	110-617	International Fuel Tax Distribution	6,292,029	0
085	085	800-900	Volunteer Firefighters Depend Fund	280,000	280,000
TOTAL FOR PROGRAM				**4,225,502,740**	**4,384,691,010**

LINE ITEM SUMMARY - Revenue Distribution Funds

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
049	038-900	Indig Drivers Alcohol Treatmnt	1,825,745	1,882,542	1,898,355	1,850,000	1,865,000	.8	1,865,000	.0
050	762-900	Intl Registration Plan Distrbn	44,678,665	47,163,980	43,208,147	60,000,000	55,000,000	(8.3)	55,000,000	.0
051	762-901	Auto Registration Distribution	460,156,238	469,132,943	452,733,963	486,875,000	475,000,000	(2.4)	475,000,000	.0
054	110-900	Lcl Govt Prop Tax Replace- Utility	45,303,329	90,581,959	90,646,413	90,000,000	90,000,000	.0	90,000,000	.0
060	110-900	Gasoline Excise Tax Fund	108,943,352	109,898,012	185,043,902	260,000,000	325,000,000	25.0	349,000,000	7.4
064	110-900	Local Govt Revenue Assistance	99,987,727	96,600,840	90,947,173	94,597,479	83,754,100	(11.5)	77,384,100	(7.6)
065	110-900	Library/Local Govt Support Fd	487,864,409	463,026,243	422,002,689	453,510,155	439,372,980	(3.1)	430,584,650	(2.0)
066	800-900	Undivided Liquor Permits	12,716,029	12,728,532	13,245,143	14,000,000	13,500,000	(3.6)	13,500,000	.0
068	110-900	State/Local Govt Hwy Distrbn	218,768,748	221,031,865	224,294,155	227,700,000	231,076,000	1.5	235,542,000	1.9
069	110-900	Local Government Fund	709,120,656	686,171,979	647,287,600	662,184,343	584,454,000	(11.7)	538,710,300	(7.8)
081	110-900	Lcl Govt Prop Tax Replace-Business	0	0	0	0	16,200,000	.0	124,200,000	666.7
082	110-900	Horse Racing Tax	120,553	115,981	125,017	130,000	130,000	.0	130,000	.0
083	700-900	Ohio Fairs Fund	2,775,234	2,606,681	2,397,223	3,150,000	2,450,000	(22.2)	2,450,000	.0
TOTAL Revenue Distribution Fund Group			**2192,260,685**	**2200,941,557**	**2173,829,780**	**2353,996,977**	**2317,802,080**	**(1.5)**	**2393,366,050**	**3.3**
062	110-900	Resort Area Excise Tax	666,176	712,705	643,192	1,075,997	1,000,000	(7.1)	1,075,000	7.5
063	110-900	Permissive Tax Distribution	1349,927,422	1401,848,614	1473,079,420	1557,985,293	1627,628,631	4.5	1706,969,960	4.9
067	110-900	School District Income Tax	147,379,328	145,603,318	147,671,566	169,629,719	185,000,000	9.1	195,000,000	5.4
4P8	001-698	Cash Management Improvt Fund	2,636,323	1,256,904	680,706	2,500,000	2,500,000	.0	3,000,000	20.0
608	001-699	Investment Earnings	263,908,274	134,550,529	68,622,253	85,000,000	85,000,000	.0	85,000,000	.0
TOTAL Agency Fund Group			**1764,517,523**	**1683,972,070**	**1690,697,137**	**1816,191,009**	**1901,128,631**	**4.7**	**1991,044,960**	**4.7**
R45	110-617	International Fuel Tax Distrbn	35,012,255	36,180,528	35,964,512	23,000,000	6,292,029	(72.6)	0	(100.0)
TOTAL Holdng Acct Redist Fund Group			**35,012,255**	**36,180,528**	**35,964,512**	**23,000,000**	**6,292,029**	**(72.6)**	**0**	**(100.0)**
085	800-900	Vol Firefighters Depend Fund	192,270	205,740	265,975	280,000	280,000	.0	280,000	.0
TOTAL Volunteer Firemen's Depndnts Fnd			**192,270**	**205,740**	**265,975**	**280,000**	**280,000**	**.0**	**280,000**	**.0**
TOTAL Revenue Distribution Funds			**3991,982,733**	**3921,299,895**	**3900,757,404**	**4193,467,986**	**4225,502,740**	**.8**	**4384,691,010**	**3.8**

Ohio School Facilities Commission

Role and Overview

The Ohio School Facilities Commission (OSFC) provides funding to public school districts as authorized by the General Assembly and oversees the construction and renovation of school facilities. Senate Bill 102 of the 122nd General Assembly created OSFC in May 1997 and transferred the School Building Assistance Program from the Ohio Department of Education to the commission. The commission consists of seven members, three of whom are voting members. The voting members are the Director of Administrative Services, the Superintendent of Public Instruction, and the Director of the Office of Budget and Management. The four non-voting members include two members from both the House and the Senate. The commission has 59 employees with an annual operating budget of $7.1 million. Appropriations for school building construction are typically provided through the state's capital bill and tobacco legislation.

The OSFC oversees the largest capital building program, public or private, in the state. Through eight programs, OSFC currently manages over $4 billion in design and construction for over 300 school facilities. Through December 2004, the OSFC has opened 293 new or completely renovated buildings and has completed 92 district-wide fixes.

Executive Priorities for the Ohio School Facilities Commission

- Provide the resources to effectively administer and properly oversee the implementation of the Governor's Rebuild Ohio's Schools Initiative, which constructs and renovates school facilities to provide an appropriate learning environment for Ohio's school children.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	71,630	79,546	123,625	173,417	40.3	220,416	27.1	256,515	16.4
Fed Special Revenue Fund Group	0	4,614	16,489	7,111	(56.9)	0	(100.0)	0	.0
State Special Revenue Fund Group	4,963	5,549	5,426	7,010	29.2	7,320	4.4	7,691	5.1
Lottery Profits/Education Fund Group	0	0	0	0	.0	2,000	.0	2,000	.0
TOTAL	**76,594**	**89,709**	**145,540**	**187,538**	**28.9**	**229,736**	**22.5**	**266,206**	**15.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	3,643	3,613	3,947	4,599	16.5	4,839	5.2	5,284	9.2
Purchased Services	155	739	432	1,253	189.9	1,218	(2.8)	1,103	(9.4)
Maintenance	1,046	1,017	938	1,038	10.7	1,085	4.5	1,123	3.6
Equipment	120	245	218	168	(23.1)	178	6.0	181	1.9
Subsidy	0	4,549	16,380	7,064	(56.9)	2,000	(71.7)	2,000	.0
Transfer & Other	71,630	79,546	123,625	141,712	14.6	220,416	55.5	256,515	16.4
TOTAL	**76,594**	**89,709**	**145,540**	**155,833**	**7.1**	**229,736**	**47.4**	**266,206**	**15.9**

PROGRAM SERIES 01: School Facilities Construction

This program series is comprised of programs that provide school facilities construction assistance to public school districts, joint vocational school districts, and qualifying community schools throughout the State of Ohio.

Program 01.01: Classroom Facilities Assistance

The Classroom Facilities Assistance Program (CFAP) is the largest program OSFC administers. Under CFAP, OSFC evaluates the facility needs of an entire school district and then provides the state share of funding for necessary construction and renovation. The OSFC also provides standard contracting and design guidance and managerial oversight during the design and construction phases of the projects. School district eligibility to participate in CFAP is based on their placement on the Ohio Department of Education's Equity List. There are 63 projects underway for this program in fiscal year 2005. The number of projects will likely rise to 65 and to 72 in fiscal years 2006 and 2007, respectively. From the inception of CFAP through December 2004, 84 school districts have been completed.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the CFAP projects;
- Supports 44 and 49 staff positions in fiscal year 2006 and 2007, respectively, who are primarily project administrators needed to oversee construction efforts;
- Funds the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	230-428	Lease Rental Payments	31,691,700	31,603,200
GRF	GRF	230-908	Common Schools G. O. Debt Service	161,038,786	191,916,983
SSR	5E3	230-644	Operating Expenses	4,913,695	5,306,902
TOTAL FOR PROGRAM				**197,644,181**	**228,827,085**

Program 01.02: Exceptional Needs

The Exceptional Needs Program (ENP) is designed to address the health and safety needs of districts that are below the median per pupil property wealth. Unlike the eligibility determination and the district-wide renovation of CFAP, districts receiving ENP funding have submitted an application for a specific building. To be eligible for the program, the building must need replacement. Applications are rank ordered based on the severity of the problem. There are nine projects being completed under this program in fiscal year 2005. The number of projects will likely rise to 12 and to 15 in fiscal years 2006 and 2007 respectively. From the inception of ENP through December 2004, 18 school buildings have been completed.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the ENP projects;
- Supports seven employees in fiscal years 2006 and 2007 for the continued administration of current ENP projects as well at the addition of approximately three new projects in each year; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	230-908	Common Schools G. O. Debt Service	15,211,211	18,127,867
SSR	5E3	230-644	Operating Expenses	805,058	798,427
TOTAL FOR PROGRAM				**16,016,269**	**18,926,294**

Program 01.03: Expedited Local Partnership

The Expedited Local Partnership Program (ELPP) is designed to give districts not yet eligible to participate in CFAP the opportunity to move ahead with portions of their project. After a district applies for the ELPP, the OSFC performs an assessment of the district's facilities and enters into an agreement with the district on a Facility Master Plan that covers the entire needs of the district. The district then chooses a "distinct portion" of their Master Plan to fund through local efforts. When the district later becomes eligible for CFAP, the money spent by the district will be credited toward the overall CFAP project. While school districts receive no state money under ELPP, OSFC still must assess, plan, provide approval, and monitor construction. There are 88 projects participating in this program in fiscal year 2005. The number of projects will likely decrease to 78 and to 68 in fiscal years 2006 and 2007, respectively, as more districts become eligible through other OSFC programs.

What the Budget Buys:

- Employs 11 employees for the assessment of districts, master planning process and project oversight for current ELPP projects as well as those districts transitioning from ELPP to other commission programs; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5E3	230-644	Operating Expenses	1,345,940	1,333,973
TOTAL FOR PROGRAM				**1,345,940**	**1,333,973**

Program 01.04: Joint Vocational Facilities Assistance

The Vocational Facilities Assistance Program is designed to provide funding and technical assistance to ensure quality classroom and career-tech facilities to all students attending Ohio's 49 joint vocational school districts (JVSD). As with CFAP, OSFC evaluates the facility needs of an entire JVSD and then provides the state share of funding for necessary construction and renovation. The OSFC also provides standard contracting and design guidance, and managerial oversight during the design and construction phases of the projects. There were three JVSD offered assistance under this program in fiscal year 2005, a number that is expected to rise to six and then to seven in fiscal years 2006 and 2007, respectively. Projects first started in fiscal year 2005 will likely begin to be completed in 2007.

OSFC will assume the responsibilities from the department of education for the vocational school building loan program, shown below as the Career-Tech School Building Assistance line item. This program provides interest-free loans to eligible school districts and joint vocational school districts to assist in financing the construction and renovation of vocational classroom facilities. Historically, one to two loans are made per year. OSFC is positioned to align this program with the Vocational Facilities Assistance Program, detailed above.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the JVSD projects;
- Funds the professional service contracts needed to develop contracting and design guidance, as provided to school districts through the OSFC Design Manual;
- Provides one employee for the oversight of the program; and
- Provides information technology support for the employees, school districts, and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5E3	230-644	Operating Expenses	125,782	124,340
LPE	020	230-620	Career-Tech School Building Assistance	2,000,000	2,000,000
TOTAL FOR PROGRAM				**2,125,782**	**2,124,340**

Program 01.05: Energy Conservation

This program is an innovative initiative that gives school districts an opportunity to make energy efficiency improvements to their districts' buildings and use the cost savings to pay for those improvements. As statutorily authorized, the Energy Conservation Program gives districts the ability, in this one limited instance, to borrow funds without having to pass a ballot issue for the authority to borrow. That limited borrowing authority has given districts the ability to save millions in utility bills and operating costs. The cost of the improvements may not exceed the savings in energy, operation, and maintenance costs. The OSFC approves the projects following an analysis and review of a district's application, but is not involved in the actual financing, design, or construction.

What the Budget Buys:

- OSFC staff coordination with the Ohio Department of Development in the review and recommendation of proposed projects; and
- Funds the payment of fees required for plan review by the Ohio Department of Development.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5E3	230-644	Operating Expenses	35,049	34,472
TOTAL FOR PROGRAM				**35,049**	**34,472**

Program 01.06: Community School Guaranteed Loans

This program offers assistance to community schools (charter schools) to help meet their facility needs. Ohio community schools can apply for a state guarantee on a loan from a bank or lending firm to the community school, not to exceed $1 million for up to 15 years. Of the $10 million allowed by the program, $2.4 million remains for additional rounds of applications in fiscal year 2006 and 2007. OSFC's specific charge is to review and approve the application for a loan guarantee.

What the Budget Buys:

- Supports the personal service contract and associated administrative expenses for the review and approval of the loan guarantee applications and the monitoring costs to track the loans once they have been made.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5E3	230-644	Operating Expenses	31,201	31,201
TOTAL FOR PROGRAM				**31,201**	**31,201**

Program 01.07: General School Facilities Assistance

General School Facilities Assistance is comprised of other initiatives administered by the OSFC and includes the Federal Emergency Repair Program, the Big 8 Program, the Disabilities Access Program, and the Emergency Assistance Program. Many programs in this category are in the process of being closed out.

What the Budget Buys:

- Provides the payment of interest and principal, or debt service, to retire debt created by the issuance of bonds or notes to finance the general school facilities assistance projects;
- Supports the staff time required to reconcile temporary program records and properly closeout those programs that have exhausted their funding allocations; and
- Provides information technology support for the employees, school districts and contractors on each project.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	230-908	Common Schools G. O. Debt Service	12,474,703	14,866,650
SSR	5E3	230-644	Operating Expenses	62,892	62,170
TOTAL FOR PROGRAM				**12,537,595**	**14,928,820**

LINE ITEM SUMMARY - School Facilities Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	230-428	Lease Rental Payments	41,615,833	37,642,524	31,765,182	31,704,700	31,691,700	.0	31,603,200	(.3)
GRF	230-908	Common Schools G. O. Debt Service	30,014,488	41,903,405	91,859,332	141,712,490	188,724,700	33.2	224,911,500	19.2
TOTAL General Revenue Fund			**71,630,321**	**79,545,929**	**123,624,514**	**173,417,190**	**220,416,400**	**27.1**	**256,514,700**	**16.4**
3X9	230-601	Federal School Facilities Grant	0	4,613,891	16,489,008	7,111,162	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**0**	**4,613,891**	**16,489,008**	**7,111,162**	**0**	**(100.0)**	**0**	**.0**
5E3	230-644	Operating Expenses	4,963,290	5,549,472	5,426,340	7,009,766	7,319,617	4.4	7,691,485	5.1
TOTAL State Special Revenue Fund Group			**4,963,290**	**5,549,472**	**5,426,340**	**7,009,766**	**7,319,617**	**4.4**	**7,691,485**	**5.1**
020	230-620	Career-Tech School Building Assist	0	0	0	0	2,000,000	.0	2,000,000	.0
TOTAL Lottery Profits/Educ Fund Group			**0**	**0**	**0**	**0**	**2,000,000**	**.0**	**2,000,000**	**.0**
TOTAL School Facilities Commission			**76,593,611**	**89,709,292**	**145,539,862**	**187,538,118**	**229,736,017**	**22.5**	**266,206,185**	**15.9**

Ohio State School for the Blind

Role and Overview

The Ohio State School for the Blind (OSB) provides residential educational services in Columbus to school-age (grades K through 12) blind and visually-impaired youth and visually-impaired youth with multiple disabilities so that they may become self-sufficient members of society. OSB also provides consultative services to any of the 612 school districts in the State of Ohio. While attending OSB, students are expected to demonstrate academic proficiency, practical work-related skills, and an awareness of appropriate social behaviors.

Enrollment at OSB ranges from 120-130 full-time students on a yearly basis and approximately 70 percent of the students live on campus. Children ages five to 22 are placed in the school by their local school district in cooperation with the wishes of the students' guardians. The majority of new students placed in the school have experienced a lack of success in local "mainstreaming" educational programs due to the severity of their disabilities or the lack of resources available in the local district. An individualized educational program is tailored for each student's academic and behavioral skill level and updated each year. Students also may participate in a wide range of extracurricular activities, including track and field, swimming, debate team, and cheerleading. Many graduates go on to further success as witnessed with the most recent group of which 41.7% went on to higher education, 16.7% went to post-secondary vocational training programs, and 16.7% entered the workforce. Students with multiple disabilities return to their local communities and participate in closed workshop programs operated by County Boards of Mental Retardation and Developmental Disabilities or find specialized competitive employment. Outreach services are also provided to an additional 75 to 80 students through the summer program, educational clinic, and local district consultations.

The State Board of Education and the Ohio Department of Education oversee operations at OSB. The school has approximately 133 employees and the fiscal year 2005 budget is approximately $8.8 million, of which approximately $7.2 million is funded from the General Revenue Fund.

Executive Priorities for the Ohio State School for the Blind

- Promote the intellectual, social, physical, and emotional growth of students with visual impairments, including those with multiple disabilities.
- Work cooperatively with students, families, and the community to provide an effective, enjoyable educational experience through specialized curriculum, equipment, materials, and individualized disability-specific instruction.
- Maintain a healthy, safe, and supportive residential environment for learning and life-skills development.
- Assist local school districts in meeting the educational needs of the blind and visually impaired that are being served in local school districts.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	6,781	7,005	6,941	7,191	3.6	7,287	1.3	7,412	1.7
General Services Fund Group	29	59	30	61	107.6	22	(64.8)	22	.0
Fed Special Revenue Fund Group	1,417	1,568	1,414	1,643	16.2	1,819	10.7	1,849	1.6
State Special Revenue Fund Group	17	91	42	43	1.2	217	406.5	217	.0
TOTAL	**8,243**	**8,724**	**8,427**	**8,938**	**6.1**	**9,345**	**4.6**	**9,500**	**1.7**

Ohio State School for the Blind

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	6,947	7,366	7,354	7,613	3.5	7,952	4.4	8,113	2.0
Purchased Services	178	177	214	137	(36.1)	11	(91.7)	11	.0
Maintenance	875	969	729	945	29.6	1,061	12.3	1,049	(1.2)
Equipment	229	196	122	239	95.4	321	34.1	327	1.9
Transfer & Other	14	16	7	4	(42.9)	0	(100.0)	0	.0
TOTAL	**8,243**	**8,724**	**8,427**	**8,938**	**6.1**	**9,345**	**4.6**	**9,500**	**1.7**

PROGRAM SERIES 01: Educational Program Development and Implementation

This program series supports the educational needs of the specialized population of blind and visually impaired children, including those who are developmentally handicapped or multi-handicapped.

Program 01.01: Standard Visually Impaired Education Program

This program provides for the implementation of classroom instruction and related services by certified personnel for children in grades K through 12 who are enrolled in the standard visually impaired education program. These are normally developing children with visual impairment who take part in the statewide testing programs and other school activities. In addition to receiving classroom instruction, the children are also provided daily living skills, career exploration, and work simulation experiences. Students enrolled in this program must complete the academic requirements that have been established by the State of Ohio.

What the Budget Buys:

- Serves the educational needs of approximately 85-90 blind or visually impaired students, ages five-22, in grades K though 12;
- Supports the wages and benefits for 23 education employees, including teachers, related service therapists, and classroom aides; and
- Upgrades instructional materials and technology needed as determined through the Individual Educational Planning process (IEP), including Braille books, Braillelite note takers, Braille embosser, and various specialized computer programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	226-100	Personal Services	1,805,328	1,840,166
GRF	GRF	226-200	Maintenance	41,115	41,115
GRF	GRF	226-300	Equipment	8,706	8,706
FED	3P5	226-643	Medicaid Professional Services Reimbursement	27,000	27,000
FED	310	226-626	Coordinating Unit	128,793	128,794
SSR	4M5	226-601	Student Activity & Work Study	124,326	124,326
TOTAL FOR PROGRAM				**2,135,268**	**2,170,107**

Program 01.02: Developmentally Handicapped Education Program

This program supports the implementation of classroom instruction and related services for children in grades K through 12 who are cognitively handicapped as well as blind and visually impaired. In addition to receiving classroom instruction, the children are also provided speech therapy, occupational therapy, physical therapy, orientation and mobility, adaptive physical education, daily living skills, and career exploration and work simulation experiences. Students enrolled in this program must complete the academic standards that have been established by the State of Ohio.

What the Budget Buys:

- Serves the educational needs of approximately 15-20 students who are both blind or visually impaired and cognitively handicapped;
- Supports the wages and benefits for 11 education employees, including teachers, related service therapists, and classroom aides; and
- Provides for speech, occupational, and physical therapy for students for whom it is required as determined by their IEP.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	295,058	300,781
GRF	GRF	226-200	Maintenance	13,705	13,705
GRF	GRF	226-300	Equipment	5,795	5,795
FED	3P5	226-643	Medicaid Prof Services Reimburse	27,000	27,000
FED	310	226-626	Coordinating Unit	411,531	413,079
SSR	4M5	226-601	Student Activity & Work Study	45,639	45,639
TOTAL FOR PROGRAM				**798,728**	**805,999**

Program 01.03: Multi-Handicapped Education Program

This program supports the implementation of classroom instruction and related services for children in grades K through 12 with multiple handicaps in addition to blindness and visual impairments. The main focus is to maximize the development of communication skills, orientation and mobility, and acquiring appropriate daily living and self-help skills that will assist in an independent or semi-independent environment. Students enrolled in this program must complete the program requirements identified and established through the Individual Education Plan (IEP) process.

What the Budget Buys:

- Serves the educational needs of the very challenging population of approximately 35-40 students with multiple handicaps in addition to blindness or visual impairment;
- Supports the wages and benefits for 22 education employees, including teachers, related service therapists, and classroom aides; and
- Provides for speech, occupational, and physical therapy for students for whom it is required as determined by their IEP.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	282,286	287,760
GRF	GRF	226-200	Maintenance	17,131	17,131
GRF	GRF	226-300	Equipment	6,811	6,811
FED	3P5	226-643	Medicaid Prof Services Reimburse	27,000	27,000
FED	310	226-626	Coordinating Unit	901,803	906,834
TOTAL FOR PROGRAM				**1,235,031**	**1,245,536**

PROGRAM SERIES 02: Residential Program and Services

This program series provides the residential and support services for the students enrolled in the school program. Services include dormitory living with a variety of recreation, food, and health services. Youth leaders and recreation staff supervise students' activities outside the classroom.

Program 02.01: Residential Program and Services

This program supports the direct service and support staff for implementing the residential program for students that reside at the school. The program promotes the development of daily living skills for independent living. There are three types of living and learning environments: group living in the cottages; independent living providing daily living and self-help skills taught and reinforced by staff; and apartment living. Students are taught meal planning and cooking, food shopping, and are assigned housekeeping responsibilities.

What the Budget Buys:

- Serves approximately 70-80 students residing at the school campus five days a week during the school year;
- Supports 29.5 employees maintaining residential services and supervision 24 hours a day;
- Funds daily living necessities related to residential living, including housekeeping, cooking, and recreational supplies; and
- Provides for the general maintenance of the living cottages and student apartments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	1,208,128	1,231,395
GRF	GRF	226-200	Maintenance	25,354	25,354
GRF	GRF	226-300	Equipment	21,314	21,314
FED	3P5	226-643	Medicaid Prof Services Reimburse	20,250	20,250
FED	310	226-626	Coordinating Unit	43,282	43,282
TOTAL FOR PROGRAM				**1,318,328**	**1,341,595**

Program 02.02: Health Care Services

This program provides direct nursing services for the school and residential programs. Services include: distribution of medication; monitoring of health needs; eye examinations; general health screenings; filing health records and releases for service; and providing in-service training for employees, such as cardio-pulmonary resuscitation (CPR). Nursing is provided on a 24-hour basis from Sunday afternoon until Friday when the students leave to go home for the weekend.

What the Budget Buys:

- Provides for five medical related employees, including one registered nurse shared with the Ohio School for the Deaf, to provide 24-hour availability from Sunday at 4 p.m. until Friday at 4 p.m. during the school year; and
- Finances low-vision eye examinations that are required yearly for all students enrolled at the school.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	406,651	414,489
FED	3P5	226-643	Medicaid Prof Services Reimburse	33,750	33,750
TOTAL FOR PROGRAM				**440,401**	**448,239**

Program 02.03: Vocational Education Services

This program provides support for the sign-making program in the vocational technology program. Materials are purchased that are used to make name plates, door signage, and other items then sold to employees and the general public.

What the Budget Buys:

- Implements the vocational sign-making program helping students to learn marketable skills and gain work experience; and
- Funds the materials required to make nameplates and door signage that is sold to staff members and the general public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4M5	226-601	Student Activity & Work Study	44,513	44,513
TOTAL FOR PROGRAM				**44,513**	**44,513**

PROGRAM SERIES 03: Outreach Programs and Services

This program series provides outreach services available to local school districts statewide to assist in meeting the educational needs of the blind and visually impaired that are being served in their home communities.

Program 03.01: Educational Clinic

This program provides assistance to local school districts for the evaluation and assessment of visually impaired, blind, and deaf/blind students educated in local school districts. The lack of specialized services at the local level necessitates operation of the educational clinic.

What the Budget Buys:

- Supports assistance to any school district in Ohio with assessments for blind or visually impaired students educated in the local district upon their request;
- Serves between 55 and 75 students per year; and
- Provides approximately 45-50 Multifactored Evaluations (MFE) per year for blind or visually impaired children educated in local school districts to determine their educational needs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	227,261	231,616
FED	3P5	226-643	Medicaid Prof Services Reimburse	45,000	75,000
FED	310	226-626	Coordinating Unit	48,201	48,201
TOTAL FOR PROGRAM				**320,462**	**354,817**

Program 03.02: Observation and School Visits

This program provides local school districts with assistance in developing the appropriate educational programming for blind or visually impaired students being educated in their district of residence. Such assistance includes observations and instructional programming recommendations, and orientation and mobility training.

What the Budget Buys:

- Enables local school districts to request assistance from OSB to observe blind or visually impaired students in district classrooms for programming recommendations;
- Supports the wages for the time spent providing observations for the 12 teachers at OSB participating in this program, although it is only a portion of their duties; and
- Funds approximately 20-25 visits to local school districts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	19,695	20,068
FED	310	226-626	Coordinating Unit	500	500
TOTAL FOR PROGRAM				**20,195**	**20,568**

Program 03.03: Professional Development

This program supports training for special and regular education teachers working with visually impaired, blind, and deaf/blind children in local school districts. Teaching and support staff are presented techniques, methods, and materials for assistance in teaching the specialized population.

What the Budget Buys:

- Supports professional development for local school district educators serving blind or visually impaired students;
- Certifies teachers to provide orientation and mobility services to better serve students at the local level; and
- Funds the Parent Mentor project, providing support and information for parents of students who are blind or visually impaired.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4H8	226-602	Education Reform Grants	12,620	12,620
FED	310	226-626	Coordinating Unit	67,890	61,310
TOTAL FOR PROGRAM				**80,510**	**73,930**

PROGRAM SERIES 04: Program Management

This program series provides administrative support for the operation of the school and residential programs.

Program 04.01: Program Management

This program provides administrative support for the school and residential programs, including business and fiscal operations, buildings and grounds maintenance, security, food service, and technological equipment.

What the Budget Buys:

- Supports the wages and benefits of 39 employees who provide administrative and service support for OSB; and
- Maintains administration, business and fiscal operations, building and grounds, maintenance and security, food service and technology infrastructure.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	226-100	Personal Services	2,225,434	2,267,986
GRF	GRF	226-200	Maintenance	606,857	606,857
GRF	GRF	226-300	Equipment	70,663	70,663
GSF	4H8	226-602	Education Reform Grants	9,000	9,000
FED	310	226-626	Coordinating Unit	37,000	37,000
SSR	4M5	226-601	Student Activity & Work Study	2,919	2,919
TOTAL FOR PROGRAM				**2,951,873**	**2,994,425**

LINE ITEM SUMMARY - School for the Blind

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	226-100	Personal Services	5,861,254	6,129,333	6,225,601	6,392,050	6,469,841	1.2	6,594,261	1.9
GRF	226-200	Maintenance	794,006	770,527	638,633	685,256	704,162	2.8	704,162	.0
GRF	226-300	Equipment	126,109	105,395	76,543	113,289	113,289	.0	113,289	.0
TOTAL General Revenue Fund			**6,781,369**	**7,005,255**	**6,940,777**	**7,190,595**	**7,287,292**	**1.3**	**7,411,712**	**1.7**
4H8	226-602	Education Reform Grants	28,508	58,786	29,614	61,476	21,620	(64.8)	21,620	.0
TOTAL General Services Fund Group			**28,508**	**58,786**	**29,614**	**61,476**	**21,620**	**(64.8)**	**21,620**	**.0**
3P5	226-643	Medicaid Prof Svcs Reimburse	58,813	165,274	46,840	143,600	180,000	25.3	210,000	16.7
310	226-626	Coordinating Unit	1,357,705	1,402,922	1,367,006	1,499,759	1,639,000	9.3	1,639,000	.0
TOTAL Fed Special Revenue Fund Group			**1,416,518**	**1,568,196**	**1,413,846**	**1,643,359**	**1,819,000**	**10.7**	**1,849,000**	**1.6**
4M5	226-601	Student Activity & Work Study	16,539	91,497	42,400	42,919	217,397	406.5	217,397	.0
TOTAL State Special Revenue Fund Group			**16,539**	**91,497**	**42,400**	**42,919**	**217,397**	**406.5**	**217,397**	**.0**
TOTAL School for the Blind			**8,242,934**	**8,723,734**	**8,426,637**	**8,938,349**	**9,345,309**	**4.6**	**9,499,729**	**1.7**

Ohio School for the Deaf

Role and Overview

The Ohio School for the Deaf (OSD) provides residential educational services in Columbus to Ohio's school-age (grades K through 12) hearing-impaired youth so that they may become self-sufficient members of society. While attending OSD, students are expected to demonstrate proficiency in academics, American Sign Language, English, and social development.

The OSD is a campus of 14 buildings where the educational needs of approximately 162 hearing-impaired students are served. Students ages 3 to 22 are placed in the school by their local school district in cooperation with the wishes of the students' guardians. Most students live on campus during the week, and the facility is closed on weekends. Academic and vocational training services are available to all students. The federally mandated individualized education program is tailored for each student's academic and social skill level and is updated each year pursuant to the Individuals with Disabilities Education Act. Students may participate in a wide range of extracurricular activities, including basketball, baseball, softball, volleyball, track and field, soccer, wrestling, swimming, and student government. Many graduates of the school go on to future successes including higher education (34%), post-secondary vocational training programs (33%), and independent or supported employment programs (32%).

The State Board of Education and the Ohio Department of Education oversee operations at the school. OSD has a staff of about 145 and the fiscal year 2005 budget is approximately $11.4 million, of which $9.6 million is funded through the General Revenue Fund.

Executive Priorities for the Ohio School for the Deaf

- Provide comprehensive education for Ohio's deaf and hard-of-hearing learners, which encourages independence and life-long learning.
- Promote social development and cultural awareness through both regular education and residential programs.
- Prepare learners to attain their potential and become contributing members of their communities.
- Collaborate with Ohio's schools and other educational programs serving deaf and hard-of-hearing learners and their families to meet the individual needs of each learner by providing information and resources.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	8,861	9,006	8,804	9,597	9.0	9,657	.6	9,657	.0
General Services Fund Group	57	56	24	71	189.6	28	(61.0)	28	.0
Fed Special Revenue Fund Group	1,029	1,314	2,245	2,326	3.6	2,347	.9	2,347	.0
State Special Revenue Fund Group	42	75	54	132	141.8	92	(29.8)	92	.0
TOTAL	**9,989**	**10,452**	**11,128**	**12,125**	**9.0**	**12,124**	**.0**	**12,124**	**.0**

Ohio School for the Deaf

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	7,907	8,592	8,629	9,387	8.8	9,536	1.6	9,536	.0
Purchased Services	522	431	1,115	1,128	1.1	296	(73.7)	296	.0
Maintenance	1,198	1,095	1,006	1,238	23.0	1,552	25.4	1,552	.0
Equipment	360	187	377	372	(1.2)	740	98.8	740	.0
Transfer & Other	3	147	0	0	.0	0	.0	0	.0
TOTAL	**9,989**	**10,452**	**11,128**	**12,125**	**9.0**	**12,124**	**.0**	**12,124**	**.0**

PROGRAM SERIES 01: Educational Program Development and Implementation

This program series provides for the on-site education program – a comprehensive and sequential educational service in preschool, elementary, secondary, and vocational education to deaf and hard-of-hearing learners with differing levels of ability, achievement, hearing loss, and communication capacity.

Program 01.01: Standard Hearing Impaired Education Program

This program provides K-12 educational services to deaf and hard-of-hearing learners with Ohio's Model Curriculum that is aligned with Ohio's academic content standards in each of the core content areas.

What the Budget Buys:

- Funds wages and benefits for 56 teachers for the approximately 165 learners, ages birth to 22 years;
- Funds five administrators to oversee teachers, curriculum, and instruction activities;
- Supports five presenters for professional development activities, four interpreters, and five assessors of sign language proficiency skills;
- Allows seven classrooms to be renovated and retrofitted to accommodate technology requirements; and
- Provides for a classroom to be fitted with interactive video distance learning equipment.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	221-100	Personal Service	3,672,123	3,672,123
FED	311	221-625	Coordinating Unit	558,167	558,167
TOTAL FOR PROGRAM				**4,230,290**	**4,230,290**

Program 01.02: Vocational Education Services

This program oversees the educational food service program in which learners prepare and serve food to visiting groups at OSD. This is a revenue-generating program and is self-supporting.

What the Budget Buys:

- Supports professional development activities for teachers and specialists;
- Provides tableware, cooking utensils, and food supplies for the Vocational Food Preparation program; and
- Replaces industrial kitchen equipment for the Vocational Food Preparation program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	4M0	221-601	Educational Program Expenses	32,688	32,688
TOTAL FOR PROGRAM				**32,688**	**32,688**

Program 01.03: Preschool Services

This program funds the Alice Cogswell Child Development Center (ACC), a preschool program that provides educational services for infants, toddlers, and preschoolers on OSD's campus. All children are eligible to participate in the program, although priority is granted to deaf and hearing-impaired children. Hearing children must pay fees to enroll in the preschool program, which are comparable to other preschool and daycare programs in the area.

What the Budget Buys:

- Funds six teacher aides for the nursery, toddlers, and preschoolers; and
- Replaces books and instructional supplies.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	221-100	Personal Service	355,367	355,367
GRF	GRF	221-200	Maintenance	5,000	5,000
GRF	GRF	221-300	Equipment	1,500	1,500
SSR	5H6	221-609	Even Start Fees & Gifts	59,800	59,800
TOTAL FOR PROGRAM				**421,667**	**421,667**

PROGRAM SERIES 02: Residential Program and Services

This program series enables OSD to provide learners with a homelike atmosphere in the dormitories including a variety of recreation, food, and student health services. Youth Leaders and recreation staff supervise learners' activities outside the classroom. Meals are served three times a day and learners' health and wellness are maintained by the Health Services.

Program 02.01: Residential Program and Services

This program supports a homelike atmosphere staffed by youth leaders and recreation workers in the dormitories. It also supports the cafeteria and food service workers who serve breakfast, lunch, and dinner, and a health clinic staffed with registered nurses.

What the Budget Buys:

- Supports 34 youth leaders to oversee the dormitories, nurses, part-time physician and dentist, and food service staff to work with the approximately 75% of learners residing at OSD during the school year;
- Provides for contracts for five bus/van drivers to transport learners to mainstream activities, such as the mall or movies; and
- Provides for contracts for eight tutors to work with residential learners after school hours.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	221-100	Personal Service	1,537,069	1,537,069
TOTAL FOR PROGRAM				**1,537,069**	**1,537,069**

Program 02.02: Health Care Services

This program provides for the provision of audiological, psychological, counseling, and direct nursing services to Medicaid-eligible deaf and hard-of-hearing learners enrolled at OSD. Services are funded through the federal Medicaid program.

What the Budget Buys:

- Funds the contractor fees for Health Care Billing Services to ensure Medicaid reimbursement;
- Supports utility expenses and office supplies; and
- Replaces telecommunication devices at OSD.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3R0	221-684	Medicaid Professional Services Reimbursement	35,000	35,000
TOTAL FOR PROGRAM				**35,000**	**35,000**

PROGRAM SERIES 03: Outreach Programs and Services

This program series offers support, assistance, and resources to deaf and hard-of-hearing learners enrolled in Ohio's public schools. Also supported are regular education teachers, parents, and educational interpreters.

Program 03.01: Outreach and Sign Language Resources

This program supports OSD's educational resource center on deafness with technical assistance and staff development support (workshops, assessment, and mentoring) to Ohio's public schools, including multi-factored evaluations for learners from all over the State of Ohio. Outreach support for early childhood and local public schools is also funded within this program.

What the Budget Buys:

- Funds 15 teachers and specialist to work with approximately 100 school districts throughout Ohio, and three employees for the Interpreting and Sign Language Resources center;
- Develops and distributes 35 tool kits on mathematics and reading to parents and professionals working with deaf and hard-of-hearing children;
- Supports one fileserver to handle OSD's webpage for outreach activities;
- Provides office supplies and equipment for outreach and summer camp activities; and
- Supports a contract for one researcher to collect and analyze data on Ohio's deaf and hard-of-hearing students, to ensure best educational practices in the future.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	221-100	Personal Service	277,961	277,961
GRF	GRF	221-200	Maintenance	3,500	3,500
GRF	GRF	221-300	Equipment	2,000	2,000
GSF	4M1	221-602	Education Reform Grants	27,575	27,575
FED	311	221-625	Coordinating Unit	504,259	504,259
TOTAL FOR PROGRAM				**815,295**	**815,295**

Program 03.02: Virtual Reality Education for Assisted Learning (VREAL)

This program enables OSD to implement congressionally-earmarked grants to provide instruction to deaf and hard-of-hearing learners through state of the art interactive educational virtual reality stimulations, which are aligned to Ohio's academic content standards with 10 participating local school districts in addition to OSD. Participation in this program capitalizes on the visual capabilities of computerization and videoconferencing for the language and literacy development of deaf elementary learners to improve academic performance in language arts, science, and mathematics. As an independent assessor, the University of Findlay is gathering and addressing data and information concerning measured benefits.

What the Budget Buys:

- Provides stipends to the teachers from the 13 VREAL schools in Ohio and OSD for participation in the virtual reality education program;
- Supports a software developer/tester to expand educational scenarios and a computer technician to provide support services;
- Supports an evaluator from one of Ohio's colleges/universities to conduct assessments of the VREAL program, software, curriculum, and instruction;
- Funds videoconferencing equipment, new computers and peripherals, and computer supplies for some participating schools; and
- Finances two statewide symposiums to be held in each fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3AD	221-604	VREAL OHIO	1,000,000	1,000,000
TOTAL FOR PROGRAM				**1,000,000**	**1,000,000**

Program 03.03: Statewide Preschool Program

This program enables OSD to help preschool providers throughout the state to understand the unique educational needs of infants, toddlers, and preschool children who are deaf or hard-of-hearing through professional skills development and support. This program also supports a statewide training, research, and dissemination project investigating the best learning methods for deaf and hard-of-hearing children from birth to age 5.

What the Budget Buys:

- Funds three professional staff members to provide preschool outreach services to Ohio's schools;
- Allows professional development activities for Ohio's teachers, aides, interpreters, and administrators working with deaf and hard-of-hearing students; and
- Provides educational books and supplies, and office supplies, for the Alice Cogswell Child Development Center.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3Y1	221-686	Early Childhood Grant	250,000	250,000
TOTAL FOR PROGRAM				**250,000**	**250,000**

PROGRAM SERIES 04: Program Management

This program series enables OSD to provide administrative support for the operation of the school and residential programs.

Program 04.01: Program Management

This program provides the administrative support (administration, business and fiscal operations, human resources, safety and security, buildings and grounds maintenance and operations, labor relations/EEO, facilities and grants management, and technology infrastructure) for OSD.

What the Budget Buys:

- Funds 39 administrative and support staff members in business and fiscal services, maintenance, human resources, facilities and technology management, and security services;
- Provides for the replacement of 15 computers and peripherals, two vehicles, and lawn mowers;
- Allows continued maintenance to include painting of buildings and rooms, trimming of the campus trees, replacement of deteriorating sidewalks, and the installation of outside lighting to improve night vision and security;
- Provides food for three meals and snacks daily throughout the school year; and
- Purchases software for student tracking program of attendance, discipline, skills competencies and other data conducive to greater accountability measures.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	221-100	Personal Service	2,559,184	2,559,184
GRF	GRF	221-200	Maintenance	1,024,251	1,024,251
GRF	GRF	221-300	Equipment	219,000	219,000
TOTAL FOR PROGRAM				**3,802,435**	**3,802,435**

LINE ITEM SUMMARY - School for the Deaf

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	221-100	Personal Service	7,575,206	7,967,975	7,783,477	8,391,704	8,401,704	.1	8,401,704	.0
GRF	221-200	Maintenance	1,005,705	926,451	855,407	1,005,251	1,032,751	2.7	1,032,751	.0
GRF	221-300	Equipment	280,304	111,867	164,951	200,000	222,500	11.3	222,500	.0
TOTAL General Revenue Fund			**8,861,215**	**9,006,293**	**8,803,835**	**9,596,955**	**9,656,955**	**.6**	**9,656,955**	**.0**
4M1	221-602	Education Reform Grants	57,069	55,890	24,417	70,701	27,575	(61.0)	27,575	.0
TOTAL General Services Fund Group			**57,069**	**55,890**	**24,417**	**70,701**	**27,575**	**(61.0)**	**27,575**	**.0**
3AD	221-604	VREAL OHIO	0	0	1,106,202	727,073	1,000,000	37.5	1,000,000	.0
3R0	221-684	Medicaid Professional Svcs Reimb	63,333	25,519	2,795	111,377	35,000	(68.6)	35,000	.0
3U4	221-603	Even Start	58,337	40,493	0	0	0	.0	0	.0
3Y1	221-686	Early Childhood Grant	145,177	267,036	295,527	262,275	250,000	(4.7)	250,000	.0
311	221-625	Coordinating Unit	762,317	981,220	840,398	1,225,149	1,062,426	(13.3)	1,062,426	.0
TOTAL Fed Special Revenue Fund Group			**1,029,164**	**1,314,268**	**2,244,922**	**2,325,874**	**2,347,426**	**.9**	**2,347,426**	**.0**
4M0	221-601	Educational Program Expenses	8,941	10,115	14,980	33,188	32,688	(1.5)	32,688	.0
5H6	221-609	Even Start Fees & Gifts	33,050	65,320	39,473	98,500	59,800	(39.3)	59,800	.0
TOTAL State Special Revenue Fund Group			**41,991**	**75,435**	**54,453**	**131,688**	**92,488**	**(29.8)**	**92,488**	**.0**
TOTAL School for the Deaf			**9,989,439**	**10,451,886**	**11,127,627**	**12,125,218**	**12,124,444**	**.0**	**12,124,444**	**.0**

Ohio SchoolNet Commission

Role and Overview

The Ohio SchoolNet Commission (NET) is an independent state agency that was legislatively charged with administering Ohio's education technology programs for public school K-12 classrooms. However, to more efficiently use scarce state resources, NET and the Ohio Educational Telecommunication Network Commission (OEB) will be merged and some of their responsibilities will be given to existing state agencies beginning in fiscal year 2006 In addition to reducing costly overhead, this change will allow the redesigned agency to concentrate on its core responsibility to promote educational achievement through the use of technology. Some specialized operations will be transferred to other existing agencies as appropriate.

Through June 2005, a 13-member commission will continue to provide oversight to the agency's executive director and the staff of 69. NET has an annual budget of $26.1 million, plus additional revenue from the tobacco settlement which supports programs designed to help Ohio's public schools acquire and use education technology, including SchoolNet Plus, ONEnet, and several other programs and services that helped eligible districts maximize Ohio SchoolNet technologies.

A task force will be convened and present recommendations regarding which programs should be retained by the new agency, which programs should be transferred to other existing agencies, and which programs should be discontinued. These recommendations are due to the Governor by the end of March 2005, upon which the Governor will develop a plan for the merger of these agencies. The funds available for the new agency as well as for any programs which may be transferred to another agency are to be appropriated and held within the Controlling Board's (CEB) budget. These funds are equal to the total amount of the combined budget requests of NET and OEB.

LINE ITEM SUMMARY - SchoolNet Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	228-404	Operating Expenses	5,971,776	5,705,498	5,494,103	5,603,536	0	(100.0)	0	.0
GRF	228-406	Tech. & Instruc. Prof. Dev.	10,045,405	9,352,666	7,333,511	7,230,321	0	(100.0)	0	.0
GRF	228-539	Education Technology	6,160,683	5,766,571	6,680,166	6,569,956	0	(100.0)	0	.0
TOTAL General Revenue Fund			**22,177,864**	**20,824,735**	**19,507,780**	**19,403,813**	**0**	**(100.0)**	**0**	**.0**
5D4	228-640	Conference/Special Purpose Exp	1,226,628	672,542	284,393	1,350,000	0	(100.0)	0	.0
TOTAL General Services Fund Group			**1,226,628**	**672,542**	**284,393**	**1,350,000**	**0**	**(100.0)**	**0**	**.0**
3S3	228-606	Enhancing Education Technology	0	13,868	309,703	589,362	0	(100.0)	0	.0
3S3	228-655	Technology Literacy Challenge	18,004,163	473,975	0	0	0	.0	0	.0
3X8	228-604	Individuals W/Disabilities Edu Act	1,711,361	7,592,994	490,364	110,356	0	(100.0)	0	.0
TOTAL Fed Special Revenue Fund Group			**19,715,524**	**8,080,837**	**800,067**	**699,718**	**0**	**(100.0)**	**0**	**.0**
4W9	228-630	Ohio Schoolnet Telecommunity	81,000	1,023,370	386,861	400,000	0	(100.0)	0	.0
4X1	228-634	Distance Learning	1,774,353	4,271,896	1,532,655	1,750,000	0	(100.0)	0	.0
4Y4	228-698	Schoolnet Plus	4,349,748	1,455,817	0	0	0	.0	0	.0
5G0	228-650	Video Distance Learning	11,625,717	0	0	0	0	.0	0	.0
5T3	228-605	Gates Foundation Grants	66,903	957,987	990,015	1,194,907	0	(100.0)	0	.0
TOTAL State Special Revenue Fund Group			**17,897,721**	**7,709,070**	**2,909,531**	**3,344,907**	**0**	**(100.0)**	**0**	**.0**
017	228-603	SchoolNet Plus Supplement	7,988,224	10,676	0	0	0	.0	0	.0
017	228-690	Schoolnet Electrical Infrastr	888,260	0	0	0	0	.0	0	.0
TOTAL Lottery Profits/Educ Fund Group			**8,876,484**	**10,676**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL SchoolNet Commission			**69,894,221**	**37,297,860**	**23,501,771**	**24,798,438**	**0**	**(100.0)**	**0**	**.0**

Secretary of State

Role and Overview

The Secretary of State (SOS), as Ohio's chief election officer, oversees the elections process (the primary responsibility of the office), safeguards corporate identities, maintains public records for the state, ensures fair and accurate elections, and educates voters.

The Secretary of State is a constitutional officer elected to a maximum of two four-year terms. The office has eleven divisions, approximately 160 employees, and an annual budget of approximately $16.3 million.

The Secretary of State prepares rules and instructions for conducting elections, prescribes forms for voter registration, petition, and ballots, approves ballot language, investigates elections irregularities, and appoints elections board members. Along with these services the office implements many voter registration and education programs including XPect More.

The SOS also maintains records of executive orders issued by the Governor, all agency administrative rules and regulations, records all laws and resolutions passed by the General Assembly, files all nonresident alien land registrations, collects and distributes census information, issues ministers' licenses, issues notary commissions, reviews and reports candidate campaign finance reports, reports elections statistics and voter registrations, and grants apostilles as authentication of Ohio documents sent overseas.

In addition the SOS incorporates Ohio businesses and nonprofit organizations, registers business names, registers company trademarks and service marks, files secured commercial transactions, grants business licenses to foreign corporations doing business in Ohio, provides certificates of good standing, and receives limited liability and limited liability partnership filings.

Executive Priorities for the Secretary of State

- Federal and state election reform.
- Implementation of campaign finance reform.
- On-line filing advances related to Business Services.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	3,540	3,581	3,127	2,972	(5.0)	2,972	.0	2,972	.0
General Services Fund Group	261	499	447	438	(2.0)	938	114.1	918	(2.1)
Fed Special Revenue Fund Group	24	41	5,090	112,102	2,102.3	37,477	(66.6)	41	(99.9)
State Special Revenue Fund Group	11,491	14,192	14,429	14,372	(.4)	13,871	(3.5)	13,891	.1
Holding Acct Redist Fund Group	181	115	104	165	58.9	165	.0	165	.0
TOTAL	**15,497**	**18,429**	**23,197**	**130,048**	**460.6**	**55,423**	**(57.4)**	**17,987**	**(67.5)**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	9,507	10,245	10,713	12,192	13.8	10,575	(13.3)	9,775	(7.6)
Purchased Services	1,514	2,394	4,839	5,619	16.1	5,432	(3.3)	3,532	(35.0)
Maintenance	2,816	2,620	2,746	5,886	114.4	5,626	(4.4)	2,708	(51.9)
Equipment	1,302	1,224	620	102,468	16,426.1	29,711	(71.0)	1,191	(96.0)
Subsidy	176	1,799	4,167	3,718	(10.8)	3,915	5.3	617	(84.2)
Transfer & Other	182	147	111	165	48.2	165	.0	165	.0
TOTAL	**15,497**	**18,429**	**23,197**	**130,048**	**460.6**	**55,423**	**(57.4)**	**17,987**	**(67.5)**

PROGRAM SERIES 01: Elections

As Ohio's chief election office, the Secretary of State oversees the elections process and appoints the members of boards of elections in each of Ohio's 88 counties. The Secretary of State supervises the administration of election laws; approves ballot language; reviews statewide initiative and referendum petitions, chairs the Ohio Ballot Board, which approves ballot language for statewide issues; canvasses votes for all elective state offices and issues; investigates election frauds and irregularities; trains election officials and reimburses counties for poll worker training costs. The Elections Program compiles and maintains election statistics, political party records and other election-related records. Statewide candidates' campaign finance reports are filed with the office, together with the reports for state political action committees (PACs), state political parties and legislative caucus campaign committees.

Program 01.01: Elections Program Management

This program manages public requests for information and oversees publications of the Ohio Municipal Roster, Federal Roster, Ohio Session Laws and voter registration forms for the state tax booklet. The program also prepares monthly reports for the 88 county boards of elections and other materials such as the *Voter Information Guide*, *Campaign Finance Handbook,* and the *Citizens Digest*.

What the Budget Buys:

- Supports eight administrative staff members who are responsible for coordinating elections-related activities; and
- Provides for information technology upgrades.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	050-321	Operating Expenses	2,585,000	2,585,000
TOTAL FOR PROGRAM				**2,585,000**	**2,585,000**

Program 01.02: Pollworker Training

This program provides for the mandated reimbursement to county boards of election for the costs of pollworker training in accordance with Ohio Revised Code section 3501.27. Each new election office is required to receive training prior to participation in their first election and continued training every three years. Each presiding judge must receive reinstruction before the primary election in even-numbered years.

What the Budget Buys:

- Supports continued training of pollworkers at each of the state's county boards of election as well as the initial training for new pollworkers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	050-407	Pollworkers Training	277,997	277,997
TOTAL FOR PROGRAM				**277,997**	**277,997**

Program 01.03: Elections Statistics

This program is responsible for the maintenance of a master file of all registered voters in Ohio and the provision of electronically compiled election results as required by state law.

What the Budget Buys:

- Supports two FTEs to maintain the master file of the state's registered voters and the electronic compilation of election results; and
- Enables the electronic delivery of data to eliminate the need for manual data entry of information.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	050-403	Election Statistics	103,936	103,936
TOTAL FOR PROGRAM				**103,936**	**103,936**

Program 01.04: Litigation

This program area supports legal expenses incurred by the Secretary of State associated with the defense of cases that involve disputes over elections of judges and minority voting rights.

What the Budget Buys:

- Provides support for potential legal expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	050-409	Litigation Expenditures	4,652	4,652
TOTAL FOR PROGRAM				**4,652**	**4,652**

Program 01.05: Board of Voting Machine Examiners

This program is responsible for the certification of voting machines and supports the costs of the State Board of Voting Machine Examiners to certify voting machines. Vendors who wish to have their voting machine equipment certified pay fees to the Secretary of State. The revenue is used to compensate the board members for their service.

What the Budget Buys:

- Supports the examination and certification of voting machines.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4S8	050-610	Voting Machine Examiners	7,200	7,200
TOTAL FOR PROGRAM				**7,200**	**7,200**

Program 01.06: Election Reform

This program supports the purchase of new voting equipment, upgrades to the voter registration system and compliance with facility accessibility that are required by state and federal law. This program is fully supported by federal funds provided to ensure compliance with the Help America Vote Act (HAVA).

A required state match of $5.8 million was provided through a capital appropriation in Am. Sub. H.B. 675 of the 125th General Assembly.

What the Budget Buys:

- Supports the Secretary of State's highest priority, the purchase of new voting equipment, upgrades to the voter registration system and compliance with facility accessibility in accordance with state and federal law.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3AS	050-616	2005 HAVA Voting Machines	37,436,203	0
TOTAL FOR PROGRAM				**37,436,203**	**0**

Program 01.07: Citizen Education

This program provides for the preparation, printing and distribution of voter registration and educational materials. The non-GRF program is fully funded through contributions from private groups and individuals.

What the Budget Buys:

- Provides support for the preparation, printing and distribution of voter registration and educational materials upon request.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	414	050-602	Citizen Education Fund	75,700	55,712
TOTAL FOR PROGRAM				**75,700**	**55,712**

PROGRAM SERIES 02: Business Services

The Business Services Program receives and approves articles of incorporation for Ohio corporations and grants licenses to out-of-state corporations seeking to do business in Ohio. Limited partnerships and limited liability companies also file with this office.

The Corporations section of the Business Services Division also approves amendments to filed documents; mergers; consolidations and dissolutions; and registers trademarks, trade names and fictitious names. The program approves and keeps a registry of business names, names and addresses of statutory agents, incorporators' names, the corporation's charter number, the date of incorporation, and the number of shares authorized.

Program 02.01: Business Services Program Management

This program provides services to businesses wishing to incorporate in the State of Ohio. Additionally, SOS assists businesses with the evaluation, the confirmation of status of other corporations and other necessary information to prepare lawsuits, merger agreements, and other documents for corporate and business use. SOS also responds to financial institutions and legal entities requesting the status of security interests in collateral on file with their office (often for the processing of business loans).

What the Budget Buys:

- Provides for the filing and maintenance of records related to Ohio corporations, foreign corporations and other business entities; and
- Supports the 130 legal, filing and clerical staff responsible for assisting businesses that desire to file articles of incorporation, entities that seek to evaluate and confirm the status of business organizations, and the maintenance of records related to commercial transactions and the protection of security interests in collateral.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	599	050-603	Business Services Operating Expenses	13,741,745	13,761,734
TOTAL FOR PROGRAM				**13,741,745**	**13,761,734**

Program 02.02: Uniform Commercial Code Refund

This program provides for the refund of filing fee overpayments or for those Uniform Commercial Code filings that ultimately are not accepted by the SOS. No operating expenses are associated with this program.

What the Budget Buys:

- Provides for the refund of Uniform Commercial Code filing fees as necessary.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
090	R01	050-605	Uniform Commercial Code Refunds	65,000	65,000
TOTAL FOR PROGRAM				**65,000**	**65,000**

Program 02.03: Corporations Filing Fee Refund

This program provides for the refund of filing fee overpayments or for those corporation filings that ultimately are not accepted by the SOS in cases of incomplete or duplicate applications. No operating expenses are associated with this program.

What the Budget Buys:

- Provides for the refund of Corporations Filing fees as necessary.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
090	R02	050-606	Corporate/Business Filing Refunds	100,000	100,000
TOTAL FOR PROGRAM				**100,000**	**100,000**

Program 02.04: Technology Improvements

This program supports the computer operations for all program areas. The primary focus of this program is the assurance of proper data storage and retrieval capabilities for records that SOS is statutorily required to maintain.

What the Budget Buys:

- Funds the replacement of existing information technology hardware and upgrades to the current operating system to ensure proper record storage and retrieval capabilities; and
- Supports enhancements to the agency's web capacities by providing on-line transactions, downloadable forms, automation of certain activities and access to public records (including corporate and uniform commercial code information).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5N9	050-607	Technology Improvements	129,565	129,565
TOTAL FOR PROGRAM				**129,565**	**129,565**

PROGRAM SERIES 03: Notary Services

The Notary Commission is responsible for processing applications (new, duplicates for lost certificates, renewal) and issuing commissions for notaries public, attorney notaries public, special police officers, and Ohio Department of Natural Resources Reserve Officers. The secretary of state may appoint and commission as notaries public individuals who are 18 years of age or older and satisfy one of the following requirements: is an Ohio resident who is not an attorney admitted to the practice of law in this state; is an Ohio resident who is an attorney admitted to the practice of law in this state; or is not an Ohio resident but is an attorney admitted to the practice of law in this state and has the person's principal place of business or the person's primary practice in this state. In all cases, Ohio law requires that anyone seeking to be commissioned as a notary public must be certified by a judge of an Ohio court of appeals or common pleas prior to submitting an application to the Secretary of State. The Secretary of State may revoke a notary public's commission upon presentation of satisfactory evidence of official misconduct or incapacity.

Program 03.01: Notary Services

The authority of the Notary Services Program includes the review of applications for completeness, the issuance of commissions to applicants deemed qualified by judges, and the maintenance of records pertaining to notary commissions.

What the Budget Buys:

- Provides for the maintenance of records of all registered notaries in Ohio. The recommended budget includes support for enhancements to the current notary database system that contains these records;
- Supports the automation of the notary public application process and the development of the commission's Website; and
- Funds the commission's current two FTEs that manage the program on behalf of the Secretary of State.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	412	050-609	Notary Commission	685,250	685,249
TOTAL FOR PROGRAM				**685,250**	**685,249**

PROGRAM SERIES 04: Law Related Education

This program provides a subsidy to the Ohio Center for Law Related Education in support of the national Youth For Justice Anti-Violence initiative in Ohio middle schools. SOS serves as the sub-grantee for the federal funds aimed at training team advisors and students in alternative dispute resolution and implementing solutions to prevent violence, particularly in schools. Since 1995, thousands of Ohio students in grades 5-8 have participated in this initiative to address issues of bullying, peer pressure, discrimination and violence prevention. Each year, 250-350 students are selected to participate in the state's Youth Summit in Columbus, Ohio.

Program 04.01: Law Related Education

This program seeks to promote youth civic participation, safe schools and violence prevention in middle schools representing each region of the state. The program provides structure and support for local initiatives to research and prepare recommendations for an improved climate in Ohio's schools and communities.

What the Budget Buys:

- Subsidizes the Ohio Center for Law Related Education's Youth for Justice Anti-Violence initiative in Ohio middle schools, which includes training of alternative dispute resolution to the state's middle school students;
- Supports the local efforts of nearly thirty statewide teams to develop and implement violence prevention solutions in schools; and
- In combination with other funding sources, provides support for the annual Youth Summit in Columbus, Ohio, an opportunity for students to interact with community leaders and youth from around the state to address issues of civic participation and violence.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3X4	050-612	Ohio Center/Law Related Education Grant	41,000	41,000
TOTAL FOR PROGRAM				**41,000**	**41,000**

LINE ITEM SUMMARY - Secretary of State

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	050-321	Operating Expenses	3,228,333	3,229,326	2,863,219	2,585,000	2,585,000	.0	2,585,000	.0
GRF	050-403	Election Statistics	159,169	78,003	113,026	103,936	103,936	.0	103,936	.0
GRF	050-407	Pollworkers Training	152,518	268,819	145,771	277,997	277,997	.0	277,997	.0
GRF	050-409	Litigation Expenditures	0	5,077	4,949	4,652	4,652	.0	4,652	.0
TOTAL General Revenue Fund			**3,540,020**	**3,581,225**	**3,126,965**	**2,971,585**	**2,971,585**	**.0**	**2,971,585**	**.0**
4S8	050-610	Voting Machine Examiners	4,904	7,110	14,392	7,200	7,200	.0	7,200	.0
412	050-609	Notary Commission	148,372	186,048	172,707	185,249	685,250	269.9	685,249	.0
413	050-601	Information Systems	90,877	237,468	191,500	169,955	169,955	.0	169,955	.0
414	050-602	Citizen Education Fund	16,937	68,767	68,429	75,712	75,700	.0	55,712	(26.4)
TOTAL General Services Fund Group			**261,090**	**499,393**	**447,028**	**438,116**	**938,105**	**114.1**	**918,116**	**(2.1)**
3AA	050-613	Federal Election Reform	0	0	4,933,527	0	0	.0	0	.0
3AR	050-615	2004 HAVA Voting Machines	0	0	126,834	27,749,918	0	(100.0)	0	.0
3AS	050-616	2005 HAVA Voting Machines	0	0	0	79,311,037	37,436,203	(52.8)	0	(100.0)
3AT	050-617	Voter/Poll Worker Education	0	0	0	5,000,000	0	(100.0)	0	.0
3X4	050-612	Ohio Cntr/Law Related Educ Grant	23,785	41,000	29,960	41,000	41,000	.0	41,000	.0
TOTAL Fed Special Revenue Fund Group			**23,785**	**41,000**	**5,090,321**	**112,101,955**	**37,477,203**	**(66.6)**	**41,000**	**(99.9)**
5N9	050-607	Technology Improvements	87,870	150,778	91,937	129,565	129,565	.0	129,565	.0
599	050-603	Business Svcs Opertng Expenses	11,403,269	14,041,586	14,336,815	14,241,966	13,741,745	(3.5)	13,761,734	.1
TOTAL State Special Revenue Fund Group			**11,491,139**	**14,192,364**	**14,428,752**	**14,371,531**	**13,871,310**	**(3.5)**	**13,891,299**	**.1**
R01	050-605	Uniform Commercial Code Refunds	91,364	44,038	33,297	65,000	65,000	.0	65,000	.0
R02	050-606	Corporate/Business Filing Refunds	89,970	71,041	70,518	100,000	100,000	.0	100,000	.0
TOTAL Holdng Acct Redist Fund Group			**181,334**	**115,079**	**103,815**	**165,000**	**165,000**	**.0**	**165,000**	**.0**
TOTAL Secretary of State			**15,497,368**	**18,429,061**	**23,196,881**	**130,048,187**	**55,423,203**	**(57.4)**	**17,987,000**	**(67.5)**

Role and Overview

The role of the Senate (SEN), in conjunction with the House of Representatives, is to enact the laws of the state. The authority to do so is provided in Article II of the Ohio Constitution. The Senate considers bills that may alter existing law or create new laws and resolutions, which are formal expressions of the wishes and opinions of the legislature. The Senate also must confirm members of state boards and commissions appointed by the Governor, the Attorney General, the Director of the Bureau of Workers' Compensation, and other certain agency heads whom the Governor is authorized to appoint.

The Senate and the House of Representatives are the two "houses" that comprise the bicameral Ohio General Assembly. Each member of the Senate is elected for a four-year term from one of the state's 33 Senate districts. Each Senate district is made up of three House districts. Elections are held for the Senate every two years with half of the Senate members elected each time. Each member is assigned to at least one standing committee. A member also may be assigned to a select committee, which undertakes a specific legislative task; a joint-select committee, which consists of members from both the Senate and the House; or a conference committee, which seeks to resolve the differences between versions of a bill passed by both houses of the legislature. Members represent the citizens in their districts and serve as liaisons between groups and individuals in their districts and state and federal agencies. Members also respond to questions and concerns of their constituents.

In addition, members may be appointed to serve on statutorily created committees such as the Joint Committee on Agency Rule Review, which has the power to review and invalidate agency rules; or the state Controlling Board, which provides legislative oversight over certain capital and operating expenditures by state agencies.

The 33 members of the Senate are supported by a staff of approximately 125 full-time employees and 40 part-time pages, with an annual budget of approximately $11.9 million.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	11,349	10,130	10,378	11,432	10.2	11,546	1.0	11,662	1.0
General Services Fund Group	7	11	110	478	336.0	478	.0	478	.0
TOTAL	**11,355**	**10,141**	**10,487**	**11,910**	**13.6**	**12,025**	**1.0**	**12,140**	**1.0**

Senate

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	9,140	9,104	9,596	10,382	8.2	10,536	1.5	10,642	1.0
Purchased Services	116	11	1	50	4,022.0	0	(100.0)	0	.0
Maintenance	1,483	985	812	1,478	82.0	1,488	.7	1,498	.7
Equipment	616	35	72	0	(100.0)	0	.0	0	.0
Goods For Resale	0	6	6	0	(100.0)	0	.0	0	.0
Transfer & Other	0	0	0	0	.0	0	.0	0	.0
TOTAL	**11,355**	**10,141**	**10,487**	**11,910**	**13.6**	**12,025**	**1.0**	**12,140**	**1.0**

PROGRAM SERIES 01: Senate

This program series supports the efforts of state senators and their staffs to represent their districts.

Program 01.01: Senate

This program serves to promote the role and responsibilities of the Ohio Senate. Each member of the Senate is elected to a four-year term from one of the state's 33 Senate districts during which time they are assigned to at least one standing committees or subcommittees. Senators are also assigned to a select committee, a joint select committee, or a conference committee.

What the Budget Buys:

As required by Section 107.03(B) of the Revised Code, the Governor has made no alterations to the funding requests of agencies of the legislative branch of government. Recommended amounts are as requested by the agency.

- Provides compensation to the 33 members of the Senate and approximately 125 legislative staff and 40 part-time pages.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	020-321	Operating Expenses	11,546,357	11,661,821
GSF	102	020-602	Senate Reimbursement	444,025	444,025
GSF	409	020-601	Miscellaneous Sales	34,155	34,155
TOTAL FOR PROGRAM				**12,024,537**	**12,140,001**

LINE ITEM SUMMARY - Senate

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	020-321	Operating Expenses	11,348,651	10,129,927	10,377,782	11,432,037	11,546,357	1.0	11,661,821	1.0
TOTAL General Revenue Fund			**11,348,651**	**10,129,927**	**10,377,782**	**11,432,037**	**11,546,357**	**1.0**	**11,661,821**	**1.0**
102	020-602	Senate Reimbursement	2,743	5,589	103,803	444,025	444,025	.0	444,025	.0
409	020-601	Miscellaneous Sales	4,100	5,880	5,880	34,155	34,155	.0	34,155	.0
TOTAL General Services Fund Group			**6,843**	**11,469**	**109,683**	**478,180**	**478,180**	**.0**	**478,180**	**.0**
TOTAL The Ohio Senate			**11,355,494**	**10,141,396**	**10,487,465**	**11,910,217**	**12,024,537**	**1.0**	**12,140,001**	**1.0**

Commissioners of the Sinking Fund

Role and Overview

The Commissioners of the Sinking Fund (CSF) facilitate the payment of debt service on 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, 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 the Sinking Fund appropriation located in the Treasurer'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.

Executive Priorities for the Commissioners of the Sinking Fund

- 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

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
Debt Service Fund Group	434,254	486,009	557,483	686,466	23.1	733,001	6.8	817,344	11.5
TOTAL	**434,254**	**486,009**	**557,483**	**686,466**	**23.1**	**733,001**	**6.8**	**817,344**	**11.5**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
OBJECT OF EXPENSE	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
Maintenance	379	274	415	49	(88.3)	0	(100.0)	0	.0
Transfer & Other	433,875	485,735	557,068	686,417	23.2	733,001	6.8	817,344	11.5
TOTAL	**434,254**	**486,009**	**557,483**	**686,466**	**23.1**	**733,001**	**6.8**	**817,344**	**11.5**

Commissioners of the Sinking Fund

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

What the Budget Buys:

- Supports debt service payments for general obligation bonds issued for highway, coal research and development, local infrastructure, parks and natural resources, higher education, primary and secondary education, and conservation purposes;
- Provides $200.7 million in fiscal year 2006 and $236.9 million in fiscal year 2007 to fund the debt service generated by the construction of K-12 schools in the state; and
- Provides $140.6 million in fiscal year 2006 and $158.1 million in fiscal year 2007 to support general obligation debt issued for capital projects at Ohio's college and university campuses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
DSF	072	155-902	Highway Capital Improvement Bond Ret Fund	180,620,600	196,464,900
DSF	073	155-903	Natural Resources Bond Retirement Fund	26,166,000	24,659,100
DSF	074	155-904	Conservation Projects Bond Service Fund	14,687,300	17,668,800
DSF	076	155-906	Coal Research/Development Bond Retirement Fund	7,071,100	8,980,800
DSF	077	155-907	State Capital Improvement Bond Retirement Fund	163,131,400	174,545,100
DSF	078	155-908	Common Schools Bond Retirement Fund	200,724,700	236,911,500
DSF	079	155-909	Higher Education Bond Retirement Fund	140,600,300	158,114,100
TOTAL FOR PROGRAM				**733,001,400**	**817,344,300**

LINE ITEM SUMMARY - Sinking Fund

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
071	155-901	Hwy Oblig Bond Retirement Fund	49,657,366	47,613,807	35,593,610	10,450,000	0	(100.0)	0	.0
072	155-902	Hwy Cap Improv. Bond Ret Fund	141,302,654	136,925,475	149,491,931	168,500,000	180,620,600	7.2	196,464,900	8.8
073	155-903	Nat Resources Bond Retirement Fund	17,688,784	18,722,985	21,617,256	26,914,300	26,166,000	(2.8)	24,659,100	(5.8)
074	155-904	Conservation Projects Bond Service	0	4,363,713	4,717,100	11,235,700	14,687,300	30.7	17,668,800	20.3
076	155-906	Coal Research/Dev Bond Retrmnt Fund	7,739,231	9,958,243	7,217,343	9,185,100	7,071,100	(23.0)	8,980,800	27.0
077	155-907	St. Cap. Improv. Bond Retiremnt Fd	132,952,676	139,012,631	139,327,537	155,269,700	163,131,400	5.1	174,545,100	7.0
078	155-908	Common Schools Bond Retirement Fund	34,880,973	61,674,451	108,297,519	170,145,400	200,724,700	18.0	236,911,500	18.0
079	155-909	Higher Educations Bond Retiremnt Fd	50,032,680	67,737,998	91,220,421	134,765,600	140,600,300	4.3	158,114,100	12.5
TOTAL Debt Service Fund Group			**434,254,364**	**486,009,303**	**557,482,717**	**686,465,800**	**733,001,400**	**6.8**	**817,344,300**	**11.5**
TOTAL Sinking Fund			**434,254,364**	**486,009,303**	**557,482,717**	**686,465,800**	**733,001,400**	**6.8**	**817,344,300**	**11.5**

Board of Tax Appeals

Role and Overview

The Board of Tax Appeals (BTA) reviews and determines questions of law and fact in the administration of the tax laws of the state and its municipalities. This process includes an extensive mediation program.

The Board of Tax Appeals hears and determines appeals from three areas: final determinations by the Tax Commissioner of any preliminary, amended, or final tax assessment, reassessment, valuation, determination, finding, computation, or order; decisions of the 88 county boards of revision relating to real property taxes; and actions of the 88 county budget commissions.

The effect of the Board of Tax Appeals' decisions on revenue for the state and its political subdivisions is considerable as reflected in the fiscal year 2004 year-end statistics:

- $5.3 billion was in controversy from real property valuations
- $2.3 billion was in controversy from determinations of the Tax Commissioner
- 1,868 new appeals were filed during the year
- 2,309 appeals were terminated during the year
- 1,566 appeals remained in active status

The board is a quasi-judicial body comprised of three members appointed by the Governor for six-year terms. The board has a staff of 20 headed by the secretary to the board and has an annual budget of approximately $2.2 million. More information regarding the Board of Tax Appeals is available at http://www.bta.ohio.gov/.

Executive Priorities for the Board of Tax Appeals

- Review and determine questions of law and fact in the administration of the tax laws of the state and its municipalities.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
General Revenue Fund	2,274	2,120	1,994	2,117	6.2	2,155	1.8	2,211	2.6
General Services Fund Group	1	0	0	0	.0	0	.0	0	.0
TOTAL	**2,275**	**2,120**	**1,994**	**2,117**	**6.2**	**2,155**	**1.8**	**2,211**	**2.6**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Personal Services	2,141	1,985	1,852	1,977	6.7	2,013	1.8	2,069	2.8
Purchased Services	19	18	22	20	(10.7)	20	.0	20	.0
Maintenance	112	114	108	118	9.0	120	1.6	120	.0
Equipment	4	3	1	3	198.5	2	(23.1)	2	.0
Transfer & Other	0	0	9	0	(100.0)	0	.0	0	.0
TOTAL	**2,275**	**2,120**	**1,994**	**2,117**	**6.2**	**2,155**	**1.8**	**2,211**	**2.6**

Board of Tax Appeals

PROGRAM SERIES 01: Resolution of Tax Appeals

The Board of Tax Appeals hears and determines appeals to resolve questions of law and fact relating to the administration of the tax laws of the state and its municipalities. The board lessens the burden on the state's court system and reduces the time and cost associated with hearing tax cases.

Program 01.01: Hearing and Determination Process

The Board of Tax Appeals reviews all new appeals to determine whether mediation may be appropriate, and as a result diverts a majority of new appeals to mediation. Approximately 90 percent of the appeals diverted for mediation are successfully mediated and terminated. For cases not appropriate for mediation, or those in which mediation is unsuccessful, the board conducts an evidentiary hearing and resolves the appeal in that manner.

What the Budget Buys:

- Allows the board to maintain its existing level of operations, which included the determination of over 2,300 appeals in fiscal year 2004.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	116-321	Operating Expenses	2,155,055	2,211,035
TOTAL FOR PROGRAM				**2,155,055**	**2,211,035**

LINE ITEM SUMMARY - Tax Appeals

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	116-100	Personal Services	5,418	0	0	0	0	.0	0	.0
GRF	116-200	Maintenance	9,019	0	0	0	0	.0	0	.0
GRF	116-300	Equipment	2,066	0	0	0	0	.0	0	.0
GRF	116-321	Operating Expenses	2,257,759	2,120,282	1,993,512	2,117,466	2,155,055	1.8	2,211,035	2.6
TOTAL General Revenue Fund			**2,274,262**	**2,120,282**	**1,993,512**	**2,117,466**	**2,155,055**	**1.8**	**2,211,035**	**2.6**
439	116-602	Reproduction of Decisions	1,206	0	0	0	0	.0	0	.0
TOTAL General Services Fund Group			**1,206**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Board of Tax Appeals			**2,275,468**	**2,120,282**	**1,993,512**	**2,117,466**	**2,155,055**	**1.8**	**2,211,035**	**2.6**

Tax Relief Programs

Role and Overview

The tax relief programs reimburse local taxing districts for revenue that is lost due to tax relief provided by state law to property owners and businesses.

There are two major tax relief programs: (1) real property tax relief; and (2) tangible personal property tax relief. Four line items appear on the budget tables that follow this narrative. Two of the line items deal with real property tax relief and two deal with tangible personal property tax relief.

There are two different real property tax relief programs – property tax rollbacks and the homestead exemption. The property tax rollbacks program reimburses the local taxing districts for the cost of the following tax credits: a 10 percent reduction in each taxpayer's real property tax bill and an additional 2.5 percent discount on a homestead that is occupied by the homeowner. Correspondingly, two rollbacks are in this program – one of 10 percent for all real property and one of 2.5 percent for owner-occupied residential property. The homestead exemption provides real property tax relief to low-income elderly or disabled homeowners and their surviving spouses. The reduction rate depends on the total income of the homeowner and the spouse.

The Executive Budget proposes to end the 10 percent rollback on commercial and industrial (Class II) property beginning in tax year 2005. This change will bring an expenditure reduction to the General Revenue Fund starting with the second half of the fiscal year 2006. The distribution numbers in the Executive Budget reflect this adjustment. The expenditure estimates total $166 million for fiscal year 2006 and $314 million for fiscal year 2007.

The tangible personal property tax exemption program reimburses local taxing districts, including school districts, for tangible personal property tax relief provided to businesses. The first $10,000 of the taxable value of a business' tangible personal property (machinery, equipment, inventories, and furniture) is exempt from the tax and the state's program provides this lost revenue to the local taxing districts.

Current law calls for a phase-out of major elements of the tangible personal property tax by tax year 2013. Thus, payments are currently scheduled_over a ten-year period of a decreasing percentage based on the fiscal year 2003 tangible tax exemption payment. The Executive Budget proposes to accelerate the phase-out by reducing the fiscal year 2006 payment from 70 percent to 64 percent of the fiscal year 2003 payment. The remaining payments are proposed to be 40 percent in fiscal year 2007, 32 percent for fiscal year 2008, 16 percent for fiscal year 2009, with no payment for fiscal year 2010, three years earlier than previously scheduled. The Executive Budget includes this accelerated phase-out, but includes plans for the state to compensate local government and schools through a portion of the proposed commercial activity tax. Under the Executive Budget, the machinery and equipment portion of the tax is eliminated in tax year 2007 and the inventory portion is eliminated in tax year 2010.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	1,151,502	1,283,826	1,313,229	1,361,483	3.7	1,255,916	(7.8)	1,184,629	(5.7)
TOTAL	**1,151,502**	**1,283,826**	**1,313,229**	**1,361,483**	**3.7**	**1,255,916**	**(7.8)**	**1,184,629**	**(5.7)**

Tax Relief Programs

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Subsidy	1,151,502	1,283,826	1,313,229	1,361,458	3.7	1,255,916	(7.8)	1,184,629	(5.7)
Transfer & Other	0	0	0	25	.0	0	(100.0)	0	.0
TOTAL	**1,151,502**	**1,283,826**	**1,313,229**	**1,361,483**	**3.7**	**1,255,916**	**(7.8)**	**1,184,629**	**(5.7)**

PROGRAM SERIES 01: Tax Relief Programs

This program series reimburses local taxing districts for revenue that is lost due to tax relief provided by state law to property owners and businesses.

Program 01.01: Property Tax Relief – Education

This program provides the real property tax relief moneys to school districts.

What the Budget Buys:

- Reimburses local school districts for real property tax revenues that are lost due to real property tax relief programs; and
- Eliminates, in tax year 2005, the 10 percent rollback on commercial and industrial property, thus reducing General Revenue Fund expenditures.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	200-901	Property Tax Allocation - EDU	764,626,987	728,793,318
TOTAL FOR PROGRAM				**764,626,987**	**728,793,318**

Program 01.02: Property Tax Relief – Political Subdivisions

This program provides the real property tax relief moneys to local units of government other than school districts.

What the Budget Buys:

- Reimburses local units of government for real property tax revenues that are lost due to real property tax relief programs; and
- Eliminates, in tax year 2005, the 10 percent rollback on commercial and industrial property, thus reducing General Revenue Fund expenditures.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	110-901	Property Tax Allocation - TAX	430,102,680	409,946,241
TOTAL FOR PROGRAM				**430,102,680**	**409,946,241**

Tax Relief Programs

Program 01.03: Tangible Property Tax Relief – Education

This program provides the tangible tax exemption moneys to school districts.

What the Budget Buys:

- Reimburses local school districts for a portion of the revenue that is lost due to the exclusion from taxation of the first $10,000 of a business's taxable personal property; and
- Reduces the percentage of lost revenue that is reimbursed from 70 percent to 64 percent, for fiscal year 2006, and from 60 percent to 40 percent for fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	200-906	Tangible Tax Exemption - EDU	42,830,487	32,122,865
TOTAL FOR PROGRAM				**42,830,487**	**32,122,865**

Program 01.04: Tangible Property Tax Relief – Political Subdivisions

This program provides the tangible tax exemption moneys to local units of government other than school districts.

What the Budget Buys:

- Reimburses local units of government for a portion of the revenue that is lost due to the exclusion from taxation of the first $10,000 of a business's taxable personal property; and
- Reduces the percentage of lost revenue that is reimbursed from 70 percent to 64 percent for fiscal year 2006 and from 60 percent to 40 percent for fiscal year 2007.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	110-906	Tangible Tax Exemption - TAX	18,355,923	13,766,942
TOTAL FOR PROGRAM				**18,355,923**	**13,766,942**

LINE ITEM SUMMARY - Tax Relief Programs

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	110-901	Property Tax Allocation - TAX	351,001,027	451,575,366	444,982,717	462,640,000	430,102,680	(7.0)	409,946,241	(4.7)
GRF	110-906	Tangible Tax Exemption - TAX	27,842,883	27,992,910	25,214,074	22,944,904	18,355,923	(20.0)	13,766,942	(25.0)
GRF	200-901	Property Tax Allocation - EDU	705,731,854	736,647,353	782,182,369	822,360,000	764,626,987	(7.0)	728,793,318	(4.7)
GRF	200-906	Tangible Tax Exemption - EDU	66,925,963	67,610,856	60,849,770	53,538,109	42,830,487	(20.0)	32,122,865	(25.0)
TOTAL General Revenue Fund			**1151,501,727**	**1283,826,485**	**1313,228,930**	**1361,483,013**	**1255,916,077**	**(7.8)**	**1184,629,366**	**(5.7)**
TOTAL Tax Relief Programs			**1151,501,727**	**1283,826,485**	**1313,228,930**	**1361,483,013**	**1255,916,077**	**(7.8)**	**1184,629,366**	**(5.7)**

Department of Taxation

Role and Overview

The Ohio Department of Taxation (ODT) administers the state's tax laws to ensure compliance in the filing and payment of taxes and to determine tax liability. The department's mission is to provide quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law.

A tax commissioner who is appointed by the Governor heads the department. The department has an annual operating budget of approximately $127 million, which supports about 1,380 employees. ODT administers the following taxes: Alcoholic Beverage (state and county), Cigarette (state and county), Commercial Activity, Corporate Franchise, Dealers in Intangibles, Estate, Horse Racing, Income (individual and employer withholding), Kilowatt-Hour, Motor Fuel Use/International Fuel Tax Agreement, Motor Vehicle Fuel, Municipal Tax on Electric Companies, Natural Gas Consumption (MCF), Other Tobacco Products (snuff, cigars and chewing tobacco), Pass-Through Entity, Public Utility Excise, Public Utility Property, Replacement Tire Fee, Resort Area Excise, Sales and Use (state, county and transit authority), School District Income, Severance, and Tangible Personal Property. In addition, ODT supervises the administration of the locally levied Real Property Tax.

Executive Priorities for the Department of Taxation

- Increase compliance to enhance the revenues available for essential state services.
- Improve taxpayer services by expanding education and outreach activities.
- Assist in reforming the tax system by implementing changes the legislature enacts and by contributing to the development of new tax policies.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	86,008	86,267	83,736	91,512	9.3	91,512	.0	91,512	.0
General Services Fund Group	97	98	246	3,096	1,161.0	9,632	211.1	9,132	(5.2)
Fed Special Revenue Fund Group	107	16	13	25	95.4	25	.0	25	.0
State Special Revenue Fund Group	25,337	20,991	31,371	36,622	16.7	39,674	8.3	40,525	2.1
Agency Fund Group	1,301,430	1,375,835	1,350,156	1,362,120	.9	1,504,900	10.5	1,603,700	6.6
Holding Acct Redist Fund Group	0	0	0	100	.0	100	.0	100	.0
TOTAL	**1,412,979**	**1,483,208**	**1,465,521**	**1,493,475**	**1.9**	**1,645,843**	**10.2**	**1,744,994**	**6.0**

Department of Taxation

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	81,122	83,193	88,946	94,911	6.7	97,597	2.8	99,695	2.1
Purchased Services	7,272	4,584	4,487	10,080	124.7	13,148	30.4	13,871	5.5
Maintenance	17,636	16,363	18,377	20,985	14.2	21,836	4.1	21,544	(1.3)
Equipment	5,002	2,743	3,041	4,680	53.9	7,662	63.7	5,484	(28.4)
Subsidy	0	0	0	0	.0	0	.0	0	.0
Transfer & Other	1,301,947	1,376,324	1,350,672	1,362,820	.9	1,505,600	10.5	1,604,400	6.6
TOTAL	**1,412,979**	**1,483,208**	**1,465,521**	**1,493,475**	**1.9**	**1,645,843**	**10.2**	**1,744,994**	**6.0**

PROGRAM SERIES 01: Tax Administration

This program series provides for all operations related to tax administration. The primary functions are processing, the receipt and handling of filed documents, determination of tax liability, and compliance related activities.

Program 01.01: Taxpayer Services

This program provides for the delivery of service to taxpayers in an effort to increase tax compliance. The services under this program include the operation of regional service centers, telephone and email support, and technical seminars and presentations to industry, trade, and tax practitioner groups.

What the Budget Buys:

- Provides for improvement in efficiency and effectiveness of the delivery of services to taxpayers. This program currently handles nearly two million phone calls, 90,000 e-mails, and 100,000 walk-in requests annually;
- Supports the Department of Taxation mission "To provide quality service to Ohio taxpayers by helping them comply with their tax responsibilities and by fairly applying the tax law;" and
- Maintains staffing levels at 262 full-time equivalents (FTEs).

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	110-321	Operating Expenses	26,060,329	26,060,329
TOTAL FOR PROGRAM				**26,060,329**	**26,060,329**

Department of Taxation

Program 01.02: Tax Processing

This program provides for all processing services including the receipt, opening, and distribution for all types of tax filings. Returns are reviewed, keyed, or scanned into Taxation's automated tax applications and filed for audit purposes. The program includes processes for both paper forms and electronic transactions.

What the Budget Buys:

- Supports all mail and electronic processing of tax services, including the receipt, opening or accessing, and disposition of all tax filings. In calendar year 2003, this program handled approximately 8.9 million return documents; and
- Allows the department to provide revenues to support state operations and tax refunds to eligible taxpayers in an efficient and accurate manner.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	110-321	Operating Expenses	17,373,553	17,373,553
SSR	437	110-606	Litter Tax and Natural Resources Administration	625,232	625,232
TOTAL FOR PROGRAM				**17,998,785**	**17,998,785**

Program 01.03: Tax Compliance

This program provides for the review of returns, audits of taxpayer records, and the issuance of notices and assessments to taxpayers who have not paid tax liabilities. The program also provides for the matching of persons delinquent in child support payments with taxpayers due an Ohio income tax refund. Tax compliance is also pursued through investigations of suspected criminal offenses related to tax law, often resulting in combined efforts between ODT and the Internal Revenue Service, as well as federal, state, and local law enforcement agencies.

What the Budget Buys:

- Funds the tax compliance initiatives of the Audit, Enforcement, Estate, Corporate Franchise, Personal Income, and Sales & Use divisions of the Department of Taxation;
- Supports the management of billing and assessment functions for the Individual Income, Employer Withholding, Corporate Franchise, Sales & Use, and School District Income taxes;
- Supports department activities related to the investigation of fraud, coordinated efforts with other enforcement agencies, tracking of evidence, and testimony for trial cases; and
- Maintains staffing levels necessary for improved audit selection and measurement, special programs to increase tax compliance, and the development of tax discovery initiatives. These actions resulted in a $21 million increase in cash paid to the GRF in fiscal year 2004 and are estimated to result in a $40 million increase in cash paid to the GRF in fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	110-321	Operating Expenses	38,861,896	38,861,896
GSF	228	110-628	Tax Reform System Implementation	7,000,000	7,000,000
FED	3J6	110-601	Motor Fuel Compliance	25,000	25,000
SSR	4C6	110-616	International Registration Plan	706,855	706,855
SSR	4R6	110-610	Tire Tax Administration	65,000	65,000
SSR	436	110-608	Motor Vehicle Audit	1,350,000	1,350,000
SSR	5V7	110-622	Motor Fuel Tax Administration	4,268,345	4,397,263
SSR	639	110-614	Cigarette Tax Enforcement	168,925	168,925
TOTAL FOR PROGRAM				**52,446,021**	**52,574,939**

Department of Taxation

Program 01.04: Tax Policy And Analysis

This program provides administrative, advisory, and technical assistance, while working closely with other state agencies, industry, trade groups, and professional organizations. This in turn facilitates the promulgation of good tax policy through the drafting of sound statutes and Tax Commissioner rules. As part of this program, the agency monitors legislative activity in the tax area and provides analysis of the revenue impact of these initiatives. This program provides for the legal counsel necessary for the management of bankruptcy cases, information releases, tax appeals, and overall tax counsel.

What the Budget Buys:

- Supports the development and analysis of various courses of action regarding any and all taxes with the goal of raising sufficient revenue for state programs and services while maintaining a fair and neutral tax structure;
- Funds the collection and publication of statistical and historical tax data from Ohio and other states;
- Provides legal advice to the department and handles filings in bankruptcy court and the adjudication of tax appeals; and
- Funds the provision of seminars on tax policy issues throughout Ohio.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	110-321	Operating Expenses	9,143,976	9,143,976
TOTAL FOR PROGRAM				**9,143,976**	**9,143,976**

Program 01.05: Local Government Services

This program provides information and assistance to local governmental units and school districts, as well as providing for the administration of certain local taxes such as county permissive sales and use and municipal income taxes.

What the Budget Buys:

- Supports the collection and administration of various taxes such as local sales taxes, individual and school district income taxes, and the real, personal, and public utility taxes. These taxes provide revenues that allow local governments to provide a wide range of services for residents of Ohio;
- Funds compliance efforts associated with the collection and administration of these taxes. Approximately 70 percent of audits performed by the department are focused on sales and property taxes, which generate the largest percentage of local government revenue;
- Provides for the completion of phases 2 and 3 of the Municipal Income Tax system on the Ohio Business Gateway; and
- Maintains staffing levels at 346.5 FTEs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	110-412	Child Support Administration	71,988	71,988
GSF	433	110-602	Tape File Account	96,165	96,165
GSF	5W4	110-625	Centralized Tax Filing & Payment	2,500,000	2,000,000
GSF	5W7	110-627	Exempt Facility Administration	36,000	36,000
SSR	435	110-607	Local Tax Administration	15,880,987	16,394,879
SSR	438	110-609	School District Income Tax	2,599,999	2,599,999
SSR	5N5	110-605	Municipal Income Tax Administrative	265,000	265,000
SSR	5N6	110-618	Kilowatt Hour Tax Administration	85,000	85,000
SSR	5V8	110-623	Property Tax Administration	12,758,643	12,967,102
SSR	688	110-615	Local Excise Tax Administration	300,000	300,000
TOTAL FOR PROGRAM				**34,593,782**	**34,816,133**

PROGRAM SERIES 02: Revenue Distribution

This program series provides for the distribution of refunds to taxpayers and the distribution of revenue to local governments.

Program 02.01: Revenue Accounting

This program distributes funds to qualified parties from the check-offs made by taxpayers on their state individual income tax returns. The program also issues tax refunds due taxpayers, provides reimbursement to counties, and handles misdirected tax payments.

What the Budget Buys:

- Funds the distribution of tax refunds, local government funds, portions of the municipal income tax, misdirected tax payments, and political party check-offs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	642	110-613	Ohio Political Party Distributions	600,000	600,000
AGY	095	110-901	Municipal Income Tax	21,000,000	21,000,000
AGY	425	110-635	Tax Refunds	1,483,900,000	1,582,700,000
090	R10	110-611	Tax Distributions	50,000	50,000
090	R11	110-612	Miscellaneous Income Tax Receipts	50,000	50,000
TOTAL FOR PROGRAM				**1,505,600,000**	**1,604,400,000**

LINE ITEM SUMMARY - Taxation

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	110-321	Operating Expenses	85,885,061	86,188,942	83,676,665	91,439,754	91,439,754	.0	91,439,754	.0
GRF	110-412	Child Support Administration	122,993	78,521	59,247	71,988	71,988	.0	71,988	.0
GRF	110-506	Utility Bill Credits	125	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**86,008,179**	**86,267,463**	**83,735,912**	**91,511,742**	**91,511,742**	**.0**	**91,511,742**	**.0**
225	110-626	Enforcement AND Forfeiture Collctn	0	0	25,684	0	0	.0	0	.0
228	110-628	Tax Reform System Implementation	0	0	0	0	7,000,000	.0	7,000,000	.0
433	110-602	Tape File Account	96,736	98,050	76,612	96,165	96,165	.0	96,165	.0
5W4	110-625	Centralized Tax Filing & Payment	0	0	143,244	3,000,000	2,500,000	(16.7)	2,000,000	(20.0)
5W7	110-627	Exempt Facility Administration	0	0	0	0	36,000	.0	36,000	.0
TOTAL General Services Fund Group			**96,736**	**98,050**	**245,540**	**3,096,165**	**9,632,165**	**211.1**	**9,132,165**	**(5.2)**
3J6	110-601	Motor Fuel Compliance	36,570	15,703	12,792	25,000	25,000	.0	25,000	.0
3J7	110-603	International Fuel Tax Agreement	70,675	0	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**107,245**	**15,703**	**12,792**	**25,000**	**25,000**	**.0**	**25,000**	**.0**
4C6	110-616	International Registration Plan	630,770	687,811	469,819	706,855	706,855	.0	706,855	.0
4R6	110-610	Tire Tax Administration	169,575	49,022	45,527	65,000	65,000	.0	65,000	.0
435	110-607	Local Tax Administration	19,521,060	15,954,816	12,851,358	13,700,000	15,880,987	15.9	16,394,879	3.2
436	110-608	Motor Vehicle Audit	1,118,268	950,100	1,222,630	1,350,000	1,350,000	.0	1,350,000	.0
437	110-606	Litter Tax and Nat. Resources Admin	546,590	414,603	551,146	625,232	625,232	.0	625,232	.0
438	110-609	School District Income Tax	2,221,393	1,798,506	2,389,992	2,599,999	2,599,999	.0	2,599,999	.0
5N5	110-605	Municipal Income Tax Administrative	184,274	346,242	315,733	650,000	265,000	(59.2)	265,000	.0
5N6	110-618	Kilowatt Hour Tax Administration	69,498	72,794	25,000	85,000	85,000	.0	85,000	.0
5N7	110-619	Municipal Internet Site	2,451	1,849	0	0	0	.0	0	.0
5V7	110-622	Motor Fuel Tax Administration	0	0	3,478,127	3,833,091	4,268,345	11.4	4,397,263	3.0
5V8	110-623	Property Tax Administration	0	0	9,261,096	11,938,362	12,758,643	6.9	12,967,102	1.6
639	110-614	Cigarette Tax Enforcement	152,902	111,617	89,926	168,925	168,925	.0	168,925	.0
642	110-613	Ohio Political Party Distributions	517,492	488,217	491,095	600,000	600,000	.0	600,000	.0
688	110-615	Local Excise Tax Administration	203,081	115,535	179,302	300,000	300,000	.0	300,000	.0
TOTAL State Special Revenue Fund Group			**25,337,354**	**20,991,112**	**31,370,751**	**36,622,464**	**39,673,986**	**8.3**	**40,525,255**	**2.1**
095	110-901	Municipal Income Tax	5,747,616	18,161,279	10,456,939	25,000,000	21,000,000	(16.0)	21,000,000	.0
425	110-635	Tax Refunds	1295,681,977	1357,674,143	1339,699,546	1337,119,600	1483,900,000	11.0	1582,700,000	6.7
TOTAL Agency Fund Group			**1301,429,593**	**1375,835,422**	**1350,156,485**	**1362,119,600**	**1504,900,000**	**10.5**	**1603,700,000**	**6.6**

LINE ITEM SUMMARY - Taxation

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
R10	110-611	Tax Distributions	50	0	0	50,000	50,000	.0	50,000	.0
R11	110-612	Misc Income Tax Receipts	0	0	0	50,000	50,000	.0	50,000	.0
TOTAL Holdng Acct Redist Fund Group			**50**	**0**	**0**	**100,000**	**100,000**	**.0**	**100,000**	**.0**
TOTAL Department of Taxation			**1412,979,157**	**1483,207,750**	**1465,521,480**	**1493,474,971**	**1645,842,893**	**10.2**	**1744,994,162**	**6.0**

Department of Transportation

Role and Overview

The Ohio Department of Transportation (ODOT) plans, builds, and maintains a safe, efficient, and accessible transportation system that integrates highway, rail, air, and water networks. ODOT also helps coordinate and develop Ohio's public transportation and aviation programs which include 60 public transit systems and over 170 public use airports and heliports.

The Director is appointed by the Governor and oversees approximately 6,000 employees. About 83 percent of ODOT's employees are located in the 12 district, 88 county, and 130 outpost facilities throughout the state, with the remainder located in the central office in Columbus.

The ODOT budget is estimated to be $2.9 billion a year during the 2006/2007 biennium. The department's funding is from state and federal taxes on motor fuels. More than 86 percent of the budget is used directly for the maintenance and construction of highways and bridges, with emphasis on safety and preserving and upgrading the current network. Most highway maintenance work is completed by ODOT employees, while nearly all construction work is done by private contractors with ODOT oversight to ensure the quality of work performed.

Executive Priorities for the Department of Transportation

- Deliver Governor Taft's Jobs and Progress Plan.
- Complete the Safety and Congestion Plan.
- Sustain a steady state of acceptable system conditions and rebuild the interstate system.
- Adopt a comprehensive pavement management process.
- Implement a comprehensive training program for construction and highway management.
- Reduce the number and severity of accidents.
- Support transportation improvements that promote economic development and quality of life.
- Manage resources to execute core business functions while maintaining high quality and productivity.

Summary of Budget History and Recommendations

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	45,607	32,265	27,158	24,289	(10.6)	22,178	(8.7)	21,904	(1.2)
General Services Fund Group	9,200	3,026	749	0	(100.0)	0	.0	0	.0
Fed Special Revenue Fund Group	0	0	496	50	(89.9)	10	(80.0)	10	.0
Highway Operating Fund Group	1,912,172	2,036,141	1,940,927	2,020,656	4.1	2,432,052	20.4	2,562,312	5.4
State Special Revenue Fund Group	826	763	2,712	3,452	27.3	3,446	(.2)	3,446	.0
Highway Capital Improv Fund Group	139,323	113,577	105,716	220,000	108.1	220,000	.0	150,000	(31.8)
Infrastructure Bank Obligations	57,902	116,419	99,793	65,823	(34.0)	180,000	173.5	160,000	(11.1)
TOTAL	**2,165,030**	**2,302,191**	**2,177,552**	**2,334,269**	**7.2**	**2,857,686**	**22.4**	**2,897,672**	**1.4**

Department of Transportation

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	369,219	394,752	392,456	422,556	7.7	436,895	3.4	441,572	1.1
Purchased Services	9,838	10,242	7,682	18,165	136.5	15,784	(13.1)	15,810	.2
Maintenance	115,578	126,066	125,442	146,127	16.5	138,764	(5.0)	140,043	.9
Equipment	28,253	32,498	35,995	36,242	.7	36,219	(.1)	36,682	1.3
Subsidy	85,389	53,517	46,542	49,162	5.6	50,724	3.2	50,879	.3
Capital Improvements	1,487,829	1,582,016	1,460,862	1,533,479	5.0	2,037,803	32.9	2,044,669	.3
Transfer & Other	68,925	103,100	108,573	128,538	18.4	141,498	10.1	168,018	18.7
TOTAL	**2,165,030**	**2,302,191**	**2,177,552**	**2,334,269**	**7.2**	**2,857,686**	**22.4**	**2,897,672**	**1.4**

PROGRAM SERIES 01: Transportation Planning and Research

Transportation Planning and Research consist of four programs that support ODOT's strategic initiatives. Approximately 88 percent of the funding is used for transportation planning with the remainder dedicated to highway research. The Department of Transportation's budget for planning and research is about 2.8 percent of the Highway Construction program. Federal highway funding requires that 2 percent be dedicated to planning and research.

Program 01.01: Continuing Planning Surveillance

This program maintains basic data files used to provide input to other aspects of Planning. It includes statewide traffic monitoring data; the official Ohio road inventory for state, county, township, and municipal roads; the Highway Performance Monitoring System required by the Federal Highway Administration; and other activities as outlined in the department's Annual State Planning and Research Program.

What the Budget Buys:

- Maintains the official Ohio road inventory by incorporating all changes in mileage, classification, characteristics, and other related attributes;
- Develops and maintains the Geographic Information System, which is used in facilities planning, construction, and maintenance activities;
- Funds various special planning projects, studies, software, and equipment; and
- Supports a staff of 64 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
HOF	002	771-411	Planning & Research-State	9,500,000	9,556,000
HOF	002	771-412	Planning & Research-Federal	16,000,000	16,000,000
TOTAL FOR PROGRAM				**25,500,000**	**25,556,000**

Program 01.02: Continuing Planning Review and Appraisal

This program evaluates and updates the current long-range plan with respect to actual and forecasted area development. The long-range plan is updated to the new target year, based on surveillance, development trends, new forecasts, and policies. Activities include the update of Access Ohio, the analysis of statewide freight transportation, and various corridor studies on Ohio's interstate and state highway system.

What the Budget Buys:

- Provides present and future traffic estimates for proposed highway improvements in rural and urban areas;
- Assists all Metropolitan Planning Organizations (MPOs) in travel demand modeling, traffic forecasting, air quality and conformity data and congestion data; and
- Supports a staff of 41 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	771-411	Planning & Research-State	6,080,000	6,115,840
HOF	002	771-412	Planning & Research-Federal	10,000,000	10,000,000
TOTAL FOR PROGRAM				**16,080,000**	**16,115,840**

Program 01.03: Ohio Urban Transportation Planning

Federal transportation law requires urbanized areas with populations in excess of 50,000 persons with Metropolitan Planning Organizations (MPOs) to conduct an urban transportation planning process as a prerequisite for receiving federal funding for regional transportation improvements. The primary planning documents required are a Transportation Plan that describes policies, programs, and projects needed to facilitate the efficient movement of persons and goods within and through the region for 20 years into the future, and a Transportation Improvement Plan updated biennially that covers projects for the next four years.

What the Budget Buys:

- Maintains US DOT certification of the urban transportation planning processes in Ohio's MPO areas by providing fiscal support to MPO staffs; and
- Supports a staff of 10 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	771-411	Planning & Research-State	1,520,000	1,528,960
HOF	002	771-412	Planning & Research-Federal	8,800,000	8,800,000
TOTAL FOR PROGRAM				**10,320,000**	**10,328,960**

Program 01.04: Transportation Research and Development

The Research and Development program provides annual research that is responsive to the department's strategic initiatives; rooted in economics; takes advantage of emerging technologies; provides information and technology for management policy decisions; provides mechanisms to share research results with customers; and produces practical results that have a strong possibility of being implemented.

What the Budget Buys:

- Provides funding for 70-80 research projects on topics such as mobility, safety, and fuel technologies; and
- Supports a staff of 13 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	771-411	Planning & Research-State	1,900,000	1,911,200
HOF	002	771-412	Planning & Research-Federal	5,200,000	5,200,000
TOTAL FOR PROGRAM				**7,100,000**	**7,111,200**

PROGRAM SERIES 02: Highway Construction

Highway Construction consists of ten programs, and accounts for about 75 percent of the ODOT budget. The programs in this series are: Major New Construction, ODOT System Preservation, and Local System Preservation. This program series covers highway design, acquisition of right-of-way, and highway construction, including inspection and engineering.

Program 02.01: Major New

This program provides funding for projects that increase mobility, provide connectivity, increase the accessibility of a region for economic development, increase the capacity of a transportation facility, and/or reduce congestion throughout Ohio.

What the Budget Buys:

- Implements the Jobs and Progress Plan, a 10-year plan that provides over $500 million each fiscal year to major construction projects, such as US-24 in Northwest Ohio, the I-71/270 interchange in Franklin County, and I-71 in Medina County; and
- Maintains a staff of 557 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	302,818,469	244,326,088
HOF	002	772-422	Highway Construction-Federal	250,925,500	327,860,000
042	042	772-723	Highway Construction-Bonds	73,000,000	70,000,000
045	045	772-428	Highway Infrastructure Bank-Bonds	141,000,000	160,000,000
TOTAL FOR PROGRAM				**767,743,969**	**802,186,088**

Program 02.02: Pavement Preservation

This program provides funding for preservation and replacement of existing pavements on the state highway system in Ohio. This includes the Major Roadway Rehabilitation and District Pavement programs.

What the Budget Buys:

- Maintains Ohio's highway pavements at 90 percent acceptability; and
- Supports 491 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	135,527,407	197,225,078
HOF	002	772-422	Highway Construction-Federal	234,714,000	275,085,000
042	042	772-723	Highway Construction-Bonds	114,100,000	49,920,000
045	045	772-428	Highway Infrastructure Bank-Bonds	39,000,000	0
TOTAL FOR PROGRAM				**523,341,407**	**522,230,078**

Department of Transportation

Program 02.03: Local Government

This program provides for the replacement and rehabilitation of bridges off the state highway system in municipalities; the replacement and rehabilitation of county bridges; funds for local highways, safety projects, and bridge projects; funds for activities to integrate transportation facilities into surrounding communities and natural environment; funds for replacement and major rehabilitation of local major bridges; funds for multi-modal transportation improvement projects and programs in Ohio's urban areas; funds to cities with populations of 5,000 to 25,000 not in Metropolitan Planning Organizations (MPOs); and funds for local governments on ODOT let projects.

What the Budget Buys:

- Provides federal funds to counties and municipalities for the replacement and rehabilitation of bridges, highways, and safety projects; and
- Supports 306 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	28,900,444	27,569,060
HOF	002	772-422	Highway Construction-Federal	238,440,500	239,845,000
HOF	002	772-424	Highway Construction-Other	60,025,000	51,895,000
TOTAL FOR PROGRAM				**327,365,944**	**319,309,060**

Program 02.04: Bridge Preservation

This program provides funding for preservation and replacement of existing bridges on the state highway system throughout Ohio. This includes the Major Bridge and the District Bridge programs.

What the Budget Buys:

- Preserves, replaces, and maintains Ohio's 15,000 bridge structures at a steady condition level; and
- Supports 228 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	87,819,455	79,431,397
HOF	002	772-422	Highway Construction-Federal	121,820,000	110,610,000
042	042	772-723	Highway Construction-Bonds	32,900,000	30,080,000
TOTAL FOR PROGRAM				**242,539,455**	**220,121,397**

Program 02.05: Safety

This program provides funding to correct or alleviate a safety problem or potential hazardous situation in the state highway system.

What the Budget Buys:

- Continues to implement additional funds generated through the Jobs and Progress plan to identify high crash locations and appropriate countermeasures; and
- Supports 66 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	13,037,670	12,888,405
HOF	002	772-422	Highway Construction-Federal	57,200,000	57,200,000
TOTAL FOR PROGRAM				**70,237,670**	**70,088,405**

Program 02.06: State Infrastructure Bank (SIB)

This program provides loans to local governments for projects eligible under the Federal Highway Title XXIII Statute. The SIB revolving loan program is used to add to the number of highway projects that can be completed within the state that otherwise would not have been considered for traditional grant funds in the past. The SIB is also used to provide a mechanism for bonding against future federal highway apportionments. Additional SIB funding can also be found in Program Series 04, Public Transportation and Program Series 06, Aviation.

What the Budget Buys:

- Implements a bond issuance program; and
- Operates a revolving loan program to assist entities with a funding option to advance highway projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	212	772-426	Highway Infrastructure Bank-Fed	1,500,000	2,000,000
HOF	212	772-427	Highway Infrastructure Bank-State	9,353,400	12,853,400
HOF	212	772-430	Infrastructure. Debt Res Title 23-49	1,500,000	1,500,000
HOF	213	772-432	Roadway Infrastructure Bank- Local	7,000,000	7,000,000
HOF	214	770-401	Infrastructure Debt Service -Fed	80,182,400	105,129,400
HOF	214	772-434	Infrastructure Lease Payments -Fed	12,537,100	12,536,000
TOTAL FOR PROGRAM				**112,072,900**	**141,018,800**

Program 02.07: Federal Discretionary

This program provides funds that are used for specific projects included in federal reauthorization and appropriations bills. Included in this program are Congressional earmarks, demonstration funding, and highway projects for Appalachian development.

What the Budget Buys:

- Provides funds for specific projects described in federal reauthorization and appropriations bills.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-422	Highway Construction-Federal	90,000,000	90,900,000
TOTAL FOR PROGRAM				**90,000,000**	**90,900,000**

Program 02.08: Public Access Roads

This program provides funds for the construction, reconstruction, or maintenance of public access roads to and within facilities owned or operated by the Department of Natural Resources, and within the boundaries of metropolitan parks.

What the Budget Buys:

- Funds the construction and maintenance of public access roads and facilities owned by Department of Natural Resources; and
- Maintains a staff of seven employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	7,402,941	7,387,208
TOTAL FOR PROGRAM				**7,402,941**	**7,387,208**

Program 02.09: Railroad Crossing Safety Initiative

This program provides funding to construct railroad grade crossing separations in affected communities to ensure access to safety, health, and educational facilities. Additional funding is included in Program Series 05, Rail Transportation.

What the Budget Buys:

- Implements the 10-year, $200 million program that provides rail grade separations for communities impacted by large amounts of train traffic; and
- Maintains a staff of 15 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	2,604,938	2,488,554
HOF	002	772-422	Highway Construction-Federal	10,800,000	10,800,000
HOF	002	772-424	Highway Construction-Other	2,475,000	1,605,000
TOTAL FOR PROGRAM				**15,879,938**	**14,893,554**

Program 02.10: Other Statewide Programs

This program encompasses miscellaneous minor highway programs, including the Amish Buggy, Geologic Site Management, Noise Walls, Rest Areas, and the statewide miscellaneous programs.

What the Budget Buys:

- Funds the Amish Buggy program, which creates a safer environment for horse drawn buggies and motor vehicles to share Ohio's roadways;
- Funds the Geologic Site Management program, which addresses slips, landslides, rock falls, underground mines, and erosion projects;
- Funds the Noise Walls program, which administers the construction of noise walls to mitigate increased traffic noise;
- Funds the Rest Area program, which administers the implementation and rehabilitation of Ohio's 126 rest areas; and
- Maintains a staff of 29 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	772-421	Highway Construction-State	13,128,981	13,653,940
HOF	002	772-422	Highway Construction-Federal	17,600,000	19,200,000
TOTAL FOR PROGRAM				**30,728,981**	**32,853,940**

PROGRAM SERIES 03: Highway Maintenance

This program series includes nine programs to maintain the state highway system, related facilities, and equipment in a safe and attractive condition for the motoring public. About 14 percent of the ODOT budget is for highway maintenance. Department employees perform about 80 percent of services with nearly 20 percent performed by contract. The program series does not use any federal funds.

Program 03.01: Rest Area/District Cleaning

The rest area maintenance program assures that roadside rest areas on the state highway system are clean, safe, and comfortable. The rest areas are cleaned by the Ohio Industries for the Handicapped (OIH). ODOT oversees the cleaning completed by OIH. OIH employees or private vendors complete the cleaning of the District headquarters and county garages. ODOT has 116 rest areas, 12 district and 1 central office headquarters, and 88 county garages.

What the Budget Buys:

- Maintains all 116 rest areas, 88 garages, 12 district and one central office headquarters; and
- Continues to contract with Ohio Industries for the Handicapped to manage this program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	13,878,209	13,974,343
TOTAL FOR PROGRAM				**13,878,209**	**13,974,343**

Program 03.02: Garage Operations

The garage operations account for the labor, materials and supplies, and equipment used by the ODOT Central Office, districts, and counties to ensure the vehicles needed for activities such as snow and ice control, pavement repair, and bridge repair are available when needed.

What the Budget Buys:

- Maintains fleet consisting of 783 sedans, 1,752 pick up trucks, 1,579 dump trucks, and 250 loaders; and
- Maintains a staff of 259 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	40,301,758	40,893,911
TOTAL FOR PROGRAM				**40,301,758**	**40,893,911**

Program 03.03: Snow and Ice Control

The Snow and Ice Control program keeps traveling surfaces drivable in the winter. This is achieved with ODOT employee labor, equipment, and the use of de-icing materials such as salt and brine. There are more than 220 salt storage facilities located at various ODOT garages and outposts throughout the state. For the last six years, the department has used on average over 500,000 tons of salt. Since fiscal year 2000, the Department of Transportation has pretreated the roads with a brine solution. In fiscal year 2003, ODOT performed a record $73 million of work in response to record snowfalls.

What the Budget Buys:

- Works with local agencies to restore free flow of traffic after snowfalls and ice storms; and
- Maintains a staff of 206 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	35,105,296	35,608,913
TOTAL FOR PROGRAM				**35,105,296**	**35,608,913**

Program 03.04: Traffic System Maintenance

This program consists of pavement markings and signals, signs, and lighting. This program is focused on the safety of the traveling public with the pavement marking consisting of the installation of the raised pavement markers, which help improve nighttime driving. The program provides and maintains signs, signals, and highway lighting as well as structural supports for these devices to regulate, warn, and guide traffic on the state's roadways. ODOT began an eight-year sign replacement program in fiscal year 2002.

What the Budget Buys:

- Funds preventive and reactive maintenance for traffic control devices on Ohio's highway system; and
- Maintains a staff of 877 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	74,930,850	75,761,743
TOTAL FOR PROGRAM				**74,930,850**	**75,761,743**

Program 03.05: Guardrail

This program upgrades guardrails to meet current standards and reconstructs or replaces damaged or deteriorating guardrail to ensure the traveling public's safety. ODOT employees and private vendors complete guardrail repairs. The replacement schedule for guardrails is 20 years. In fiscal year 2003, about $6 million was contracted out for guardrail projects. The Department of Transportation will invoice drivers for damage caused to a guardrail if cited by the Ohio State Highway Patrol.

What the Budget Buys:

- Continues to measure guardrail conditions on a priority basis and general roadway guardrails on a yearly basis, while upgrading, reconstructing, and replacing guardrail systems to meet current standards; and
- Maintains a staff of 774 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	83,821,171	84,796,017
TOTAL FOR PROGRAM				**83,821,171**	**84,796,017**

Program 03.06: Roadside Maintenance

This program protects the roadside terrain and median by cutting the grass, spraying to control vegetation, and planting flowers and trees to control erosion and enhance the appearance of the highway system. The ODOT employees perform much of the work; however, the mowing of right of way and other roadside maintenance work along the interstate are performed under contract by major cities including Dayton, Akron, and Canton. The Roadside Maintenance program also includes culvert inspection and repair, reshaping ditches, drainage work, and slips and slides. Underdrain clearance is performed on a three-year cycle.

What the Budget Buys:

- Removes vegetation obstructions, drainage ditch obstructions, and litter, while performing various vegetation maintenance activities, such as lawn mowing and herbicide application; and
- Maintains a staff of 258 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	27,940,391	28,265,339
TOTAL FOR PROGRAM				**27,940,391**	**28,265,339**

Program 03.07: Pavement Maintenance

This program consists of pothole patching, chip and crack sealing, surface paving and treatment, spot berming and restoration, and full depth repair for roadways to damages or distresses. The Ohio Department of Transportation personnel perform the majority of this work. ODOT has established preventive maintenance program goals for crack sealing and pavement surface. ODOT is responsible for about 48,550 lane miles on the state highway system. Additional pavement maintenance funding can be found in Program Series 02, Highway Construction.

What the Budget Buys:

- Continues the core activities of pothole patching, chip and crack sealing, and surface paving and treatment throughout the 48,550 miles of the state highway system; and
- Maintains a staff of 789 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	88,197,595	91,400,936
TOTAL FOR PROGRAM				**88,197,595**	**91,400,936**

Program 03.08: Bridge Maintenance

The bridge maintenance program consists of repairing damages or distresses to a bridge. It can include: bridge cleaning; spot painting, deck; railing, and joint repairs; bridge substructure repairs; and similar repairs to culverts. ODOT personnel perform the majority of the work. A preventive maintenance program is being developed. ODOT is responsible for over 15,000 bridges. Bridge preservation funding can be found in Program Series 02, Highway Construction.

What the Budget Buys:

- Maintains Ohio's bridge inventory, while performing both preventive and reactive maintenance; and
- Maintains a staff of 206 employees

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	773-431	Highway Maintenance-State	22,352,312	22,612,270
TOTAL FOR PROGRAM				**22,352,312**	**22,612,270**

PROGRAM SERIES 04: Public Transportation

This program series includes seven programs that assist 60 transit systems serving 58 counties. The program series funds both capital and operating costs. ODOT's Office of Transit works to improve ridesharing in rural and urban regions so all Ohioans will have access to transportation regardless of economic status, location, or physical agility.

Program 04.01: Capital Assistance

The Capital Assistance Program provides funds for capital projects in regional transit authorities, county transit boards, public entities, and private nonprofit corporations. Purchases include public transit vehicles, computers, radios, and other equipment. This program also provides funding for local transfer centers, park and ride lots, garages and other transit facilities.

What the Budget Buys:

- Provides capital assistance funding to rural and small urban areas; and
- Maintains a staff of five employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	2,155,665	1,658,607
HOF	002	775-452	Public Transportation-Federal	11,400,000	11,608,000
HOF	002	775-454	Public Transportation-Other	1,500,000	1,500,000
HOF	002	775-459	Elderly & Disabled Special Equip.	4,595,000	4,595,000
HOF	213	775-460	Transit Infrastructure Bank - Local	1,000,000	1,000,000
TOTAL FOR PROGRAM				**20,650,665**	**20,361,607**

Program 04.02: Operating Assistance

This program provides grants to fund the operating costs of regional transit authorities, county transit boards, public entities, and private nonprofit corporations. Operating assistance includes wages, fuel, insurance, training, and vehicle and facility maintenance. Federal-operating assistance is restricted for use in urbanized areas under 200,000 and non-urbanized areas. Urbanized areas with a population over 200,000 receive capital assistance only.

What the Budget Buys:

- Provides grant funding for transit operations in rural and small urban areas; and
- Maintains a staff of six employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	6,170,335	5,663,861
HOF	002	775-452	Public Transportation-Federal	15,420,000	15,382,000
TOTAL FOR PROGRAM				**21,590,335**	**21,045,861**

Program 04.03: Elderly and Disabled Transit Fare Assistance

This program allows local transit systems to offer reduced fares for elderly and disabled persons. Public transportation systems are compensated for a portion of the fare box revenue lost in reducing their general fares for older adults and people with disabilities. To participate in the program, a transit system's fares for older and disabled persons cannot exceed one-half the fare charged to general public riders.

What the Budget Buys:

- Continues to offset transit revenue losses incurred by local transit systems that offer reduced fares for elderly and disabled citizens; and
- Maintains a staff of one employee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	6,081,500	7,082,089
TOTAL FOR PROGRAM				**6,081,500**	**7,082,089**

Program 04.04: Coordination Assistance

This program provides funds to enhance and expand transportation into areas that have no public transportation. Special needs populations, such as the elderly and disabled, are served as well as participants in Ohio Works First (Ohio's cash assistance program), and the general public. Funds are used to support salaries for coordinators, drivers, dispatchers, transportation providers, training, and fuel.

What the Budget Buys:

- Supports 19 continuation projects, while funding four new projects; and
- Maintains a staff of one employee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	1,426,500	1,427,089
TOTAL FOR PROGRAM				**1,426,500**	**1,427,089**

Program 04.05: Technical Assistance

Technical and planning assistance is available to local communities, county transit boards, public entities, and private nonprofit corporations for scholarships and training for public transportation. Technical assistance is available through ODOT staff and contracted consultants. Technical assistance is provided in areas including fiscal management, performance reviews, route evaluations, service coordination analysis, fare structure analysis, transit development plans, and demonstration projects.

What the Budget Buys:

- Provides technical assistance to local communities, mostly through federally funded consultant contracts; and
- Maintains a staff of three employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	384,500	386,265
HOF	002	775-452	Public Transportation-Federal	950,000	1,000,000
TOTAL FOR PROGRAM				**1,334,500**	**1,386,265**

Program 04.06: Planning

Transit planning is a combined highway and transit planning program used by ODOT and the 17 Ohio Metropolitan Planning Organizations (MPOs) to finance transit studies, address transit-related issues and program transit projects, and analyze transit alternatives as part of the statewide transportation planning process.

What the Budget Buys:

- Continues to pass through federal funding to the 17 MPOs for planning and programming of transit projects; and
- Maintains a staff of one employee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	775-451	Public Transportation-State	81,500	82,089
HOF	002	775-452	Public Transportation-Federal	2,230,000	2,375,000
TOTAL FOR PROGRAM				**2,311,500**	**2,457,089**

Program 04.07: State Infrastructure Bank (SIB)

This program provides loans to local governments for projects eligible under Federal Transit Title 49 Statute. The SIB revolving loan program is used to enhance the number of transit projects that can be completed within the state that otherwise would not have been considered for traditional grant funds in the past. State Infrastructure Bank funding can also be found in Program Series 02, Highway Construction and Program Series 06, Aviation. While this program will continue to exist over fiscal years 2006 and 2007, funding is dependent upon future and yet-to-be funded projects.

PROGRAM SERIES 05: Rail Transportation

The Ohio Rail Development Commission (ORDC) is an independent agency within ODOT. ORDC conducts five programs which promote economic development and rail-highway safety. ORDC administers federal and state funding of rail safety projects including the upgrading and removal of hazardous crossings as determined by PUCO. Ohio ranks fourth nationally with over 5,200 miles of railroad track.

Program 05.01: Rail Freight/Economic Development

This program provides financial assistance in the form of loans and grants to railroads, businesses, and communities for the rehabilitation, acquisition/preservation or construction of rail and rail-related infrastructure.

What the Budget Buys:

- Provides loans and grants to railroads, businesses, and communities for rail maintenance and construction;
- Assists in creating and retaining jobs in the rail industry; and
- Maintains a staff of seven employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	776-465	Rail Transportation	1,523,045	1,523,045
FED	3B9	776-662	Rail Transportation-Federal	10,000	10,000
SSR	4N4	776-664	Rail Transportation-Other	2,004,500	2,004,500
TOTAL FOR PROGRAM				**3,537,545**	**3,537,545**

Program 05.02: State-Owned Rail Lines

The program oversees the maintenance and administration of the 255 miles of state-owned rail lines. Included is the annual set-aside for the debt retirement of the Panhandle Rail line.

What the Budget Buys:

- Oversees the maintenance and administration of Ohio's state-owned rail lines, all related licenses, easements, and rented properties;
- Completes debt repayment of Panhandle Rail line; and
- Maintains a staff of two employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	776-465	Rail Transportation	76,381	76,381
SSR	4N4	776-663	Panhandle Lease Reserve Payments	764,400	764,400
SSR	4N4	776-664	Rail Transportation-Other	107,000	107,000
TOTAL FOR PROGRAM				**947,781**	**947,781**

Program 05.03: Rail-Highway Grade Crossing Safety

This program is responsible for rail-highway grade crossing safety programs including the construction of active warning devices at rail crossings, reconstruction of crossing surfaces, and crossing closures.

What the Budget Buys:

- Continues to use federal funding to eliminate hazards at highway-railroad grade crossings by installation of flashing lights and roadway gates, railroad crossing closures and consolidations, railroad-highway grade separations, and grade crossing surface reconstruction; and
- Maintains a staff of nine employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	776-465	Rail Transportation	844,158	844,158
HOF	002	776-462	Grade Crossings-Federal	13,000,000	13,000,000
TOTAL FOR PROGRAM				**13,844,158**	**13,844,158**

Program 05.04: Passenger Rail

This program promotes passenger rail service by providing planning expertise and public participation in the development of inter-city passenger rail service.

What the Budget Buys:

- Provides staffing and supplemental study funding to advance the state's passenger rail planning efforts;
- Continues the passenger rail planning efforts with the Midwest Regional Rail Initiative and ORDC's "Ohio Hub" study, including advancement into an environmental impact study; and
- Maintains a staff of two employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	776-465	Rail Transportation	256,416	256,416
TOTAL FOR PROGRAM				**256,416**	**256,416**

Program 05.05: Railroad Crossing Safety Initiative

This program provides funding to construct railroad grade crossing separations in affected communities to ensure access to safety, health, and educational facilities. Additional funding is included in the Program Series 02, Highway Construction.

What the Budget Buys:

- Implements the 10-year, $200 million program that provides rail grade separations for communities impacted by large amounts of train traffic; and
- Maintains a staff of 15 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	776-466	Railroad Crossing/Grade Separation	789,600	789,600
HOF	002	776-462	Grade Crossings-Federal	2,000,000	2,000,000
TOTAL FOR PROGRAM				**2,789,600**	**2,789,600**

PROGRAM SERIES 06: Aviation

This program series includes five programs. Responsibilities include working with airports to meet national safety standards, making infrastructure improvements, coordinating with the Federal Aviation Agency (FAA), aircraft registrations, providing air transportation to state officials, and maintaining the state's aircraft fleet.

Program 06.01: Aviation Safety Inspection, Enforcement, and Registration

The Aviation Safety Program promotes safety through airport inspections, enforcement of aviation laws, aircraft registration, and data gathering. Public use airports must be certified every two years. Data are collected for government and industry aeronautical charts and for flight related publications. The safety program regulates about 10,800 aircraft, 164 public use airports, 9 public use heliports, 440 private airports, 300 private heliports, and 5 seaplane bases.

What the Budget Buys:

- Ensures that public use airport facilities and operations comply with Federal Aviation Administration standards;
- Coordinates the filing of permits for construction in the vicinity of airports;
- Maintains a database of aircraft owner information; and
- Maintains a staff of four employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	777-471	Airport Improvements-State	376,165	379,391
TOTAL FOR PROGRAM				**376,165**	**379,391**

Program 06.02: Airport Improvement Grants

This program provides funds for airport maintenance and capital improvements. Maintenance grants help fund publicly-owned airports for runway maintenance (including marking and lighting), navigational aids, and weather reporting equipment. Maintenance grants fund 80 percent of total project costs. Capital improvement grants provide funds for runway extensions, apron expansions, and navigational aid engineering. Capital grants cover 50 percent of total project costs. Local contributions account for the remainder of maintenance projects, while federal and local contributions account for the remainder of capital improvements projects.

What the Budget Buys:

- Funds approximately 16 airport maintenance and/or capital improvement projects each year; and
- Maintains a staff of two employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	777-471	Airport Improvements-State	1,377,820	1,374,094
GRF	GRF	777-473	Rickenbacker Lease Payments-State	594,500	320,300
SSR	5W9	777-615	County Airport Maintenance	570,000	570,000
TOTAL FOR PROGRAM				**2,542,320**	**2,264,394**

Program 06.03: Airport Planning and Research

This program performs various statewide airport system planning projects, including the Ohio GPS and Weather System Plan, the Ohio Airport System Plan, airport safety certification, and data collection improvements for the Airport Pavement Data Base.

What the Budget Buys:

- Continues the updating of the Ohio Airport System Plan, the performance of airport safety certifications, and the refinement of the pavement data collection process; and
- Maintains a staff of one employee.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	777-471	Airport Improvements-State	40,000	40,500
HOF	002	777-472	Airport Improvements-Federal	405,000	405,000
TOTAL FOR PROGRAM				**445,000**	**445,500**

Program 06.04: State Aircraft Transportation

This program provides funds for flight operations and aircraft support services, including operating and maintaining the state aircraft. The Aircraft Services Section maintains ODOT, ODNR, and OSHP aircraft. There are over 27 aircraft in the state fleet. In addition to the use by these agencies, aircraft are used for transporting state officials including the Governor and Legislators, aerial spraying for the Ohio Department of Agriculture, illegal drug detection by state and local law-enforcement agencies, surveillance and detection by Ohio EPA, and activities of the Ohio Emergency Management Agency.

What the Budget Buys:

- Maintains fleet of 27 aircraft, which includes those of the Ohio Highway Patrol and the Ohio Department of Natural Resources; and
- Maintains a staff of 19 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	777-475	Aviation Administration	4,007,600	4,046,900
TOTAL FOR PROGRAM				**4,007,600**	**4,046,900**

Program 06.05: State Infrastructure Bank (SIB)

This program provides loans to local governments for aviation projects. The SIB revolving loan program is used to enhance the number of aviation projects that can be completed within the state that otherwise would not have been considered for traditional grant funds in the past. State Infrastructure Bank funding can also be found in Program Series 02, Highway Construction and Program Series 04, Public Transportation.

What the Budget Buys:

- Implements a bond issuance program; and
- Operates a revolving loan program to assist entities with a funding option to advance transit projects.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	213	777-477	Aviation Infrastructure Bank-State	3,000,000	3,000,000
HOF	213	777-478	Aviation Infrastructure Bank-Local	7,000,000	7,000,000
TOTAL FOR PROGRAM				**10,000,000**	**10,000,000**

PROGRAM SERIES 07: Program Management

This program series consists of a single program, which is described below.

Program 07.01: Program Management

This program funds support services to administer the various ODOT programs. These include salaries, office and supply expenses for the Director, Assistant Directors, Chief of Staff, Legal Counsel, Offices of Human Resource Management, Finance and Forecasting, Information Technology, and Facilities Management. It also includes minor capital and maintenance projects for department lands and buildings as well as debt service for bonds sold through the Ohio Building Authority for ODOT's Capital Improvement Program.

What the Budget Buys:

- Provides for capital improvements and maintenance of ODOT's facilities, located at the 13 central and district headquarters, 88 county garages, and 112 outposts;
- Provides debt service on the $154 million bonds issued from 1990 to 1998 through the Ohio Building Authority for DOT's Capital Facility program, of which the final debt payment will be in 2011; and
- Maintains a staff of 774 employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
HOF	002	770-003	Adm-State-Debt Service	13,074,500	10,923,100
HOF	002	779-491	Administration-State	119,624,513	121,057,898
HOF	4T5	770-609	ODOT Memorial	5,000	5,000
TOTAL FOR PROGRAM				**132,704,013**	**131,985,998**

Department of Transportation

Appropriation Line Item Analysis for FYs 2006 and 2007

Line Item Restructuring Analysis

Infrastructure Debt Service-Fed/005 and Infrastructure Lease Payments-Fed/423 under fund 212 are eliminated and recreated under fund 214 with the same line item names.

To illustrate changes in funding levels due to this restructuring, estimated fiscal year 2005 spending in the following table is converted from the previous line-item structure to the current line-item structure.

			Estimated	Recommended			
Fund	**ALI**	**ALI Title**	**FY 2005**	**FY 2006**	**% Change**	**FY 2007**	**% Change**
214	770-401	Infrastructure Debt Service-Fed	78,696,100	80,182,400	1.9%	105,129,400	31.1%
214	772-434	Infrastructure Lease Payments-Fed	12,537,300	12,537,100	0.0%	12,536,000	0.0%

LINE ITEM SUMMARY - Transportation

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	775-451	Public Transportation-State	29,887,079	18,086,907	19,498,468	18,354,059	16,300,000	(11.2)	16,300,000	.0
GRF	775-453	Waterfront Line Lease Paymts-State	1,775,513	0	0	0	0	.0	0	.0
GRF	775-456	Public Transp/Discretionary Capital	1,514,865	1,085,385	557,662	0	0	.0	0	.0
GRF	775-458	Elderly & Disabled Fare Assist.	3,315,504	3,435,048	505,249	0	0	.0	0	.0
GRF	776-465	Rail Transportation	5,561,743	3,883,670	2,471,796	2,759,893	2,700,000	(2.2)	2,700,000	.0
GRF	776-466	Railroad Crossing/Grade Separation	326,020	2,121,806	693,888	789,600	789,600	.0	789,600	.0
GRF	777-471	Airport Improvements-State	2,678,066	3,087,125	2,890,014	1,793,985	1,793,985	.0	1,793,985	.0
GRF	777-473	Rickenbacker Lease Payments-State	548,131	565,224	541,401	591,500	594,500	.5	320,300	(46.1)
TOTAL General Revenue Fund			**45,606,921**	**32,265,165**	**27,158,478**	**24,289,037**	**22,178,085**	**(8.7)**	**21,903,885**	**(1.2)**
5E7	775-657	Transit Capital Funds	9,199,953	3,025,917	749,480	0	0	.0	0	.0
TOTAL General Services Fund Group			**9,199,953**	**3,025,917**	**749,480**	**0**	**0**	**.0**	**0**	**.0**
3B9	776-662	Rail Transportation-Federal	0	0	496,056	50,000	10,000	(80.0)	10,000	.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**496,056**	**50,000**	**10,000**	**(80.0)**	**10,000**	**.0**
002	770-003	Adm-State-Debt Service	14,561,501	14,139,096	13,802,440	13,395,900	13,074,500	(2.4)	10,923,100	(16.5)
002	771-411	Planning & Research-State	9,463,917	11,909,794	14,645,322	18,836,508	19,000,000	.9	19,112,000	.6
002	771-412	Planning & Research-Federal	22,383,852	28,301,220	26,849,202	35,644,900	40,000,000	12.2	40,000,000	.0
002	772-421	Highway Construction-State	442,914,758	529,975,339	437,276,063	469,780,761	591,240,305	25.9	584,969,730	(1.1)
002	772-422	Highway Construction-Federal	834,488,266	783,012,704	756,233,868	766,001,700	1021,500,000	33.4	1131,500,000	10.8
002	772-424	Highway Construction-Other	33,662,210	45,804,282	58,759,131	51,000,000	62,500,000	22.5	53,500,000	(14.4)
002	773-431	Highway Maintenance-State	350,559,235	382,428,554	395,140,339	380,158,166	386,527,582	1.7	393,313,472	1.8
002	775-452	Public Transportation-Federal	37,509,809	23,935,865	23,943,231	27,000,000	30,000,000	11.1	30,365,000	1.2
002	775-454	Public Transportation-Other	305,426	830,438	330,136	1,500,000	1,500,000	.0	1,500,000	.0
002	775-459	Elderly & Disabled Special Equip.	1,239,692	3,174,647	1,044,567	4,230,000	4,595,000	8.6	4,595,000	.0
002	776-462	Grade Crossings-Federal	18,523,069	23,305,250	10,472,055	15,000,000	15,000,000	.0	15,000,000	.0
002	777-472	Airport Improvements-Federal	0	0	30,000	405,000	405,000	.0	405,000	.0
002	777-475	Aviation Administration	2,838,382	3,195,747	3,322,960	3,862,100	4,007,600	3.8	4,046,900	1.0
002	779-491	Administration-State	95,763,139	101,632,474	113,122,638	124,007,971	119,624,513	(3.5)	121,057,898	1.2
212	770-005	Infrastructure Debt Service - Fed	27,123,726	48,855,745	65,541,596	78,696,100	0	**	0	.0
212	772-423	Infrastructure Lease Pymts - Fed	9,807,250	12,071,260	11,752,277	12,537,300	0	**	0	.0
212	772-426	Highway Infrastructure Bank-Fed	1,794,911	4,671,591	2,298,271	2,620,000	1,500,000	(42.7)	2,000,000	33.3
212	772-427	Highway Infrastructure Bank-State	9,214,092	18,897,008	6,191,548	11,000,000	9,353,400	(15.0)	12,853,400	37.4
212	772-430	Infrastruct. Debt Res Title 23-49	0	0	0	0	1,500,000	.0	1,500,000	.0
212	775-406	Transit Infrastructure Bank-Fed	0	0	171,542	2,249,108	0	(100.0)	0	.0
212	775-407	Transit Infrastructure Bank-State	0	0	0	2,725,000	0	(100.0)	0	.0
213	772-432	Roadway INfrastructure Bank-Local	0	0	0	0	7,000,000	.0	7,000,000	.0
213	775-460	Transit Infrastructure Bank-Local	0	0	0	0	1,000,000	.0	1,000,000	.0

**** Please see the Appropriation Line Item analysis for further detail.**

LINE ITEM SUMMARY - Transportation

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
213	777-477	Aviation Infrastructure Bank-State	18,592	0	0	0	3,000,000	.0	3,000,000	.0
213	777-478	Aviation Infrastructure Bank-Local	0	0	0	0	7,000,000	.0	7,000,000	.0
214	770-401	Infrastructure Debt Service - Fed	0	0	0	0	80,182,400	**	105,129,400	31.1
214	772-434	Infrastructure Lease Pymts - Fed	0	0	0	0	12,537,100	**	12,536,000	.0
4T5	770-609	ODOT Memorial	0	0	0	5,000	5,000	.0	5,000	.0
TOTAL Highway Operating Fund Group			**1912,171,827**	**2036,141,014**	**1940,927,186**	**2020,655,514**	**2432,052,400**	**20.4**	**2562,311,900**	**5.4**
4A3	776-665	Railroad Crossing Safety Devices	405,150	149,250	1,500	0	0	.0	0	.0
4N4	776-661	Rail Transportation-State	79,786	0	0	0	0	.0	0	.0
4N4	776-663	Panhandle Lease Reserve Payments	0	0	0	770,000	764,400	(.7)	764,400	.0
4N4	776-664	Rail Transportation-Other	341,501	613,446	2,710,015	2,111,500	2,111,500	.0	2,111,500	.0
5W9	777-615	County Airport Maintenance	0	0	0	570,000	570,000	.0	570,000	.0
TOTAL State Special Revenue Fund Group			**826,437**	**762,696**	**2,711,515**	**3,451,500**	**3,445,900**	**(.2)**	**3,445,900**	**.0**
042	772-723	Highway Construction-Bonds	139,322,854	113,577,212	105,716,295	220,000,000	220,000,000	.0	150,000,000	(31.8)
TOTAL Highway Capital Improv Fund Group			**139,322,854**	**113,577,212**	**105,716,295**	**220,000,000**	**220,000,000**	**.0**	**150,000,000**	**(31.8)**
045	772-428	Highway Infrastructure Bank-Bonds	57,902,336	116,419,305	99,792,739	65,822,913	180,000,000	173.5	160,000,000	(11.1)
TOTAL Infrastructure Bank Obligations			**57,902,336**	**116,419,305**	**99,792,739**	**65,822,913**	**180,000,000**	**173.5**	**160,000,000**	**(11.1)**
TOTAL Department of Transportation			**2165,030,328**	**2302,191,309**	**2177,551,749**	**2334,268,964**	**2857,686,385**	**22.4**	**2897,671,685**	**1.4**

**** Please see the Appropriation Line Item analysis for further detail.**

Treasurer of State

Role and Overview

The Treasurer of State (TOS) is a constitutional officer elected to a four-year term. The role of the TOS is to collect, invest, and protect state funds. The Treasurer's Office serves as the custodian of the public's money; manages the state's investment and lottery portfolios as well as the STAR OHIO program which pools the investments of local political subdivisions for greater returns, safety, and liquidity; and collects various state taxes, court fees, and fines. Consequently, the Treasurer's Office works closely as a limited partner with local public funds managers, small businesses, farmers, local government officials, and banks. The Treasurer's Office is also a major Ohio debt issuer and the TOS chairs the State Board of Deposit. The Treasurer of State employs approximately 140 employees. The approximate budget for fiscal year 2005 is $72.2 million. More information on the Treasurer of State can be found at http://www.treasurer.state.oh.us/.

Executive Priorities for the Treasurer of State

- Manage the state's investment and lottery portfolios by investing available funds in a variety of financial instruments under statutory guidance provided by the legislature.
- Serve as the custodian of moneys in the State Treasury and certain public moneys held, by law, in the custody of the Treasurer.
- Operate linked deposit programs to assist small businesses, farmers, homeowners, and the disabled to obtain lower-cost loans.
- Manage the STAR OHIO program, pooling the investments of school districts and other local political subdivisions to provide safety, return, and liquidity.
- Manage the Bid Ohio program, which allows Ohio banks to competitively bid on interim state moneys via the Internet, keeping Ohio's investment dollars in the state while providing higher investment returns to the state through the use of competition.
- Manage the Securities Lending program, generating income by loaning securities on a short-term basis to selected brokerage firms and financial institutions for a fee.
- Issue debt for parks and recreation, mental health and mental retardation, highways, student loan programs, public infrastructure, economic development programs, and revitalization projects.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	36,139	36,191	36,451	37,719	3.5	31,304	(17.0)	31,169	(.4)
General Services Fund Group	4,575	4,548	3,011	3,350	11.3	3,972	18.6	4,064	2.3
State Special Revenue Fund Group	91	150	147	135	(8.0)	135	.0	135	.0
Agency Fund Group	28,301	9,392	16,203	31,000	91.3	31,000	.0	31,000	.0
TOTAL	**69,107**	**50,281**	**55,811**	**72,204**	**29.4**	**66,411**	**(8.0)**	**66,368**	**(.1)**

Treasurer of State

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	10,189	9,743	9,516	10,316	8.4	10,825	4.9	11,040	2.0
Purchased Services	720	1,035	1,203	830	(31.1)	878	5.9	860	(2.1)
Maintenance	1,730	1,754	1,615	1,805	11.8	1,898	5.1	1,878	(1.1)
Equipment	2,073	1,509	462	362	(21.6)	336	(7.2)	252	(25.0)
Subsidy	25,931	26,780	26,636	27,720	4.1	21,305	(23.1)	21,170	(.6)
Transfer & Other	28,464	9,459	16,380	31,172	90.3	31,170	.0	31,170	.0
TOTAL	**69,107**	**50,281**	**55,811**	**72,204**	**29.4**	**66,411**	**(8.0)**	**66,368**	**(.1)**

PROGRAM SERIES 01: Program Management

This program series provides for the administrative expenses associated with the Treasurer of State's role of custodian, protector, and investor of public moneys.

Program 01.01: Program Management

This program provides for the collection, investment, and protection of state funds. The Treasurer's Office functions as the custodian of the public's money, manager of the state's investment portfolio, and collector of taxes and fees. Program Management supports office operations including treasury expenses, such as payroll, fringe benefits, maintenance, and equipment.

What the Budget Buys:

- Supports 133 staff members working to fulfill the Treasurer's statutory responsibilities to collect, invest, and protect state funds;
- Invests and manages approximately $5.5 billion dollars in state funds, which require systems for cash forecasting, investment accounting, pricing of securities, and research; and
- Protects more than $550 million in deposits in 135 public depositories around the state.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	090-321	Operating Expenses	9,041,937	9,041,937
TOTAL FOR PROGRAM				**9,041,937**	**9,041,937**

Program 01.02: Administrative Fund/Custodial Account Services

This program supports the function of the Treasurer of State as the custodian of the public's money. Funding supports the safekeeping, disbursing, and administering of custodial moneys and assets, which are funds held in the custody of the Treasurer but not part of the state's Central Accounting System, and thus subject to different and lesser rules. This includes retirement system and various other agency funds.

This program also manages the Securities Lending program, which generates income by loaning securities on a short-term basis to selected brokerage firms and financial institutions for a fee.

Treasurer of State

What the Budget Buys:

- Funds the contracts with eight financial institutions for custody and monitoring services for the approximately $162 billion in custodial assets;
- Processes approximately 12 million state and custodial warrants from the state's five retirement systems, the Ohio Bureau of Worker's Compensation, the Ohio Department of Job and Family Services, and the Auditor of State; and
- Supports the securities lending program for the state's regular and lottery portfolios, including the development of securities lending policies, the selection of agents, and monitoring the performance of those agents.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	4E9	090-603	Securities Lending Income	2,721,800	2,814,000
GSF	605	090-609	Treasurer State Administrative Fund	700,000	700,000
TOTAL FOR PROGRAM				**3,421,800**	**3,514,000**

Program 01.03: STAROhio Investment and Management

This program provides for expenses associated with the Ohio Subdivision's Fund, commonly referred to as STAROhio. STAROhio is a AAA-rated investment alternative created for eligible governmental subdivisions. This local governments' investment pool, which consists of local subdivisions' deposits of interim moneys, is invested in high-quality short-term securities to provide shareholders with safety, return, and liquidity. TOS is reimbursed for administrative expenses, which are initially paid out of the pool's investment earnings.

What the Budget Buys:

- Compensates TOS for their portion of the services provided to the approximately 1,650 shareholders participating in the STAROhio program; and
- Funds daily portfolio management, management of the STAROhio securities lending program, compliance monitoring, and trade reconciliation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GSF	577	090-605	Investment Pool Reimbursement	550,000	550,000
TOTAL FOR PROGRAM				**550,000**	**550,000**

PROGRAM SERIES 02: Sinking Fund Management

This program series covers all costs incurred with respect to the issuance of State of Ohio general obligation bonds.

Program 02.01: Sinking Fund Management

This program supports the activities associated with the Commissioners of the Sinking Fund. This includes paying the debt service on general obligation bonds that are authorized by the state constitution and the legislature for specific purposes, although actual debt service payments are appropriated to other state agencies and not to TOS. This program covers all costs incurred by order of or on behalf of the Commissioners of the Sinking Fund, the Ohio Public Facilities Commission, or the Treasurer of State with respect to State of Ohio general obligation bonds. The General Revenue Fund is reimbursed from the affected issuance's bond retirement fund.

What the Budget Buys:

- Supports the wages and benefits for four employees associated with Sinking Fund management;
- Provides for the administrative expenses associated with debt issuance costs and debt service payments on the $5 billion of outstanding general obligation bonds;
- Coordinates servicing of eight general obligation bond retirement funds and makes 16 debt service payments totaling $661 million per year; and
- Services seven credit enhancement facilities and makes 14 associated payments annually.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	090-401	Sinking Fund Office	521,576	521,576
TOTAL FOR PROGRAM				**521,576**	**521,576**

PROGRAM SERIES 03: Refunds and Subsidies Oversight

This program series provides for the payment of certain tax refunds, permissive tax distributions, and state contributions to the Ohio Police and Fire Pension Fund.

Program 03.01: Police and Fire Subsidies

This program provides for supplemental moneys to specified members of the Ohio Police and Fire Pension Fund and to surviving spouses and children of law enforcement officers, firefighters, and correction officers who die in the line of duty or who die from injuries sustained in the line of duty. This is subsidized in part to cover payments to officers retired prior to the consolidation of the local pension funds into the current entity, and in part due to the special service these employees provide to the general population of Ohio.

What the Budget Buys:

- Provides disability pension, supplemental cost of living payments, and survivor benefits for those receiving the payments as such prior to the consolidation creating the current Ohio Police and Fire Pension Fund;
- Supports death benefits payments to the families of law enforcement officers, firefighters, and correction officers who die in the line of duty; and
- Serves approximately 1,300 families per fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	090-524	Police & Fire Disability Pen	25,000	20,000
GRF	GRF	090-534	Police & Fire Ad Hoc COL	180,000	150,000
GRF	GRF	090-554	Police & Fire Survivor Benefits	1,100,000	1,000,000
GRF	GRF	090-575	Police & Fire Death Benefits	20,000,000	20,000,000
TOTAL FOR PROGRAM				**21,305,000**	**21,170,000**

Program 03.02: Tax Refunds

This program provides moneys to pay tax refunds to Ohio taxpayers and permissive tax distributions that are not tax refunds.

What the Budget Buys:

- Provides for the payment of tax refunds and permissive tax distributions each fiscal year.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	425	090-635	Tax Refunds	31,000,000	31,000,000
TOTAL FOR PROGRAM				**31,000,000**	**31,000,000**

PROGRAM SERIES 04: County Treasurer Education

This program series supports continuing education programming for county treasurers to ensure the proper handling of moneys.

Program 04.01: Continuing Education

This program provides for the administration of the Center for Public Investment Management (CPIM) that conducts education programs for county treasurers and other public funds managers. CPIM enhances the background and working knowledge of local finance officers in areas of public finance, investments, cash management, and compliance and reporting.

What the Budget Buys:

- Supports the wages and benefits for five employees associated with the continuing education program; and
- Provides resources for approximately ten conferences around the state to provide training to 2,780 local public fund managers.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	090-402	Continuing Education	435,770	435,770
SSR	5C5	090-602	County Treasurer Education	135,000	135,000
TOTAL FOR PROGRAM				**570,770**	**570,770**

LINE ITEM SUMMARY - Treasurer

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	090-321	Operating Expenses	9,412,744	8,677,775	8,936,388	9,041,937	9,041,937	.0	9,041,937	.0
GRF	090-401	Sinking Fund Office	377,505	270,718	454,935	521,576	521,576	.0	521,576	.0
GRF	090-402	Continuing Education	417,665	462,265	423,512	435,770	435,770	.0	435,770	.0
GRF	090-524	Police & Fire Disability Pen	39,684	32,360	27,832	30,000	25,000	(16.7)	20,000	(20.0)
GRF	090-534	Police & Fire Ad Hoc COL	250,446	223,908	199,428	230,000	180,000	(21.7)	150,000	(16.7)
GRF	090-544	Police & Fire State Contrib	1,200,000	1,200,000	1,200,000	1,200,000	0	(100.0)	0	.0
GRF	090-554	Police & Fire Survivor Benefits	1,441,120	1,324,110	1,208,650	1,260,000	1,100,000	(12.7)	1,000,000	(9.1)
GRF	090-575	Police & Fire Death Benefits	23,000,000	24,000,000	24,000,000	25,000,000	20,000,000	(20.0)	20,000,000	.0
TOTAL General Revenue Fund			**36,139,164**	**36,191,136**	**36,450,745**	**37,719,283**	**31,304,283**	**(17.0)**	**31,169,283**	**(.4)**
182	090-608	Financial Planning Commissions	8,468	1,888	0	0	0	.0	0	.0
4E9	090-603	Securities Lending Income	4,191,275	2,282,537	2,189,910	2,100,000	2,721,800	29.6	2,814,000	3.4
577	090-605	Investment Pool Reimbursement	242,135	592,086	386,897	550,000	550,000	.0	550,000	.0
605	090-609	Treasurer State Admn Fund	133,432	1,671,268	434,110	700,000	700,000	.0	700,000	.0
TOTAL General Services Fund Group			**4,575,310**	**4,547,779**	**3,010,917**	**3,350,000**	**3,971,800**	**18.6**	**4,064,000**	**2.3**
5C5	090-602	County Treasurer Education	91,180	149,758	146,728	135,000	135,000	.0	135,000	.0
TOTAL State Special Revenue Fund Group			**91,180**	**149,758**	**146,728**	**135,000**	**135,000**	**.0**	**135,000**	**.0**
425	090-635	Tax Refunds	28,301,099	9,392,291	16,202,694	31,000,000	31,000,000	.0	31,000,000	.0
TOTAL Agency Fund Group			**28,301,099**	**9,392,291**	**16,202,694**	**31,000,000**	**31,000,000**	**.0**	**31,000,000**	**.0**
TOTAL Treasurer of State			**69,106,753**	**50,280,964**	**55,811,084**	**72,204,283**	**66,411,083**	**(8.0)**	**66,368,283**	**(.1)**

Tuition Trust Authority

Role and Overview

The Ohio Tuition Trust Authority (TTA) administers college savings programs to help Ohio families financially prepare for higher education. TTA serves as the state sponsoring entity for Ohio's college savings plan, in accordance with the ORC and Section 529 of the Internal Revenue Code.

The authority, which was established by the Ohio General Assembly in 1989, is governed by an 11-member Board of Trustees: six appointed by the Governor, two appointed by the President of the Senate, two appointed by the Speaker of the House, and the Chancellor of the Board of Regents or his designee. The agency's budget in fiscal year 2005 is approximately $5.4 million.

The agency offers many different types of investment products such as the CollegeAdvantage 529 Savings Plan that allows Ohioans to choose from 35 college investment options. There are 19 variable investment options managed by Putnam Investments and 15 index investment options managed by Vanguard. There are six age-based options, as well as a variety of conservative, moderate, and aggressive options. The Guaranteed Fund, which is backed by the full faith and credit of the State, was designed to keep pace with tuition growth at Ohio's 13 public four-year colleges and universities. Contributions into the Guaranteed Savings Fund have been suspended through December 31, 2005, due to a market-value deficit resulting from high tuition inflation that exceeds investment returns.

In fiscal year 2005, approximately 616,000 investors participated in a TTA program. All funds can be used at any accredited college in the country to pay for tuition, fees, room and board, books, and supplies. The State of Ohio exempts earnings in all funds from state income taxes if funds are used for qualified higher education expenses. Ohio citizens who contribute to a CollegeAdvantage fund can deduct up to $2,000 per year, per beneficiary from their State of Ohio income taxes. CollegeAdvantage is an Internal Revenue Code 529 qualified state tuition program and qualifies for federal tax benefits. Amounts withdrawn prior to January 1, 2011, will not be subject to federal income taxes, subject to certain exceptions.

In fiscal year 2005, TTA estimates that approximately $832,717 (or 15.47%) of its budget will be dedicated to Guaranteed Savings Plan operations. The remaining amounts will be used to manage the day-to-day operations of the Variable Option Savings Plan ($1,850,595 or 34.4%) and the Index Savings Plan ($2,696,000 or 50.12%).

Executive Priorities for the Ohio Tuition Trust Authority

- Promote and ensure the availability of early college savings options for all Ohioans.
- Enhance service to current customers and additional participants through increased Website functionality to attract new participants and help current enrollees manage their accounts, and provide additional college savings products to meet consumer demand.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
State Special Revenue Fund Group	4,278	4,422	4,535	5,219	15.1	5,716	9.5	6,115	7.0
TOTAL	**4,278**	**4,422**	**4,535**	**5,219**	**15.1**	**5,716**	**9.5**	**6,115**	**7.0**

Tuition Trust Authority

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	1,822	1,961	1,980	1,106	(44.1)	2,494	125.6	2,626	5.3
Purchased Services	864	1,001	942	2,336	147.9	1,522	(34.9)	1,548	1.7
Maintenance	1,506	1,410	1,506	1,759	16.8	1,633	(7.2)	1,857	13.8
Equipment	85	50	107	18	(83.0)	68	270.9	84	24.4
TOTAL	**4,278**	**4,422**	**4,535**	**5,219**	**15.1**	**5,716**	**9.5**	**6,115**	**7.0**

PROGRAM SERIES 01: CollegeAdvantage

This program series consists of the Tuition Trust Authority's three primary savings options offered to help Ohio families save for future college expenses. The Authority, created in 1989, provides a mixture of products and investment options to meet the investment needs of Ohioans.

Program 01.01: Guaranteed College Savings Plan

The Guaranteed Savings Plan, created in 1989 as the first college savings plan supported by the state, has assets worth over $850.8 million and has over 130,000 participants. The Guaranteed Savings Plan is currently suspended until December 31, 2005. The suspension does not allow new enrollments or contributions into the program; however, the program continues to support accounts for those enrolled prior to program suspension. Basic services associated with this program, such as disbursements to beneficiaries, refunds, rollover of account balances into new funds, and financial reporting, continue to function as normal.

What the Budget Buys:

- Provides support for seven staff members that are responsible for the day-to-day customer service, processing of payouts, record-keeping, quarterly financial reporting to investors, and other duties as required to ensure that the 130,000 participants in the program are informed about their investments and receive assistance as needed;
- Decreases reflect the suspension of the Guaranteed Fund and the continued operations that are necessary to provide services to existing account owners and beneficiaries; and
- Provides necessary support and supervision needed to identify solutions to minimize the State of Ohio's long-term obligations on the Guaranteed Savings Plan.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
SSR	645	095-601	Operating Expenses	807,260	891,173
TOTAL FOR PROGRAM				**807,260**	**891,173**

Program 01.02: Variable Savings Plan

In 2000, the General Assembly authorized TTA to create the CollegeAdvantage 529 Savings Plan. Putnam Investments was hired to manage the funds. The variable options are actively managed funds that seek to exceed the average returns of the financial markets. Customers are able to choose from a variety of savings options and have the ability to manage their own accounts depending on where they would like to invest (Asset Allocation Options, Money Market Options, Fixed Income Options, and Seven Equity Options). These accounts are not guaranteed a fixed rate of return and investors assume all risk. Currently, over 135,000 investors participate in this program, and TTA expects this number to grow by 11,000 in fiscal year 2006 and by 12,100 in fiscal year 2007. TTA and Putnam Investments share record-keeping responsibilities.

Tuition Trust Authority

What the Budget Buys:

- Supports the purchase of vendor services for research, building brand awareness through media and direct mail campaigns, public relations, corporate partnerships to encourage payroll deduction, and investor education;
- Enables marketing research to help TTA identify populations of potential investors and provides investment options catered to their needs;
- Funds 14 staff members to manage the day-to-day record keeping, customer service, marketing, financial reporting and analysis, and technical support functions for the Variable Savings Plan and its 135,000 current direct investors;
- Provides funding for one additional staff member in fiscal year 2006 to keep pace with the consumer demand for services; and
- Supports fulfillment of TTA's directed mission from the Ohio Revised Code and Section 529 of the Internal Revenue Code to help families save for future college expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5P3	095-602	Variable College Savings Fund	2,042,486	2,118,568
TOTAL FOR PROGRAM				**2,042,486**	**2,118,568**

Program 01.03: Index Savings Plan

In accordance with Amended Substitute Senate Bill 161 of the 123rd General Assembly, during fiscal year 2005, the Controlling Board approved creation of a new college savings investment option through TTA in partnership with Vanguard, an investment firm. The index options are passively managed funds that attempt to match a particular stock or bond market index. Vanguard will provide increased options for customers to create new accounts and make changes to their investment options on-line. These accounts are not guaranteed a fixed rate of return and investors assume all risk. During fiscal year 2005, over 13,000 Vanguard accounts have been opened. TTA is responsible for all record-keeping duties.

What the Budget Buys:

- Supports the purchase of vendor services for research, building brand awareness through media and direct mail campaigns, public relations, corporate partnerships to encourage payroll deduction, and investor education. Marketing research helps TTA identify populations of potential investors and provides investment options catered to their needs;
- Funds will support 16 staff to manage the day-to-day record keeping, customer service, marketing, financial reporting and analysis, and technical support functions for the Index Savings Plan and its investors;
- Provides funding for one additional staff member in fiscal year 2006 and in fiscal year 2007 to keep pace with the consumer demand for services;
- Supports projected enrollment growth of 33,000 new investors in fiscal year 2006 with estimated sales to reach $152 million and 36,000 new investors in fiscal year 2007 with sales to reach $256 million; and
- Enables fulfillment of TTA's directed mission from the Ohio Revised Code and Section 529 of the Internal Revenue Code to help families save for future college expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
SSR	5AM	095-603	Index Savings Plan	2,866,240	3,104,865
TOTAL FOR PROGRAM				**2,866,240**	**3,104,865**

LINE ITEM SUMMARY - Tuition Trust Authority

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
5AM	095-603	Index Savings Plan	0	0	0	2,696,000	2,866,240	6.3	3,104,865	8.3
5P3	095-602	Variable College Savings Fund	40,476	1,371,963	1,598,587	1,690,213	2,042,486	20.8	2,118,568	3.7
645	095-601	Operating Expenses	4,237,836	3,049,799	2,936,650	832,717	807,260	(3.1)	891,173	10.4
TOTAL State Special Revenue Fund Group			**4,278,312**	**4,421,762**	**4,535,237**	**5,218,930**	**5,715,986**	**9.5**	**6,114,606**	**7.0**
TOTAL Tuition Trust Authority			**4,278,312**	**4,421,762**	**4,535,237**	**5,218,930**	**5,715,986**	**9.5**	**6,114,606**	**7.0**

Petroleum Underground Storage Tank Release Compensation Board

Role and Overview

The Petroleum Underground Storage Tank Release Compensation Board administers Ohio's Financial Assurance Fund. The fund provides coverage for clean-up costs and third-party property and bodily damages associated with accidental releases of petroleum from underground storage tanks (USTs). Federal law requires that all tank owners and operators demonstrate that they are able to pay up to $1 million in clean-up costs and third-party damages in the event of an accidental release.

The board consists of nine members appointed by the Governor and three ex-officio members: the Treasurer of State and the directors of the Department of Commerce and the Ohio Environmental Protection Agency. The board has a staff of 16 employees that perform the daily operations of the board with an annual operating budget of $1.1 million.

The Financial Assurance Fund consists of fees and charges paid by owners of underground storage tanks, interest earned on the moneys in the fund, and proceeds from revenue bonds authorized by the board. There is approximately $30.1 million in unobligated funds and an additional obligated amount of $15 million for anticipated fiscal year 2005 claim reimbursement payments. Payroll expenses of the board, which are about $1.1 million annually, are the only funds of the board that are appropriated.

Executive Priorities for the Petroleum Underground Storage Tank Release Compensation Board

- Provide a mechanism to enable Ohio's petroleum UST owners to comply with federal EPA regulations.
- Provide financial assistance to remediate contamination caused by covered petroleum USTs.
- Maintain a cost-effective program by efficiently managing the Financial Assurance Fund.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Agency Fund Group	862	901	940	1,075	14.4	1,075	.0	1,117	3.9
TOTAL	**862**	**901**	**940**	**1,075**	**14.4**	**1,075**	**.0**	**1,117**	**3.9**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	862	901	940	1,075	14.4	1,075	.0	1,117	3.9
TOTAL	**862**	**901**	**940**	**1,075**	**14.4**	**1,075**	**.0**	**1,117**	**3.9**

PROGRAM SERIES 01: Financial Assurance

This program series provides Ohio's petroleum UST owners with $1 million (less a deductible) of assurance coverage for taking corrective action and compensating third parties for bodily and property damage caused by accidental releases from petroleum USTs. The program satisfies the federal EPA regulations requiring all U.S. petroleum UST owners to demonstrate $1 million of financial responsibility.

Program 01.01: Reporting and Compliance

This program is responsible for the collection and application of all fees and penalties; maintenance of the general ledger and fee invoice systems; all accounting and fiscal transactions; preparation of all financial statements and related documents; coordination of an annual study of the Financial Assurance Fund's estimated claim liability with an independent actuarial firm; and coordination of the annual audit with an independent accounting firm and the State Auditor's Office.

What the Budget Buys:

- Collection and application of fees and penalties in accordance with law;
- Issuance of approximately 23,000 Certificates of Financial Assurance Fund Coverage;
- Coordinates the annual study of the Financial Assurance Fund's estimated claim liability with an independent actuarial firm; and
- Funds the equivalent of 7.5 full-time employees for the daily operations for Reporting and Compliance program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	691	810-632	Petroleum UST Release Compensation Board Staff	487,165	505,846
TOTAL FOR PROGRAM				**487,165**	**505,846**

Program 01.02: Eligibility And Reimbursement Determination

This program is responsible for maintaining the eligibility, preapproval, and reimbursement databases that allow the board and staff to execute their duties. The board reviews appropriate documentation and rules governing the eligibility and reimbursement processes, and makes recommendations to the director regarding an owner's rights to place claims against the Financial Assurance Fund. Board members recommend the amounts to be reimbursed. Staff processes reimbursements received for costs associated with corrective action.

What the Budget Buys:

- Administration of the Financial Assurance Fund that provides coverage for clean-up costs and third-party property and bodily damages associated with accidental releases of petroleum from underground storage tanks;
- Evaluation and determination of eligibility for over 4,100 reimbursement claim applications per year;
- Provide the resources to remediate contamination through reimbursement determinations;
- Develop innovate ways to reduce clean-up costs; and
- Funds the equivalent of 8.5 full-time employees for the daily operations for Eligibility and Reimbursement Determination program.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
AGY	691	810-632	Petroleum UST Release Compensation Board Staff	587,993	610,812
TOTAL FOR PROGRAM				**587,993**	**610,812**

LINE ITEM SUMMARY - Underground Storage Tank Release

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
691	810-632	PUSTCB Staff	862,295	901,027	940,220	1,075,158	1,075,158	.0	1,116,658	3.9
TOTAL Agency Fund Group			**862,295**	**901,027**	**940,220**	**1,075,158**	**1,075,158**	**.0**	**1,116,658**	**3.9**
TOTAL Underground Storage Tank Rel			**862,295**	**901,027**	**940,220**	**1,075,158**	**1,075,158**	**.0**	**1,116,658**	**3.9**

Veterans' Home Agency

Role and Overview

The Veterans' Home Agency (OVH) cares for elderly, chronically ill, and disabled veterans at the agency's nursing homes or in less restrictive group living arrangements so that they can achieve their highest level of functional ability.

The home is governed by a seven-member board of trustees. The directors of the Department of Administrative Services and the Department of Aging, or their designees, serve as board members. The remaining five members, who are appointed by the Governor for five-year terms, must be veterans. The home has approximately 850 permanent employees and a budget of $49.1 million in fiscal year 2005.

In 1886 the legislature recognized the need to provide a home for the state's aging Civil War veterans and established the Soldiers and Sailors Home, which is now known as the Veterans' Home Agency. It includes the 427-bed Secrest/Giffin nursing home and a 293-bed domiciliary located in Sandusky, Ohio. A new 168-bed nursing home facility, located in Georgetown, Ohio, admitted its first resident in November 2003. The facility was certified as a long-term care facility by both the Ohio Department of Health and the U.S. Veterans' Administration in fiscal year 2004. The facility is fully operational and is expected to be at full capacity at the end of fiscal year 2005. Reimbursements from the U.S. Veterans' Administration and resident assessment fees offset the cost of operating the homes.

The Veterans' Home Agency is online at: http://ovh.ohio.gov/.

Executive Priorities for the Veterans' Home Agency

- Provide long-term nursing and special care to Ohio's veterans.
- Provide domiciliary care to Ohio's veterans.
- Recognize veterans for their contributions to society.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	19,664	20,530	26,927	25,170	(6.5)	26,081	3.6	26,385	1.2
General Services Fund Group	437	502	601	710	18.1	883	24.4	883	.0
Fed Special Revenue Fund Group	9,651	10,995	11,219	12,809	14.2	14,991	17.0	15,290	2.0
State Special Revenue Fund Group	6,724	6,835	6,061	8,292	36.8	9,093	9.7	9,301	2.3
TOTAL	**36,476**	**38,861**	**44,807**	**46,980**	**4.8**	**51,047**	**8.7**	**51,859**	**1.6**

Veterans' Home Agency

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	RECOMMENDED FY 2007	% CHANGE
Personal Services	30,018	32,104	35,975	38,979	8.4	42,998	10.3	43,810	1.9
Purchased Services	218	169	295	1	(99.7)	0	(100.0)	0	.0
Maintenance	5,585	5,617	6,892	7,230	4.9	7,279	.7	7,279	.0
Equipment	560	887	1,565	691	(55.8)	690	(.1)	690	.0
Capital Improvements	95	73	81	79	(2.0)	80	1.2	80	.0
Transfer & Other	0	11	0	0	.0	0	.0	0	.0
TOTAL	**36,476**	**38,861**	**44,807**	**46,980**	**4.8**	**51,047**	**8.7**	**51,859**	**1.6**

PROGRAM SERIES 01: Patient Services

This program series provides care for the elderly, chronically ill, and disabled veterans in the appropriate living arrangement to help them achieve their highest level of functional ability.

Program 01.01: Nursing Homes

This program provides long-term nursing home care to Ohio's veterans. The Sandusky and Georgetown facilities provide standard and special care (Alzheimer and dementia care) to veterans in need of nursing home care.

What the Budget Buys:

- Supports the operation of a 427 bed nursing home facility in Sandusky, of which 140 beds are for Alzheimer's/dementia care; and
- Supports the operation of a 168 bed nursing home facility in Georgetown, of which 84 beds are for Alzheimer's/dementia care.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	430-100	Personal Services	15,130,138	15,434,298
GRF	GRF	430-200	Maintenance	4,978,355	4,978,355
GSF	484	430-603	Rental and Service Revenue	882,737	882,737
FED	3L2	430-601	Federal VA Per Diem Grant	13,075,111	13,374,921
SSR	4E2	430-602	Veterans Home Operating	7,438,571	7,646,640
SSR	604	430-604	Veterans Home Improvement	670,096	670,096
TOTAL FOR PROGRAM				**42,175,008**	**42,987,047**

Veterans' Home Agency

Program 01.02: Domiciliary

This program provides a level of care, which offers independence and freedom in a homelike environment for residents able to care for themselves. Domiciliary Care is available at the Sandusky facility. A second level of care, Domiciliary Plus, is provided to residents who require a degree of care between independent living and nursing home care.

What the Budget Buys:

- Allows the Domiciliary to operate 223 beds including one Domiciliary Plus unit with 42 beds.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	430-100	Personal Services	4,484,869	4,484,869
GRF	GRF	430-200	Maintenance	1,396,645	1,396,645
FED	3L2	430-601	Federal VA Per Diem Grant	1,915,399	1,915,399
SSR	4E2	430-602	Veterans Home Operating	884,160	884,160
SSR	604	430-604	Veterans Home Improvement	100,000	100,000
TOTAL FOR PROGRAM				**8,781,073**	**8,781,073**

PROGRAM SERIES 02: Veterans Hall of Fame

This program series provides support for the Veterans Hall of Fame, which recognizes post-military achievements of veterans.

Program 02.01: Veterans Hall of Fame

This program, established in 1992, recognizes post-military achievements of veterans to the civilian workplace. For America's veterans that continue to give to their communities, state and nation after honorable military service, the Ohio Veterans Hall of Fame seeks to recognize them for their countless contributions to society.

What the Budget Buys:

- Funds a yearly enshrinement ceremony honoring veterans for their contributions to the community; and
- Supports presentations to veterans' organizations and a newsletter publication, now available on the Internet.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	430-100	Personal Services	70,000	70,000
GRF	GRF	430-200	Maintenance	21,200	21,200
TOTAL FOR PROGRAM				**91,200**	**91,200**

LINE ITEM SUMMARY - Veterans' Home

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	430-100	Personal Services	14,515,769	15,414,502	20,635,917	18,649,060	19,685,007	5.6	19,989,167	1.5
GRF	430-200	Maintenance	5,147,941	5,115,195	6,290,775	6,520,740	6,396,200	(1.9)	6,396,200	.0
TOTAL General Revenue Fund			**19,663,710**	**20,529,697**	**26,926,692**	**25,169,800**	**26,081,207**	**3.6**	**26,385,367**	**1.2**
484	430-603	Rental and Service Revenue	436,654	501,704	600,971	709,737	882,737	24.4	882,737	.0
TOTAL General Services Fund Group			**436,654**	**501,704**	**600,971**	**709,737**	**882,737**	**24.4**	**882,737**	**.0**
3L2	430-601	Federal VA Per Diem Grant	9,650,843	10,811,840	10,158,447	12,808,500	14,990,510	17.0	15,290,320	2.0
319	430-608	Southern Home Equipment	0	183,003	1,060,351	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**9,650,843**	**10,994,843**	**11,218,798**	**12,808,500**	**14,990,510**	**17.0**	**15,290,320**	**2.0**
4E2	430-602	Veterans Home Operating	6,069,290	6,057,746	5,475,280	7,521,861	8,322,731	10.6	8,530,800	2.5
604	430-604	Veterans Home Improvement	655,116	777,285	585,307	770,096	770,096	.0	770,096	.0
TOTAL State Special Revenue Fund Group			**6,724,406**	**6,835,031**	**6,060,587**	**8,291,957**	**9,092,827**	**9.7**	**9,300,896**	**2.3**
TOTAL Veterans' Home			**36,475,613**	**38,861,275**	**44,807,048**	**46,979,994**	**51,047,281**	**8.7**	**51,859,320**	**1.6**

Veterans' Organizations

Role and Overview

Thirteen veterans' organizations, including the Korean War Veterans, the Jewish War Veterans, the Catholic War Veterans, the Military Order of the Purple Heart, the Vietnam Veterans of America, the American Legion of Ohio, the AMVETS, the Disabled American Veterans, the Marine Corps League, the 37th Division Veterans' Association, the Veterans of Foreign Wars, the Army and Navy Union, U.S.A., and the American Ex-Prisoners of War, receive a subsidy from the state to help veterans and their dependents identify and claim benefits to which they are entitled. Each organization provides services to its particular constituency. State funding supplements each organization's other funding that is raised through membership dues, fund-raising efforts, private donations, and federal grants.

Executive Priorities for the Veterans' Organizations

- Support the needs of veterans.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
General Revenue Fund	1,429	1,427	1,409	1,405	(.3)	1,405	.0	1,405	.0
TOTAL	**1,429**	**1,427**	**1,409**	**1,405**	**(.3)**	**1,405**	**.0**	**1,405**	**.0**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Subsidy	1,429	1,427	1,409	1,405	(.3)	1,405	.0	1,405	.0
TOTAL	**1,429**	**1,427**	**1,409**	**1,405**	**(.3)**	**1,405**	**.0**	**1,405**	**.0**

Veterans' Organizations

PROGRAM SERIES 01: Veterans' Interests

This program series provides a subsidy payment to each of the 13 veterans' groups to support the needs of their memberships.

Program 01.01: Subsidy

This program supports the activities of the 13 veterans' groups. Activities include assisting veterans in the benefits claiming process, transporting veterans to VA medical facilities, assisting veterans with job placement and training, and helping homeless and needy veterans find the assistance that they need.

What the Budget Buys:

- Each organization will receive the same level of subsidy as was received in fiscal year 2005.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	743-501	American Ex-Prisoners of War	25,030	25,030
GRF	GRF	746-501	Army and Navy Union, USA, Inc.	55,012	55,012
GRF	GRF	747-501	Korean War Veterans	49,453	49,453
GRF	GRF	748-501	Jewish War Veterans	29,715	29,715
GRF	GRF	749-501	Catholic War Veterans	57,990	57,990
GRF	GRF	750-501	Military Order of the Purple Heart	56,377	56,377
GRF	GRF	751-501	Vietnam Veterans of America	185,954	185,954
GRF	GRF	752-501	American Legion of Ohio	252,328	252,328
GRF	GRF	753-501	AMVETS	237,919	237,919
GRF	GRF	754-501	Disabled American Veterans	166,308	166,308
GRF	GRF	756-501	Marine Corps League	85,972	85,972
GRF	GRF	757-501	37th Division Veterans Association	5,946	5,946
GRF	GRF	758-501	Veterans of Foreign Wars	196,615	196,615
TOTAL FOR PROGRAM				**1,404,619**	**1,404,619**

LINE ITEM SUMMARY - Veterans' Organizations

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	743-501	American Ex-Prisoners of War	25,030	25,030	25,030	25,030	25,030	.0	25,030	.0
GRF	746-501	Army and Navy Union, USA, Inc.	55,012	55,012	55,012	55,012	55,012	.0	55,012	.0
GRF	747-501	Korean War Veterans	49,452	49,453	53,953	49,453	49,453	.0	49,453	.0
GRF	748-501	Jewish War Veterans	29,715	29,715	29,715	29,715	29,715	.0	29,715	.0
GRF	749-501	Catholic War Veterans	57,990	57,990	57,990	57,990	57,990	.0	57,990	.0
GRF	750-501	Military Order of the Purple Heart	56,377	56,377	56,377	56,377	56,377	.0	56,377	.0
GRF	751-501	Viet Nam Veterans of America	185,954	185,954	185,954	185,954	185,954	.0	185,954	.0
GRF	752-501	American Legion of Ohio	252,328	252,328	252,328	252,328	252,328	.0	252,328	.0
GRF	753-501	AMVETS	237,919	235,882	237,415	237,919	237,919	.0	237,919	.0
GRF	754-501	Disabled American Veterans	165,998	166,308	166,308	166,308	166,308	.0	166,308	.0
GRF	756-501	Marine Corps League	85,972	85,972	85,972	85,972	85,972	.0	85,972	.0
GRF	757-501	37th Division Veterans Association	5,946	5,946	5,946	5,946	5,946	.0	5,946	.0
GRF	758-501	Veterans of Foreign Wars	196,615	196,615	196,615	196,615	196,615	.0	196,615	.0
GRF	759-501	Veterans of WWI	24,780	24,780	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**1,429,088**	**1,427,362**	**1,408,615**	**1,404,619**	**1,404,619**	**.0**	**1,404,619**	**.0**
TOTAL Veterans' Organizations			**1,429,088**	**1,427,362**	**1,408,615**	**1,404,619**	**1,404,619**	**.0**	**1,404,619**	**.0**

Bureau of Workers' Compensation

Role and Overview

The Bureau of Workers' Compensation (BWC) underwrites insurance coverage for work-related injuries and illnesses for public and private sector employers conducting business in Ohio and oversees the workers' compensation programs for self-insured employers (primarily Ohio's largest companies). BWC also assists employers and employees in creating and maintaining a safe work environment.

The Bureau of Workers' Compensation is governed by an administrator appointed by the Governor. The Workers' Compensation Oversight Commission advises the administrator. The Oversight Commission has nine members: five appointed by the Governor to represent industry (two members), labor (two members), and the public (one member); and four who are members of the legislature. The legislators on the Oversight Commission are the chairs and ranking minority members of the House and Senate committees that handle labor and industry issues.

The administrator oversees BWC's annual budget of approximately $320 million, supporting 2,800 employees. BWC operates 18 statewide customer service offices which house claims, medical, risk, fraud, legal, safety education, accident prevention, and information technology personnel.

Executive Priorities for the Bureau of Workers' Compensation

- Provide high-quality customer service to all customers and stakeholders.
- Maintain the financial integrity of Ohio's workers' compensation system.
- Employ the best available, effective business-oriented technologies.
- Refine the claims and medical management processes.
- Deliver innovative risk and safety services.

Summary of Budget History and Recommendations

(In thousands) BUDGET FUND GROUP	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Workers' Compensation Fund Group	289,350	295,630	277,998	319,537	14.9	320,034	.2	320,423	.1
Fed Special Revenue Fund Group	0	0	0	0	.0	1,528	.0	1,604	5.0
TOTAL	**289,350**	**295,630**	**277,998**	**319,537**	**14.9**	**321,562**	**.6**	**322,028**	**.1**

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	RECOMMENDED % CHANGE	RECOMMENDED FY 2007	RECOMMENDED % CHANGE
Personal Services	184,635	187,401	189,451	196,339	3.6	205,055	4.4	209,157	2.0
Purchased Services	26,187	28,575	19,088	27,358	43.3	20,804	(24.0)	18,338	(11.9)
Maintenance	39,959	43,698	48,243	74,330	54.1	76,202	2.5	75,970	(.3)
Equipment	12,491	10,407	9,190	17,043	85.4	15,501	(9.0)	14,563	(6.0)
Subsidy	4,780	3,467	3,873	4,468	15.4	4,000	(10.5)	4,000	.0
Transfer & Other	21,299	22,083	8,153	0	(100.0)	0	.0	0	.0
TOTAL	**289,350**	**295,630**	**277,998**	**319,537**	**14.9**	**321,562**	**.6**	**322,028**	**.1**

Bureau of Workers' Compensation

PROGRAM SERIES 01: Injury Management Services

The injury management program series is a group of departments and initiatives designed to ensure the appropriate management of workers' compensation claims, availability of appropriate, cost-effective medical care, and development and credentialing of a strong provider network.

Program 01.01: Field Operations

This program focuses on claims management from the first report of injury to the resolution of the claim. The goal is to achieve efficient and effective resolution of claims at the lowest possible cost.

What the Budget Buys:

- Investigates 207,000 worker injury claims;
- Manages over 189,000 injury claims that have been approved via the investigative process; and
- Pays over $2 billion in benefits to injured workers for health care and lost wages.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	93,034,094	93,825,297
TOTAL FOR PROGRAM				**93,034,094**	**93,825,297**

Program 01.02: Injury Management Services

This program ensures that cost-effective, quality health care is provided to injured workers to facilitate an early return to work or return to a functional lifestyle. BWC administers the Health Partnership Program, acts as a liaison, provides development assistance to the healthcare community, coordinates the managed care organization activities, and ensures injured workers receive the best healthcare available.

What the Budget Buys:

- Processes more than 18,000 disputes regarding medical treatment provided to injured workers; and
- Distributes over $5 million in GRANT$ that enable injured workers to safely return to work prior to full recovery from their injury.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	16,752,205	16,100,730
TOTAL FOR PROGRAM				**16,752,205**	**16,100,730**

Program 01.03: Quality Assurance/Performance Review

This program was established in fiscal year 2004 as BWC began to implement its new business model. The program provides monitoring and reporting to ensure that claims and medical policies operate efficiently and appropriately.

What the Budget Buys:

- Performs quarterly audits to ensure data integrity and program compliance.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	1,201,070	1,224,297
TOTAL FOR PROGRAM				**1,201,070**	**1,224,297**

PROGRAM SERIES 02: Employer Management

This program series is responsible for providing a link between Ohio's employers and BWC. This series also includes a program directed toward large, financially stable employers who retain the financial risk for their companies' workers' compensation claims (self-insured employer services) and the investigation of potential safety violations.

Program 02.01: Employer Services

This program provides underwriting and technical support to help employers reduce their workers' compensation costs through accident/illness prevention and various risk management programs. The goals are to ensure employers are paying the appropriate premium, risk classifications are properly assigned, and employers are provided the appropriate services. These goals are monitored through the measurement of number, severity, and frequency of claims.

What the Budget Buys:

- Provides funding for 167 employees who provide underwriting and technical support to help employers lower employee accidents and illness.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	12,185,226	12,148,305
TOTAL FOR PROGRAM				**12,185,226**	**12,148,305**

Program 02.02: Self-Insured Services

Employers who are self-insured employ approximately one-third of Ohio's workforce. This program is responsible for investigating all inquiries/complaints, providing underwriting activities, and auditing self-insuring employers for compliance with the Workers' Compensation Act and the rules of BWC and/or the Industrial Commission.

What the Budget Buys:

- Provides for the audit of 1,100 employer self-insured programs to ensure compliance with appropriate rules and laws.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	3,973,161	4,005,197
TOTAL FOR PROGRAM				**3,973,161**	**4,005,197**

Program 02.03: Safety Violations Investigation

This program is responsible for investigating and preparing impartial, fact-finding summary reports for the Industrial Commission for all safety violation allegations in Ohio concerning workers' compensation.

What the Budget Buys:

- Funds ten investigators who investigate and prepare reports for the Industrial Commission (OIC) on all safety violation allegations concerning workers' compensation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-409	Administrative Services	593,982	605,861
TOTAL FOR PROGRAM				**593,982**	**605,861**

Program 02.04: Employer Management – Program Support Departments

This program encompasses several departments that provide employers with the best employer management services. The Customer Trend Analysis Department is responsible for tracking customer feedback from injured workers, employers, and medical providers. The Research and Analysis Department provides analytical, statistical, and reporting services to both internal and external customers.

What the Budget Buys:

- Funds 46 employees who improve service and reduce costs by tracking, monitoring, and reporting program results.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	3,955,640	4,007,023
TOTAL FOR PROGRAM				**3,955,640**	**4,007,023**

PROGRAM SERIES 03: Fraud Investigations

The fraud investigations program series is the proactive prevention of loss through fraud, whether from an operational or resource standpoint, for external and internal customers.

Program 03.01: Special Investigations

This program's mission is to prevent, detect, investigate, and prosecute fraudulent behavior affecting the workers' compensation system. The goal is to ensure that only those who deserve and receive workers' compensation benefits receive them and employers who are required to contribute to the system are doing so.

What the Budget Buys:

- Funds 139 employees who prevent more than $102 million in fraudulent claims.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-408	Fraud Prevention	11,308,431	11,309,781
TOTAL FOR PROGRAM				**11,308,431**	**11,309,781**

Program 03.02: Internal Affairs

The Internal Affairs Department services both the Bureau of Workers' Compensation and the Industrial Commission by investigating all allegations of criminal violation, abuse of office, or misconduct on the part of the BWC or OIC employees.

What the Budget Buys:

- Supports five investigators who investigate allegations of criminal abuse or misconduct by BWC or OIC employees.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-408	Fraud Prevention	405,366	404,016
TOTAL FOR PROGRAM				**405,366**	**404,016**

Bureau of Workers' Compensation

PROGRAM SERIES 04: Accident Prevention

The Division of Safety and Hygiene is committed to the creation of safe work environments in Ohio through the investigation and prevention of industrial accidents and disease.

Program 04.01: Safety and Hygiene

This program provides workplace consultation, training, seminars, and materials to create a safe work environment throughout the state. The program ensures Ohio's employees have a safe work environment through the investigation and prevention of industrial accidents and disease.

What the Budget Buys:

- Funds 180 employees who investigate and help prevent industrial accidents and disease; and
- Provides $4 million per year for the GEAR program, which provides grants to help businesses implement safety programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	826	855-609	Safety & Hygiene Operating	20,130,820	20,130,820
WCF	826	855-610	GEAR Program	4,000,000	4,000,000
FED	349	855-601	OSHA Enforcement	1,527,750	1,604,140
TOTAL FOR PROGRAM				**25,658,570**	**25,734,960**

PROGRAM SERIES 05: Special Benefits Funds

This program series includes the administration of the Disabled Workers' Relief Fund (DWRF), the Coal Workers' Pneumoconiosis Fund, and the Marine Industry Fund.

Program 05.01: Special Benefits Funds

BWC administers the programs associated with providing supplemental cost-of-living benefits to over 27,000 persons permanently and totally disabled, provides benefits to injured workers covered under Title 4 of the Federal Coal Mine Health and Safety Act of 1969, and provides benefits to injured workers covered under the Longshoreman's and Harbor Workers' Compensation Act Amendments of 1972.

What the Budget Buys:

- Funds the administration of this program, which provides benefits to more than 27,000 permanently and totally disabled persons.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	822	855-606	Coal Workers Fund	91,894	91,894
WCF	823	855-608	Marine Industry	53,952	53,952
WCF	825	855-605	Disabled Workers Relief Fund	693,764	693,764
TOTAL FOR PROGRAM				**839,610**	**839,610**

PROGRAM SERIES 06: Customer Relations

This program series addresses the needs and concerns of Ohio's employers, injured workers, and other interested parties.

Program 06.01: Customer Contact Center

This program handles customer contacts via phone, e-mail, walk-in, and written correspondence to educate, provide forms, provide clear, timely, and accurate information, and to assist customers with BWC processes, law, policies, and procedures. This department also assists new employers in obtaining BWC coverage, issuing certificates of coverage as needed, and helping established employers with policy account information.

What the Budget Buys:

- Funds 76 employees who handle information inquiries from the public.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	4,280,402	4,276,068
TOTAL FOR PROGRAM				**4,280,402**	**4,276,068**

Program 06.02: Corporate Affairs, Government, and Media Relations

This program ensures that internal and external customers receive appropriate, timely, and accurate information about BWC programs, services, initiatives, and progress.

What the Budget Buys:

- Funds Workers' Compensation University, public employer summits, and other special events.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	4,156,913	3,941,527
TOTAL FOR PROGRAM				**4,156,913**	**3,941,527**

Program 06.03: Ombudsperson

The Ombudsperson program assists injured workers and employers in dealing with the Bureau of Workers' Compensation and Industrial Commission. The goal is to ensure customers receive appropriate, timely, and accurate resolution to workers' compensation system issues in a fair and objective manner.

What the Budget Buys:

- Provides funding for seven employees who handle more than 7,000 general inquiries and process over 2,400 complaints.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-407	Claims, Risk, & Medical Management	513,326	523,593
TOTAL FOR PROGRAM				**513,326**	**523,593**

Bureau of Workers' Compensation

PROGRAM SERIES 07: Program Management

This program series represents the various administrative support services necessary to support the workers' compensation program. These include finance, human resources, legal, information technology, and internal audit. The goal is to provide operational areas within the agency with the necessary support services to accomplish agency goals.

Program 07.01: Program Management

The goals of the Finance Division are to increase customer satisfaction and pursue cost reductions without impairing quality or productivity. Human Resources provide leadership and guidance for BWC management and staff. The Legal Division provides advice and assistance to management regarding claims procedures, policies, appeals lodged on behalf of the State Insurance Fund, and other legal issues as may be posed. Internal Audit is responsible for monitoring and evaluating the internal control structure of BWC. The Information Technology Division is responsible for all computer equipment and software in use at BWC.

What the Budget Buys:

- Funds 558 employees who provide administrative support for BWC's programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
WCF	023	855-401	William Greene Lease Payments	19,736,600	20,125,900
WCF	023	855-409	Administrative Services	118,652,571	118,640,692
WCF	023	855-410	Attorney General Payments	4,314,644	4,314,644
TOTAL FOR PROGRAM				**142,703,815**	**143,081,236**

LINE ITEM SUMMARY - Workers' Compensation

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
R46	855-602	Camera Center Services	11,543	0	0	0	0	.0	0	.0
023	855-401	William Greene Lease Payments	16,974,631	17,882,537	6,160,704	19,239,613	19,736,600	2.6	20,125,900	2.0
023	855-407	Claims, Risk, & Medical Mgt.	130,722,888	127,877,043	128,601,926	140,052,037	140,052,037	.0	140,052,037	.0
023	855-408	Fraud Prevention	10,035,422	10,207,333	10,095,250	11,713,797	11,713,797	.0	11,713,797	.0
023	855-409	Administrative Services	104,630,150	114,590,969	107,523,483	119,246,552	119,246,553	.0	119,246,553	.0
023	855-410	Attorney General Payments	3,874,918	4,064,865	3,872,666	4,314,644	4,314,644	.0	4,314,644	.0
4Y6	855-612	J.L. Camera Center-Operating	342,799	0	0	0	0	.0	0	.0
822	855-606	Coal Workers Fund	38,260	66,463	81,251	91,894	91,894	.0	91,894	.0
823	855-608	Marine Industry	49,089	51,092	51,456	53,952	53,952	.0	53,952	.0
825	855-605	Disabled Workers Relief Fund	691,650	660,012	547,459	693,764	693,764	.0	693,764	.0
826	855-609	Safety & Hygiene Operating	17,593,088	17,187,493	17,600,253	20,130,820	20,130,820	.0	20,130,820	.0
826	855-610	Gear Program	4,385,870	3,042,378	3,463,855	4,000,000	4,000,000	.0	4,000,000	.0
TOTAL Workers' Compensation Fund Group			**289,350,308**	**295,630,185**	**277,998,303**	**319,537,073**	**320,034,061**	**.2**	**320,423,361**	**.1**
349	855-601	OSHA Enforcement	0	0	0	0	1,527,750	.0	1,604,140	5.0
TOTAL Fed Special Revenue Fund Group			**0**	**0**	**0**	**0**	**1,527,750**	**.0**	**1,604,140**	**5.0**
TOTAL Bureau of Workers' Comp			**289,350,308**	**295,630,185**	**277,998,303**	**319,537,073**	**321,561,811**	**.6**	**322,027,501**	**.1**

Department of Youth Services

Role and Overview

The Ohio Department of Youth Services (DYS) enhances public safety by confining serious juvenile offenders and by providing institutional and community-based programs that teach juvenile offenders the skills needed to live crime-free lives. DYS is managed by a director appointed by the Governor. Currently, the department operates eight juvenile correctional facilities, six regional parole offices, and the RECLAIM Ohio program. The department funds one privately contracted youth facility, twelve community correctional facilities, and local community corrections programs in all 88 counties through subsidy programs. On average, departmental subsidies fund 50 percent of Ohio's juvenile court programs and juvenile justice services in all 88 counties. The department has a staff of about 2,200 authorized full-time equivalent employee positions and an annual operating budget of approximately $282 million.

The department provides basic housing, food, and medical care as well as general and special education, psychological treatment, vocational education, employment readiness training, and treatment and counseling services for approximately 1,800 juvenile felony offenders housed in the eight correctional facilities. Aftercare (parole) supervision and services are provided to approximately 1,700 youth statewide to assist them in their return to the community after they are released from institutions. Special services and supervision are available to youth who have committed sex offenses or who have a history of substance abuse or drug trafficking. The department contracts with government agencies and private, non-profit, and for-profit agencies to provide both residential, non-residential, and outpatient services for youth with special needs.

The RECLAIM Ohio subsidy provides the juvenile courts flexibility and funding to develop community programs for young offenders, while at the same time encouraging judges to commit only serious and chronic delinquents to DYS. Funding is allocated to each county based on a formula that includes the number of felony youth adjudicated by the local juvenile courts over an average of four years and the actual beds used by counties for juveniles committed to DYS or Community Correctional Facilities from the previous year. The department also supports community rehabilitation efforts with Youth Service grants that help counties provide detention and inpatient treatment services as well as non-residential supervision, treatment, and delinquency prevention programs.

More information about the Department of Youth Services is available at http://www.dys.ohio.gov.

Executive Priorities for the Department of Youth Services

- Protect the public and assist youth in Ohio to live crime free through the operation of juvenile correctional facilities.
- Support graduated sanctions in the community to appropriately deal with the wide range of juvenile needs.
- Provide the essential step-down services required to reintegrate a released youth to the community through Parole Services.

Summary of Budget History and Recommendations

(In thousands)		ACTUAL		ESTIMATE	% CHANGE	RECOMMENDED	%		%
BUDGET FUND GROUP	FY 2002	FY 2003	FY 2004	FY 2005	FY 04-05	FY 2006	CHANGE	FY 2007	CHANGE
General Revenue Fund	226,179	219,788	228,414	235,182	3.0	244,491	4.0	252,293	3.2
General Services Fund Group	11,006	8,177	4,759	9,362	96.7	10,663	13.9	9,927	(6.9)
Fed Special Revenue Fund Group	11,941	22,830	19,338	19,816	2.5	17,734	(10.5)	17,447	(1.6)
State Special Revenue Fund Group	1,871	2,334	1,919	2,642	37.7	3,449	30.5	3,521	2.1
TOTAL	**250,998**	**253,129**	**254,430**	**267,002**	**4.9**	**276,337**	**3.5**	**283,188**	**2.5**

Department of Youth Services

(In thousands) OBJECT OF EXPENSE	ACTUAL FY 2002	FY 2003	FY 2004	ESTIMATE FY 2005	% CHANGE FY 04-05	RECOMMENDED FY 2006	% CHANGE	FY 2007	% CHANGE
Personal Services	132,294	135,107	127,529	136,189	6.8	141,313	3.8	146,558	3.7
Purchased Services	11,357	8,425	8,095	9,800	21.1	9,461	(3.5)	9,917	4.8
Maintenance	19,764	18,644	19,667	27,192	38.3	29,474	8.4	29,505	.1
Equipment	1,441	1,198	2,271	1,195	(47.4)	44	(96.3)	44	.0
Subsidy	68,683	70,485	76,031	70,821	(6.9)	75,777	7.0	75,281	(.7)
Capital Improvements	0	164	14	0	(100.0)	0	.0	0	.0
Transfer & Other	17,459	19,105	20,824	21,805	4.7	20,268	(7.1)	21,883	8.0
TOTAL	**250,998**	**253,129**	**254,430**	**267,002**	**4.9**	**276,337**	**3.5**	**283,188**	**2.5**

PROGRAM SERIES 01: Institutional Operations

This program series is responsible for operating the eight juvenile correctional facilities and the private facility contract used by DYS as alternative placement to DYS institutions, as well as the programs that serve to protect, educate, counsel, treat, and rehabilitate the youth in DYS custody.

Program 01.01: Behavioral Health Services

This program provides mental heath and substance abuse treatment services mandated by the Ohio Revised Code and the Civil Rights of Institutional Person Act (CRIPA). The behavioral health services include mental health assessment at reception; suicide assessment, prevention, and response; group and individual therapy/counseling; psychiatric services; treatment planning; crisis intervention; and consultation and chemical dependency programming. Chemical dependency programming provides an introduction to community support services through volunteers from self-help groups like Alcoholics or Narcotics Anonymous (AA, NA).

What the Budget Buys:

- Provides mental health, substance abuse, and chemical dependency assessments for all youth at reception;
- Funds mental health services, substance abuse and chemical dependency care and programming at all facilities;
- Provides suicide assessment, prevention, and response, group and individual therapy/counseling, psychiatric care, treatment planning, and crisis intervention services;
- Funds one new psychology assistant position at Ohio River Valley Juvenile Correctional Institution; and
- Funds one new psychologist position to serve the female population at Scioto Juvenile Correctional Institution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	FY 2007
GRF	GRF	470-401	RECLAIM Ohio	3,714,168	3,921,048
FED	321	470-603	Juvenile Justice Prevention	423,031	448,367
TOTAL FOR PROGRAM				**4,137,199**	**4,369,415**

Program 01.02: Medical Services

This program provides nursing and medical services, including primary health care, emergency and obstetrical services, hospitalization, dental, pharmacy, radiology, optometry, laboratory, preventative health care (such as immunizations and suicide prevention), and health care supplies and equipment, 24 hours a day, seven days a week for adjudicated juveniles committed to the department until released back to the community on parole.

What the Budget Buys:

- Provides 24 hour nursing services and necessary health care services;
- Funds on-site medical, dental, optometry, and psychiatric care through contracts with local providers;
- Provides a continuum of care from admission to the agency to the youth transition back into the community;
- Provides immunizations to all youth upon their arrival to the department; and
- Funds one new nurse position at Ohio River Valley Juvenile Correctional Institution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	12,186,271	12,687,858
TOTAL FOR PROGRAM				**12,186,271**	**12,687,858**

Program 01.03: Security/Unit Management

This program ensures that the eight correctional facilities are fenced compounds, with electronic security systems including cameras, personal alarms, electronic door controls, and fence alarms, with on-going visual inspections of security hardware. The program provides basic supervision and control of youth in a safe and orderly atmosphere to promote the delivery of other services and to ensure that other institution operations can continue 24 hours a day, seven days a week. Some of these other processes include: regular counts of the youth; monitoring the delivery of ethical and required services including meals, medical care, recreation, and programming; cleanliness of the facility; assigning jobs to the youth; interaction with other areas of the facility to facilitate continuity of care and programming for the youth; and supervision of basic disciplinary processes.

What the Budget Buys:

- Ensures safe and secure juvenile correctional facilities;
- Provides basic supervision and control of youth;
- Provides continuous monitoring and inspection of security equipment and hardware;
- Promotes the secure delivery of youth services and treatment; and
- Funds 46 new security positions at Ohio River Valley Juvenile Correctional Institution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	52,956,926	56,039,146
TOTAL FOR PROGRAM				**52,956,926**	**56,039,146**

Program 01.04: Education

This program provides the operation of an accredited high school within each DYS facility. Education services and activities provided to the school age youth enable them to work toward high school graduation or a GED, develop job-training skills, and provide remediation and services for youth with learning disabilities. School administration, guidance, and library services provide youth with the necessary elements to support the educational environment and provide the youth with a well-rounded educational experience. Academics, Career Technical, Special Education, and Title One programs are also provided to middle- and high-school students ages 12 to 21.

What the Budget Buys:

- Operates an accredited high school within each DYS institution, providing a quality education for all youth working toward high school graduation or GED, in compliance with the Ohio Department of Education charter;
- Funds four new teachers, one new guidance counselor, and an additional three special education teachers at Ohio River Valley Juvenile Correctional Institution;
- Funds special education programming for all students in need of special education services; and
- Provides 31 secondary and one adult program providing vocational training in 14 program areas to eligible youth.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	5,727,468	5,871,326
GSF	175	470-613	Education Reimbursement	9,110,850	8,407,110
FED	321	470-601	Education	1,327,699	1,366,438
SSR	147	470-612	Vocational Education	1,937,784	2,009,866
SSR	4W3	470-618	Help Me Grow	11,000	11,000
TOTAL FOR PROGRAM				**18,114,801**	**17,665,740**

Program 01.05: Food Services

This program provides food and nutrition service operations including labor, food, food handling, and equipment at all DYS institutions. DYS is required to provide all adjudicated juveniles committed to the department daily meals that are nutritionally balanced, well planned, and prepared in a manner that meets established governmental health and safety regulations and codes. Special meals are also provided to juveniles, including therapeutic diets as prescribed by a physician and religious diets for those whose beliefs require the adherence to religious dietary law. The cost for DYS to provide meals that meet one juvenile's basic nutritional needs is approximately $4.00 per day.

What the Budget Buys:

- Provides approximately 8,580 daily meals and snacks, prepared according to the Recommended Daily Allowances (RDA) standards, set forth by the National Academy of Sciences and the National School Lunch Program of 1946, for all youth adjudicated to a DYS institution; and
- Ensures all meals offered comply with general patterns established by the Department of Education and a menu option approved by a licensed and registered dietician.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	6,372,467	6,748,574
GSF	479	470-609	Employee Food Service	69,642	62,754
FED	321	470-606	Nutrition	2,471,550	2,470,655
TOTAL FOR PROGRAM				**8,913,659**	**9,281,983**

Program 01.06: Maintenance

This program provides maintenance activities for DYS facilities including labor, preventive maintenance contracts, repairs, utilities, equipment, supplies, and materials. These facilities range from single buildings to campus-style compounds. Because of the location of many of these facilities, as well as the age of the buildings and physical layout of the compound, DYS maintains well fields, water treatment facilities, wastewater treatment plants, and a centralized powerhouse.

What the Budget Buys:

- Maintains safe and secure juvenile correctional facilities;
- Continues to maintain American Correctional Association standards; and
- Provides for timely reviews and repairs of the systems and structure of all eight DYS facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	10,174,469	10,546,288
GSF	6A5	470-616	Building Demolition	31,100	0
TOTAL FOR PROGRAM				**10,205,569**	**10,546,288**

Program 01.07: Facility Management

This program coordinates and oversees all functions of the eight juvenile correctional facilities within the Department of Youth Services. The program provides fiscal accountability; supervision of department heads, coordination of services, maintenance, food service, personnel, business office, storeroom, and laundry; supervision of the internal and external security staff and practices to protect staff, juveniles, visitors, and the community; and oversight of education, medical, social services, mental health, recreation, and chaplains.

What the Budget Buys:

- Provides management oversight and administrative supervision to ensure the safe and effective delivery of programs and services at all eight state run institutions; and
- Ensures that the daily operations of every facility are as efficient and effective as possible, while meeting all statutory requirements and American Corrections Association accreditation.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	9,597,346	8,139,820
TOTAL FOR PROGRAM				**9,597,346**	**8,139,820**

Program 01.08: General Program Services

This program provides general social service activities such as sex offender treatment, religious services, recreation, reception, and assessment services at DYS facilities. Through this program DYS takes a holistic approach in working with the youth, the families, the courts, the judges, parole, and the community. DYS forms partnerships with various state agencies, such as the Ohio Department of Mental Health, the Ohio Department of Alcohol and Drug Addiction Services, and the TASC Boards (Treatment Alternatives to Street Crime), in order to coordinate services upon re-entry into the community.

What the Budget Buys:

- Provides a 21-day reception assessment for all juveniles entering a DYS institution;
- Provides social workers to develop individual case plans, facilitate cognitive-behavioral/psycho-educational groups, provide individual counseling, write progress reports, and collaborate with parole, juvenile courts, and release authority;
- Funds one chaplain at each institution to provide assessment interviews in regards to religious preference, coordinate the provision of religious services, provide spiritual counseling and recruit community volunteers;
- Provides recreational services for daily exercise and age appropriate leisure time activities; and
- Funds six new social worker positions, one new social work supervisor position, and two new general activity therapist positions at Ohio River Valley Juvenile Correctional Institution.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	11,574,672	12,261,949
TOTAL FOR PROGRAM				**11,574,672**	**12,261,949**

Program 01.09: Support Services

This program is responsible for meeting the operational needs of staff and youth at the eight institutions within DYS. Support Services consists of services provided by staff in laundry, storeroom, training, fiscal, records, and personnel.

What the Budget Buys:

- Provides laundry services to all youth in each institution;
- Provides storeroom services such as clothing, supplies for the units, classrooms, and food;
- Funds training services for staff members to provide current training to new and existing employees;
- Funds fiscal operations that monitor revenue and expenditures, asset and records management, and telecommunications;
- Maintains records of youth and employees;
- Funds an additional three support services positions at Ohio River Valley Juvenile Correctional Institution; and
- Provides direction to employees from areas of benefits to recruitment opportunities through personnel services.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	10,313,636	10,745,565
TOTAL FOR PROGRAM				**10,313,636**	**10,745,565**

Program 01.10: Private Facility Contracts

This program provides funding for the private facility contract with the Lighthouse Youth Center (Paint Creek) (LYC-PC). This facility provides an alternative to institutional placement for 50 male Felony 1 and 2 level juvenile offenders. LYC-PC treats very serious male adolescent offenders, and also provides specialized services for chemical dependency and sex offender programming. The program is licensed by the Ohio Department of Job and Family Services for residential placement, and certified by the Ohio Department of Alcohol and Drug Addiction Services for outpatient alcohol and drug counseling.

What the Budget Buys:

- Funds the current contract with LYC-PC providing placements for 50 Felony level 1 and 2 male offenders.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	2,569,890	2,634,137
TOTAL FOR PROGRAM				**2,569,890**	**2,634,137**

PROGRAM SERIES 02: Parole Operations

This program series supervises juvenile offenders who are released from state correctional facilities and/or brought in through an Interstate Compact Agreement. The program contains the operational costs of six Regional Offices and the placement costs associated with residential and non-residential services provided to DYS parolees.

Program 02.01: Parole Operations

This program operates the six DYS regional parole offices by funding the staff, office leases, equipment, supplies, and materials. The regional parole office operations include the maintenance of safety vehicles and equipment, staff training, office maintenance, security, and maintenance of youth records.

What the Budget Buys:

- Funds operations of the six regional parole offices in Ohio; and
- Funds the supervision of juvenile offenders who are released from state correctional facilities, and/or brought in through an Interstate Compact Agreement.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	472-321	Parole Operations	12,527,553	13,144,317
FED	321	470-614	Title IV-E Reimbursements	209,028	214,254
TOTAL FOR PROGRAM				**12,736,581**	**13,358,571**

Program 02.02: Contract Treatment Services

This program provides funding for residential and non-residential treatment services while youth are under parole supervision. The Ohio Department of Youth Services, Bureau of Parole is responsible for providing services to over 1,700 youth a year who have been placed on parole upon release from a juvenile correctional facility. These services assist the paroled youth to transition back into the community and to remain crime free. Due to the nature of the crimes committed by the youth and placement options, the Bureau of Parole has established a statewide network of service providers to address the needs of these youth.

What the Budget Buys:

- Funds services to assist youth transitioning from an institution back into the community, such as sex-offender programming, and mental health, developmentally handicapped, mentally retarded, and substance abuse services;
- Funds community-based counseling for youth released from a DYS institution; and
- Funds residential placements for youth not able to be returned home due to such factors as family dynamics, violent offender status, or a victim remaining in the home.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	472-321	Parole Operations	1,831,442	1,818,554
TOTAL FOR PROGRAM				**1,831,442**	**1,818,554**

PROGRAM SERIES 03: Juvenile Court Subsidies

This program series provides base and variable funding under the RECLAIM program to Ohio's 88 counties in order to develop and sustain programs intended to divert youth from commitment to DYS facilities. The program series also provides funding for operation of juvenile Community Correctional Facilities, again with the focus on diversion from DYS commitment.

Program 03.01: Youth Services Block Grant

This program provides funding to Ohio's 88 counties to develop and implement non-secure community programs for at-risk, unruly, and delinquent youth. The Youth Services Grant is a subsidy program that has provided funding for basic county juvenile court operations since 1981, when it was enacted to assist the courts in removing status and misdemeanor offenders from institutional commitment to the Department of Youth Services. This represented a major shift in responsibility for this population of youth from the state to the counties. As a result, the majority of funding through the Youth Services Grant is used to provide the courts with direct care staff, such as probation officers.

What the Budget Buys:

- Provides grant funding to all 88 Ohio counties for county juvenile court operations; and
- Provides funding for county juvenile courts to create programs to divert status and misdemeanor offenders from state juvenile correctional facilities.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-510	Youth Services	18,608,587	18,608,587
TOTAL FOR PROGRAM				**18,608,587**	**18,608,587**

Program 03.02: RECLAIM County Subsidy

This program provides funding for Ohio's 88 county juvenile courts to create and fund diversion programs. RECLAIM Ohio encourages county juvenile courts to develop or purchase community programs to meet the needs of each juvenile offender, in lieu of commitment to state institutions. Eligible alternatives address the need for community safety, youth accountability, and programs and services that are cost-effective. Through RECLAIM, funding is available to county juvenile courts for programs and services for youth, including residential treatment, substance abuse counseling, wraparound services, education, sex offender treatment, day treatment, probation supervision, employment, family preservation, life skills, and electronic monitoring.

What the Budget Buys:

- Provides grant funding to all 88 Ohio counties to provide an incentive for county juvenile courts to purchase and develop programs as an alternative to sending juvenile offenders to a DYS institution. These grants provide funding for administrative positions needed to facilitate programs through county courts.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	30,000,000	30,000,000
TOTAL FOR PROGRAM				**30,000,000**	**30,000,000**

Program 03.03: Community Correctional Facilities

This program provides funding for 12 juvenile community correctional facilities throughout Ohio. Community Corrections Facilities (CCF) are locally managed to provide secure alternatives to commitment to DYS state institutions. The Community Corrections program allows the 88 counties to divert adjudicated felons to CCFs in lieu of a commitment to state juvenile correctional facilities. The program provides more than 300 beds for felony offenders and more individualized care for the juveniles by keeping them closer to their communities and supports a better transition to community settings following release.

What the Budget Buys:

- Provides grant funding for operations of the 12 juvenile community correctional facilities in Ohio;
- Funds programming for education, treatment, medical, mental health, and community services within all juvenile community correctional facilities in Ohio; and
- Provides funding for 18 additional beds to open in community correctional facilities, including beds for females.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	18,568,088	19,025,041
TOTAL FOR PROGRAM				**18,568,088**	**19,025,041**

PROGRAM SERIES 04: Federal Juvenile Justice Grants

This program series contains the funding received from the Federal Government for DYS to administer grant programs for juvenile crime prevention, treatment, and rehabilitation in Ohio. DYS serves as either the grantor agency to administer program funding or may receive funding as the grantee to support juvenile justice programs.

Program 04.01: Juvenile Justice Programs

This program oversees the administration of federal juvenile justice dollars awarded to the State of Ohio from the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP). These grants are referred to as Block Grants and include Juvenile Accountability Block Grant (JABG), Title II, and Title V. In addition, through participation in Partners for Success initiatives, DYS administers Challenge and AmeriCorp grants.

What the Budget Buys:

- Provides grant funding to 38 counties as sub-grant awards, to enable them to provide case management services to youth, including linking them with Workforce Investment Act (WIA) services, tutoring, employment, and occupational skills training; recruit, manage and train AmeriCorps members (mentors) who will be assigned to work with youth, and, provide job readiness and career development services to youth; and
- Provides for the administration of JABG, Title II, and Title V block grants.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
FED	3V5	470-604	Juvenile Justice/Delinquency Prev.	3,831,911	3,815,292
FED	3W0	470-611	Federal Juvenile Programs FFY 02	222,507	0
FED	3Z8	470-625	Federal Juvenile Programs FFY 04	1,023,188	773,812
FED	3Z9	470-626	Federal Juvenile Programs FFY05	465,000	0
FED	321	470-603	Juvenile Justice Prevention	1,558,138	1,558,138
FED	321	470-617	AmeriCorps Programs	456,000	463,700
TOTAL FOR PROGRAM				**7,556,744**	**6,610,942**

PROGRAM SERIES 05: Program Management

This program series is the central planning and administrative component of the department. Program Management's primary role is to support and oversee the direction and implementation of all programs and sub-programs in the Department of Youth Services.

Program 05.01: Program Management

This program provides oversight, management, and staff support to all of the divisions of DYS. Service oversight provided by Program Management include: the Release Authority, Victim Services, Human Resources, Subsidies to Counties, Grants and Compliance, Family and Children First, Education, Medical Services, Clinical Services, Development & Correctional Programs, Substance Abuse, Community-Based Programs, Parole, Management Information Systems (MIS), General Counsel, Chief Inspector Office of Internal Audits, Bureau of Facilities, Land and Equipment, and Finance.

What the Budget Buys:

- Funds administrative operations that oversee all agency functions;
- Provides leadership and direction to a juvenile correctional system employing over 1,900 employees, and housing a population of approximately 1,700 juvenile offenders; and
- Provides direction and oversight to the community corrections programs.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-401	RECLAIM Ohio	3,261,282	3,463,836
GRF	GRF	477-321	Administrative Operations	14,239,494	14,754,420
GSF	175	470-613	Education Reimbursement	1,001,679	1,043,488
GSF	4A2	470-602	Child Support	320,641	328,657
GSF	4G6	470-605	General Operational Funds	10,000	10,000
GSF	479	470-609	Employee Food Service	71,824	74,912
GSF	523	470-621	Wellness Program	46,937	0
FED	3V5	470-604	Juvenile Justice/Delinquency Prev.	422,834	439,454
FED	3Z8	470-625	Federal Juvenile Programs FFY 04	476,813	0
FED	321	470-601	Education	94,881	98,961
FED	321	470-614	Title IV-E Reimbursements	4,751,561	5,798,107
SSR	5BH	470-628	Partnerships for Success	1,500,000	1,500,000
TOTAL FOR PROGRAM				**26,197,946**	**27,511,835**

PROGRAM SERIES 06: Debt Service

This program series provides funding for debt service that must be paid to the Ohio Building Authority for its obligation incurred as a result of issuing bonds to cover DYS's capital expenditures for the construction, repair, and renovation of facilities administered or funded by DYS.

Program 06.01: Debt Service

This program provides funding for debt service for DYS capital expenditures for the renovation, repair, and construction at all DYS institutions, community correction centers, and detention facilities.

What the Budget Buys:

- Funds all debt obligations for capital expenditures for the biennium.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED FY 2006	RECOMMENDED FY 2007
GRF	GRF	470-412	Lease Rental Payments	20,267,500	21,882,700
TOTAL FOR PROGRAM				**20,267,500**	**21,882,700**

LINE ITEM SUMMARY - Youth Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	470-401	RECLAIM Ohio	158,494,608	154,139,365	160,617,332	167,697,794	177,016,683	5.6	182,084,588	2.9
GRF	470-402	Community Program Services	1,071,597	0	0	0	0	.0	0	.0
GRF	470-412	Lease Rental Payments	17,003,741	17,122,802	19,315,849	19,867,847	20,267,500	2.0	21,882,700	8.0
GRF	470-501	Rehabilitation Subsidy	111,230	0	0	0	0	.0	0	.0
GRF	470-502	Detention Subsidies	342,497	0	0	0	0	.0	0	.0
GRF	470-510	Youth Services	18,558,579	18,558,587	18,608,587	18,608,587	18,608,587	.0	18,608,587	.0
GRF	472-321	Parole Operations	15,857,922	15,725,815	15,196,963	14,841,872	14,358,995	(3.3)	14,962,871	4.2
GRF	477-321	Adminstrative Operations	14,490,308	13,991,425	14,675,026	14,166,008	14,239,494	.5	14,754,420	3.6
GRF	477-406	Interagency Collaborations	248,663	249,659	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**226,179,145**	**219,787,653**	**228,413,757**	**235,182,108**	**244,491,259**	**4.0**	**252,293,166**	**3.2**
175	470-613	Education Reimbursement	10,589,292	7,707,382	4,402,816	8,817,598	10,112,529	14.7	9,450,598	(6.5)
4A2	470-602	Child Support	322,975	297,286	245,039	320,641	320,641	.0	328,657	2.5
4G6	470-605	General Operational Funds	0	7,022	24,509	63,500	10,000	(84.3)	10,000	.0
479	470-609	Employee Food Service	77,420	149,670	86,929	160,008	141,466	(11.6)	137,666	(2.7)
523	470-621	Wellness Program	16,581	0	0	0	46,937	.0	0	(100.0)
6A5	470-616	Building Demolition	0	16,000	0	0	31,100	.0	0	(100.0)
TOTAL General Services Fund Group			**11,006,268**	**8,177,360**	**4,759,293**	**9,361,747**	**10,662,673**	**13.9**	**9,926,921**	**(6.9)**
3V5	470-604	Juvenile Justice/Delinquency Prev.	1,399,180	4,055,100	4,596,852	4,600,000	4,254,745	(7.5)	4,254,746	.0
3V9	470-608	Federal Juvenile Programs FFY 01	1,691,604	4,644,409	1,269,736	230,000	0	(100.0)	0	.0
3W0	470-611	Federal Juvenile Programs FFY 02	0	2,027,290	3,878,757	700,000	222,507	(68.2)	0	(100.0)
3Z8	470-625	Federal Juvenile Programs FFY 04	0	0	1,328,510	1,500,000	1,500,001	.0	773,812	(48.4)
3Z9	470-626	Federal Juvenile Programs FFY 05	0	0	0	1,222,800	465,000	(62.0)	0	(100.0)
321	470-601	Education	1,398,917	1,716,612	1,701,912	1,555,148	1,422,580	(8.5)	1,465,399	3.0
321	470-603	Juvenile Justice Prevention	1,449,385	2,182,115	1,760,526	1,558,138	1,981,169	27.2	2,006,505	1.3
321	470-606	Nutrition	2,452,237	2,248,802	2,296,245	2,485,170	2,471,550	(.5)	2,470,655	.0
321	470-610	Rehabilitation Programs	330,143	769,326	195,904	585,000	0	(100.0)	0	.0
321	470-614	Title IV-E Reimbursements	2,901,382	4,908,668	2,133,014	4,919,282	4,960,589	.8	6,012,361	21.2
321	470-617	Americorps Programs	318,614	277,526	176,595	460,000	456,000	(.9)	463,700	1.7
TOTAL Fed Special Revenue Fund Group			**11,941,462**	**22,829,848**	**19,338,051**	**19,815,538**	**17,734,141**	**(10.5)**	**17,447,178**	**(1.6)**
147	470-612	Vocational Education	1,864,073	2,068,864	1,911,243	2,630,612	1,937,784	(26.3)	2,009,866	3.7
4W3	470-618	Help Me Grow	0	10,760	7,509	11,587	11,000	(5.1)	11,000	.0
5BH	470-628	Partnerships for Success	0	0	0	0	1,500,000	.0	1,500,000	.0
5J7	470-623	Residential Treatment Services	7,057	254,144	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**1,871,130**	**2,333,768**	**1,918,752**	**2,642,199**	**3,448,784**	**30.5**	**3,520,866**	**2.1**
TOTAL Dept of Youth Services			**250,998,005**	**253,128,629**	**254,429,853**	**267,001,592**	**276,336,857**	**3.5**	**283,188,131**	**2.5**

Ohio Revised Code 107.03

Actual agency expenses by source of funds during each fiscal year of the previous two biennia shall be presented in comparative form, per Ohio Revised Code Section 107.03. This section meets the requirement of ORC 107.03.

Ohio Department of Human Services

In an effort to reduce duplicative services and to create an integrated statewide workforce development system, the Taft administration consolidated the Department of Human Services and the Bureau of Employment Services, creating the Department of Job and Family Services. The new department came into existence on July 1, 2000.

State and Local Government Commission

The State and Local Government Commission (SLG), established in 1978, worked with local governmental entities throughout the state to help resolve intergovernmental problems and assisted with identifying funding sources for local projects. The agency also maintained the Directory of State Services for Local Government, kept an up-to-date database of elected officials, published a quarterly newsletter that provided information on state and federal legislation with impacts on local governments, and published the State of Ohio toll-free telephone number list.

Amended Substitute House Bill 94 of the 124th General Assembly eliminated the commission in fiscal year 2002.

Women's Policy and Research Commission

The Women's Policy and Research Commission (WPR) was established in 1990 with a mission to promote the advancement of women and the removal of barriers to women's equality by maintaining a list of women qualified for state appointments, educating the public on the status of women, assisting the public and private sectors with the development of programs and services for women, identifying barriers to women's equality, and analyzing current and proposed public policy and reporting its impact on women.

Amended Substitute House Bill 94 of the 124th General Assembly eliminated the commission in fiscal year 2002.

LINE ITEM SUMMARY - Human Services

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
3D3	400-648	Children's Trust Fund-Federal	36,969	0	0	0	0	.0	0	.0
3G9	400-657	Special Activities-Family Asst	117,470,387	12,464,359	0	0	0	.0	0	.0
327	400-606	Child Welfare	36,944	0	0	0	0	.0	0	.0
395	400-616	Special Activities-Child & Fam Svs	2,583	0	0	0	0	.0	0	.0
396	400-620	Social Services Block Grant	1,240	0	0	0	0	.0	0	.0
397	400-626	Child Support	129,425	0	0	0	0	.0	0	.0
398	400-627	Adoption Maint/Administration	22,446	0	0	0	0	.0	0	.0
TOTAL Fed Special Revenue Fund Group			**117,699,994**	**12,464,359**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Department of Human Services			**117,699,994**	**12,464,359**	**0**	**0**	**0**	**.0**	**0**	**.0**

LINE ITEM SUMMARY - State and Local Government Commission

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	046-321	Operating Expenses	58	0	0	0	0	.0	0	.0
GRF	046-501	ESC Subsidy	1,012,151	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**1,012,209**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL State and Local Government Com			**1,012,209**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**

LINE ITEM SUMMARY - Women's Policy and Research

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
GRF	920-321	Operating Expenses	4,831	0	0	0	0	.0	0	.0
TOTAL General Revenue Fund			**4,831**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
4V9	920-602	Women's Policy & Research Fund	261	0	0	0	0	.0	0	.0
TOTAL State Special Revenue Fund Group			**261**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**
TOTAL Women's Policy/Research Comm			**5,092**	**0**	**0**	**0**	**0**	**.0**	**0**	**.0**